

Environmental

1. Responding to Climate Change

Our Commitment

Yutong Bus is committed to supporting the Paris Agreement and China's dual-carbon goals while strengthening our resilience to climate impacts. Guided by our vision to achieve peak carbon and carbon neutrality, we have integrated sustainable practices into our core strategy and operations, backed by clear carbon neutrality targets and roadmaps.

Goals & Strategies

Our sustainability strategy prioritizes energy conservation, low-carbon transition, eco-friendly operations, pollution prevention, and synergistic emission reduction. We focus on developing green products, building green factories, and promoting a green supply chain—driven by R&D planning, tech upgrades, low-carbon manufacturing and collaboration across our value chain.

We've established a battery recycling network and launched the "Net-Zero Forest" ecological restoration initiative, collaborating with suppliers and partners to accelerate decarbonization. In 2024, we launched the "Net-Zero Forest" Ten-Year initiative, committing to "one bus sold, one tree planted."

Goal: Strive to achieve net-zero emissions by 2050.

Scope 1 & 2 Targets (vs. 2023 baseline):

2025: Achieve "carbon peaking" by 2025 and reduce carbon emission intensity by 8%.

2030: Cut GHG emissions by 20% and carbon intensity by 40%;

2040: Transition to 100% clean energy.

Scope 3 Targets (vs. 2023 baseline):

2030: Work with key suppliers to reduce carbon intensity by 30%;

2040: Cut GHG emissions across the entire value chain by 60%;

2050: Achieve net-zero emissions across the entire value chain, aligning with the 1.5°C temperature control target of the Paris Agreement.

Key 2025 Milestones

- All company sites completed ISO 14064 verification for carbon footprint.
- Total photovoltaic power generation reached 1,480.44 MWh.
- Procured 34,997.10 MWh of green electricity from renewable energy producers via power trading markets.
- By the end of December 2025, the "Net Zero Forest" project, has cumulatively planted 83,700 trees in Gansu (China), the UK, Chile, Mexico, etc. with local tree-planting organizations, taking practical actions to contribute to the improvement of the global ecological environment.

2. Opportunities in clean tech

Our Commitment

Yutong Bus adheres to the principle of energy conservation, low-carbon, green development, and sustainable operation, integrating green and low-carbon development into its business activities. We are committed to working closely with our partners to systematically advance the green and low-carbon transformation of vehicles throughout their entire lifecycle.

Goals & Strategies

Goal:

Targets to increase investment in clean tech: From 2026 to 2030, we will implement a dedicated R&D program focused on clean technologies for the bus sector, with cumulative investments nearing 5 billion RMB. This initiative will prioritize green transportation solutions centered on powertrain technologies such as battery electric vehicles (BEV) and fuel cell electric vehicles (FCEV), continuously enhancing the low-carbon and intelligent capabilities of our bus products.

Low-Carbon Design Targets: Centered on “green design,” we are advancing our clean technology strategy from single electrification to full lifecycle greening, establishing a systematic green product development process. Compared to 2025, by 2030 we will achieve a 25% comprehensive reduction in vehicle material carbon emissions, an 85% reuse rate, and a 95% recyclability rate.

Strategy:

Increasing Investment in Clean Power R&D and Design: We continue to innovate in the battery electric vehicle sector, overcoming challenges in range and energy efficiency management under extreme conditions to ensure zero emissions throughout all driving scenarios. Our independently developed hydrogen fuel cells draw in air during operation, filtering out particulates, dust, and other impurities. Only pure oxygen participates in the electrochemical reaction, resulting in buses emitting only water vapor from their exhaust. We have independently established vehicle hydrogen refueling stations to build a comprehensive support system covering the entire chain of vehicle operations and infrastructure.

Key 2025 Milestones

- By the end of 2025, we have established a comprehensive product portfolio of new energy buses covering all segments to meet diverse operational needs. We have sold over 210,000 units globally, cumulatively reducing carbon dioxide emissions by more than 31 million tons.

- A total of 17 products have completed LCA (Life Cycle Assessment) evaluations and obtained EPD (Environmental Product Declaration) certification, with their declarations officially published on the international EPD platform (<https://environdec.com/library>).

- In accordance with *ISO 22628:2022 “Road vehicles — Recyclability and recoverability — Calculation method,”* assessments of the recyclability and recoverability rates have been completed for eight currently available electric bus models. All models achieved rates exceeding 95% and passed the ISO 14021:2016 surveillance audit.

3. Waste Management

Our Commitment

We fulfill our environmental protection responsibilities, strictly comply with environmental laws and regulations, promote waste reduction and harmless treatment, and emphasize ecosystem protection to minimize environmental impact.

