

# Environmental

## 1. Response to Climate Change

### ● Our Commitment

Yutong Bus is committed to responding the Paris Agreement and China's dual-carbon goals, while enhancing our climate resilience. Guided by our vision to achieve peak carbon and carbon neutrality, We deeply integrate ESG concepts into our business strategies, backed by clear carbon neutrality targets and roadmaps.

### ● Goals & Strategies

Yutong has established a sustainable and low-carbon development path featuring "coordinated promotion of energy conservation, low-carbon, environmental protection, and pollution and carbon reduction". We focus on developing green products, building green factories, and promoting a green supply chain. Our overall climate strategy aims to achieve long-term climate goals through product planning, technological innovation, manufacturing decarbonization, and industrial chain collaboration.

We've established a battery recycling network and launched the "Net-Zero Forest" ecological restoration initiative. We mobilize our entire workforce and collaborate with upstream and downstream partners to promote carbon neutrality. In 2024, against the backdrop of accelerated global efforts toward carbon neutrality, Yutong Bus has launched and actively advances the long-term public welfare initiative "Net Zero Forest" Ecological Restoration Program. It committed to the principle of "one bus, one tree".

**Overall goal:** Achieve "Net Zero Emissions" by 2050.

### **Scope 1 and 2 Targets (With 2023 as the base year):**

2025: Achieve an 8% reduction in carbon emission intensity.

2030: Attain a 20% reduction in greenhouse gas emissions and a 40% reduction in carbon emission intensity.

2040: Achieve 100% utilization of clean electricity.

### **Scope 3 Targets (With 2023 as the base year ):**

2030: Collaborate with core suppliers to achieve a 30% reduction in carbon emission intensity;

2040: Reduce greenhouse gas emissions across the entire value chain by 60%;

2050: Achieve “Net Zero Emissions” across the full value chain, aligned with the 1.5°C temperature control target.

- **Key 2025 Milestones**

- 100% of our production sites received ISO 14064 Greenhouse Gas Emission Verification.
- Total photovoltaic power generation reached 1,480.44 MWh.
- Via an electricity sales provider, we successfully procured 34,997 MWh of green electricity from renewable energy producers in the Henan Power Exchange Market.
- By the end of 2025, through partnerships with regional public welfare organizations, the "Net Zero Forest" program had facilitated the planting of 83,700 trees in locations including Gansu Province, China, the United Kingdom, Chile, and Mexico, achieving remarkable results and taking concrete actions to help improve the local ecological environment.

## **2. Clean technology opportunities**

- **Our Commitment**

Yutong Bus integrates energy conservation, low-carbon philosophy, and green development into its operation. The Company is committed to close collaboration with partners to systematically advance the green and low-carbon transformation of vehicles across the entire lifecycle.

- **Goals & Strategies**

**Goal:**

**Targets to increase investment in clean tech:** with plans to launch a dedicated R&D initiative between 2026 and 2030, involving a cumulative investment of nearly RMB 5 billion. This initiative will prioritize transportation solutions centered on green powertrain such as the battery electric vehicle (BEV) and the fuel cell electric vehicle (FCEV), continuously contributing to more low-carbon and intelligent buses in our products.

**Low-Carbon Design Targets:** Guided by a "green design" philosophy, we advance our strategy of product clean technology, shifting from focusing on electrification alone to achieving a "green lifecycle". In this way, we establish a systematic green product development process. By 2030, we target a 25% reduction in overall carbon emissions from vehicle materials, while increasing the reusability rate to 85% and the recyclability rate to 95%.

## Strategy:

**Increasing Investment in Clean Power R&D and Design:** Regarding battery electric vehicles, we continue to innovate to overcome challenges related to endurance and energy efficiency in extreme environments, ensuring zero emissions during vehicle operation across all scenarios. Our independently developed hydrogen fuel batteries draw in air and filter its particulate matter, dust, and other impurities during operation, enabling electrochemical reactions using pure oxygen, with water vapor as the only emission. We have independently constructed vehicle hydrogen refueling stations to establish a comprehensive support system covering vehicle operations and infrastructure.

### ● Key 2025 Milestones

- As of the end of the 2025, we have established a comprehensive lineup of new energy bus products that meet diverse application needs. Cumulatively, we have deployed over 210,000 units worldwide.
- The Company has completed Life Cycle Assessment (LCA) and Environmental Product Declaration (EPD) certification for 17 products. These documents have been published in the international EPD system (accessible at: <https://environdec.com/library>).
- In accordance with *ISO 22628, Road vehicles — Recyclability and recoverability rate — Requirement and calculation method*, we have completed assessments of the recoverability and recyclability rate for eight electric bus models. All models achieved rates exceeding 95% and have been verified under ISO 14021:2016

## 3. Emissions Management

### ● Our Commitment

The Company actively fulfills its primary responsibility for environmental protection and strictly complies with environmental laws and regulations, promotes the minimization and safe treatment of waste, and emphasizes ecosystem protection to minimize our environmental footprint.

### ● Goals & Strategies

#### Goal:

We set emission targets for waste gas, waste, and wastewater from production process. Beyond achieving compliant discharge in line with mandatory regulatory requirements, we were voluntarily committed to stricter emission control.