Goals & Strategies

Goal:

In addition to meeting all mandatory emissions standards, we have set stricter voluntary targets for controlling waste gases, solid waste, and wastewater from our operations. Waste Management Targets & Progress:

Category	2025 Targets	Progress on 2025 Milestones	2030 Targets
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Wastewater	COD (Chemical Oxygen Demand) ≤ 150 mg/L	Achieved. Average 2025 concentration: 40.42 mg/L	As per China's control standards, total concentration ≤ 150 mg/L
	Ammonia Nitrogen ≤ 25 mg/L	Achieved. Average 2025 concentration: 4.75 mg/L	As per China's control standards, total concentration ≤ 25 mg/L
	Total phosphorus ≤ 1 mg/L	Achieved. Average 2025 concentration: 0.37 mg/L	As per China's control standards, total concentration ≤ 1 mg/L
	Wastewater discharge intensity ≤ 0.24 m ³ /10,000 RMB	Achieved. 2025 intensity: 0.23 m ³ /10,000 RMB	By 2030, the intensity will be ≤ 0.23 m ³ /10,000 RMB
Waste gases	VOCs (Volatile Organic Compounds) ≤ 40 mg/m ³ (calculating as NMHC (non-methane hydrocarbon), with a voluntary stricter control target of ≤ 30 mg/m ³)	Achieved. Average 2025 concentration: 5.55 mg/m ³	Voluntary stricter control target of ≤ 30 mg/m ³
	NOx ≤ 30 mg/m ³	Achieved. Average 2025 concentration: 17.04 mg/m ³	As per China's control standards, NOx emission concentration ≤ 30 mg/m ³
	Waste gas emission intensity ≤ 0.00004 tons/10,000 RMB	Achieved. 2025 intensity: 0.00004 tons/10,000 RMB	Waste gas emission intensity ≤ 0.00004 tons/10,000 RMB
Solid waste	100% compliant in storage & disposal of general industrial solid waste 100% compliant disposal of hazardous waste	Achieved. 100% compliance in 2025	100% compliant in storage & disposal of general industrial solid waste 100% compliant disposal of hazardous waste
	Waste generation intensity ≤ 0.0215 tons/10,000 RMB	Achieved. 2025 intensity: 0.0212 tons/10,000 RMB	By 2030, the intensity will be ≤ 0.0212 tons/10,000 RMB
	Recyclable general industrial solid waste such as scrap steel, paper, glass, rubber are 100% directed to resource recycling	Achieved. 100% of recyclable waste was directed to resource recovery in 2025.	Recyclable general industrial solid waste such as scrap steel, paper, glass, rubber are 100% directed to resource recycling

Strategy:

Enhance Environmental Management System: We establish policies and internal standards for pollution prevention and control of wastewater, waste gas, and solid

waste in compliance with regulatory and system requirements, while proactively implementing pollution control measures. We entrust a third party annually to audit our environmental management system to continuously improve the system.

Increase Investment in Environmental Protection: In 2025, we prioritized R&D innovation and technical upgrades in welding fume treatment, automated VOC emission monitoring, odor control at sewage stations, and standardized pollutant discharge outlets. The total environmental protection investment for 2025 was approximately RMB 74.4 million.

Key 2025 Milestones

Environmental Management System Certification: In 2025, 100% of our production and operational sites have obtained certification of ISO 14001 Environmental Management Systems. We routinely conduct the maintenance of its Environmental Management System (EMS) and annual surveillance audits. In 2025, we successfully obtained the surveillance audit compliance certificate.

<p>ISO 14001 Environmental Management System Certification</p>	<p>ISO 14001 Annual Supervisory Audit</p>

Waste Gas Management: We have fully launched a comprehensive air pollution emission upgrade project since 2017. After the upgrade, while meeting emission standards, the average VOCs concentration dropped from 120mg/m³ to below 25mg/m³, achieving over 80% reduction. Boiler NO_x emissions decreased from around 200mg/m³ to under 30mg/m³, with an 85% reduction rate.

Solid Waste Management: We continuously advance source reduction and waste-to-resource initiatives. Specifically, the Shibalihe Plant and the Electric Bus Intelligent Manufacturing Factory adopt integrated dewatering technologies—heat pump low-temperature dehumidification and low-temperature vacuum drying, respectively. These processes reduced sludge moisture content from approximately 75% to below 25%, cutting annual sludge volume by about 650 tons and achieving significant solid waste reduction.

Wastewater Management: We strictly enforce drainage principles of “rainwater-sewage diversion, clean water-wastewater separation, and quality-based treatment.” All vehicle manufacturing plants operate comprehensive sewage treatment stations utilizing a “physicochemical treatment + hydrolysis acidification + contact oxidation + Aerated Biological Filter (BAF)” process to treat both industrial and domestic wastewater.