Waste Management Targets & Progress:

Category	2025 Targets	Progress on 2025 Milestones	2030 Targets
Wastewater discharge targets	COD (Chemical Oxygen Demand) discharge concentration $\leq 150$ mg/L	Achieved. 2025 annual average COD discharge concentration: 40.42 mg/L	In accordance with control standards, COD discharge concentration $\leq 150$ mg/L
	Ammonia nitrogen discharge concentration $\leq 25$ mg/L	Achieved. 2025 annual average ammonia nitrogen discharge concentration: 4.75 mg/L	In accordance with control standards, ammonia nitrogen discharge concentration $\leq 25$ mg/L
	Total phosphorus discharge concentration $\leq 1$ mg/L	Achieved; 2025 annual average total phosphorus discharge concentration: 0.37 mg/L	In accordance with control standards, total phosphorus discharge concentration $\leq 1$ mg/L
	Wastewater discharge intensity $\leq 0.24$ m <sup>3</sup> /RMB 10,000 of output value	Achieved; 2025 wastewater discharge intensity: 0.23 m <sup>3</sup> /RMB 10,000 of output value	By 2030, wastewater discharge intensity will not exceed 0.23 m <sup>3</sup> /RMB 10,000 of output value
Waste gas emission targets	VOCs discharge concentration $\leq 40$ mg/m <sup>3</sup> (calculated as NMHC (non-methane hydrocarbons), with a voluntary commitment to stricter control of $\leq 30$ mg/m <sup>3</sup> )	Achieved; 2025 annual average VOCs discharge concentration: 4.50mg/m <sup>3</sup>	Based on control standards, a voluntary commitment to stricter control is made, with VOCs discharge concentration $\leq 30$ mg/m <sup>3</sup>
	2025 NO <sub>x</sub> (nitrogen oxides) discharge concentration $\leq 30$ mg/m <sup>3</sup>	Achieved; 2025 annual average NO <sub>x</sub> discharge concentration: 17.92 mg/m <sup>3</sup>	In accordance with control standards, NO <sub>x</sub> discharge concentration $\leq 30$ mg/m <sup>3</sup>
	Waste gas emission intensity $\leq 0.00004$ ton/RMB 10,000 of output value	Waste gas emission intensity $\leq 0.00004$ ton/RMB 10,000 of output value	Waste gas emission intensity $\leq 0.00004$ ton/RMB 10,000 of output value
Waste discharge targets	100% compliance in the storage and disposal of general industrial solid waste	Achieved; 100% compliant disposal of both general industrial solid waste and hazardous waste in 2025	100% compliance in the storage and disposal of general industrial solid waste
	100% compliance in hazardous waste disposal		100% compliance in hazardous waste disposal
	Waste generation intensity $\leq 0.0215$ ton/RMB 10,000 of output	Achieved; 2025 waste generation intensity:	By 2030, waste generation intensity

	value	0.0212 ton/RMB 10,000 of output value	will not exceed 0.0212 ton/RMB 10,000 of output value
	100% of general industrial solid waste with resource recovery value, such as scrap steel, waste paper, waste glass, and waste rubber, is entrusted for resource recovery and utilization	Achieved; 100% of general industrial solid waste with resource recovery value generated during production in 2025, such as scrap steel, waste paper, waste glass, and waste rubber, was entrusted for resource recovery and utilization	100% of general industrial solid waste with resource recovery value, such as scrap steel, waste paper, waste glass, and waste rubber, is entrusted for resource recovery and utilization

### Strategy:

**Enhance Environmental Management System:** In compliance with management requirements in related regulations and systems, we have established internal policies and standards for the prevention and control of wastewater, waste gas, solid waste, and other pollutants. We proactively control pollutants to minimize their impact on the surrounding environment. The Company annually engages a third-party auditor to review its environmental management system and make continuous improvements.

**Increase Investment in Environmental Protection:** In 2025, the Company focused on innovative R&D and technical improvements in key areas, including welding fume treatment, automatic monitoring of VOCs (volatile organic compounds) pollutant emissions, odor control over exhaust gas at wastewater treatment stations, and standardization of pollutant discharge outlets. Throughout 2025, the Company's cumulative environmental protection investment amounted to approximately RMB 74.40 million.

### ● Key 2025 Milestones

**Environmental Management System Certification:** In 2025, all production and operational sites have obtained the ISO 14001 Environmental Management System Certificate. The Company continuously optimizes and enhances its Environmental Management System, conducts regular annual third-party certification audits. In 2025, it successfully passed the 2025 audit and obtained the ISO 14001 Annual Surveillance Audit Certificate.



ISO 14001 Environmental Management System Certificate



ISO 14001 Annual Surveillance Audit Certificate



ISO 14001 Environmental Management System Certificate

**Waste Gas Management:** the Company has fully launched the comprehensive upgrade and reconstruction project addressing air pollution emission since 2017. Following the reconstruction, on the basis of achieving compliant emissions, the

VOCs emission concentration decreased from an average of 120mg/m<sup>3</sup> to below 25mg/m<sup>3</sup>, with the VOCs reduction rate exceeding 80%. The boiler NO<sub>x</sub> emission concentration decreased from about 200mg/m<sup>3</sup> to below 30mg/m<sup>3</sup>, with the NO<sub>x</sub> reduction rate exceeding 85%.

**Solid Waste Management:** The Company continues to advance waste reduction at source and waste recycling. We employ integrated technologies such as sludge heat pump drying low-temperature dehumidification and sludge low-temperature vacuum drying for dewatering and volume reduction. The moisture content of sludge therefore drops dramatically to less than 30% from 80%, achieving significant solid waste reduction benefits, thereby reducing sludge production by about 650 tons/year.

**Wastewater Management:** The Company comprehensively implements the drainage management principle of "rain and sewage separation, clean and polluted water separation and different treatment based on water quality". Each automotive manufacturing plant is equipped with an integrated wastewater treatment station. Production and domestic wastewater are treated using a combined process of "physical and chemical treatment + hydrolytic acidification + contact oxidation + aeration biological filter".