

# People

## 1. Safeguarding Employees' Rights and Interests

### ● Our Commitment

Adhering to "employee-centered" philosophy, we protect employees' legitimate rights and interests and focus on production safety and occupational health. Meanwhile, we enhance talent training, support employee development, improve democratic management mechanisms, and foster mutual growth between employees and the Company.

### ● Goals & Strategies

#### Goal:

We strictly comply with national labor-related laws and regulations, strictly prohibits labor practices that violate human rights such as forced labor, labor trafficking and use of child labor, achieving 100% compliant employment. We also implement a systematic, full-process employment management and rights protection framework, deepen employee communication and care, commit to creating a fair, equitable, transparent and warm working environment.

#### Strategy:

**Competitive Compensation:** The Company has established a comprehensive compensation incentive and management mechanism, providing employees with competitive remuneration in the market. The compensation structure includes not only basic salary, performance-based pay, special bonuses, year-end bonuses, and medium-to-long-term incentives, but also various allowances and subsidies, along with contributions to social insurance and housing fund. We adhere to the incentive principle of performance-driven and value-contribution orientation, ensuring that variable compensation incentive policies cover all employees.

**Non-monetary benefits:** We provide unified welfare for all employees. In addition to statutory benefits such as social insurance and housing fund contributions as required, we also offer diversified benefits to ensure that every employee has access to welfare subsidies, living security, employee activities, paid leave and parental support..

**Paid Leave:** Considering the actual circumstances of different employee groups, we proactively add diversified supplementary leave, including supplementary personal leave for maternity leave, nursing leave for parent of only child, Eid Al-Fitr leave, supplementary personal leave for long-term business trips, home leave, and paid leave during the Spring Festival.

**Maternity Leave:** In terms of maternity leave protection, the Company implements high-standard and comprehensive leave policies, with maternity leave set at 98 days plus an additional three months (calendar days). Additionally, it fully accommodates the physical recovery needs of employees in special childbirth scenarios by providing differentiated and considerate leave arrangements.

**Parental Leave:** The Company places high importance on employees' family care needs and strictly implements childcare support policies. Specifically, for employees with children under 3 years old, we provide 10 working days of childcare leave annually, enabling them to better balance childcare responsibilities with work commitments.

**Working Hours:** The Company has developed a differentiated working hour system while strictly controlling overtime, helping employees balance work and life.

**Subsidies:** We provide various benefits such as housing, education assistance, commuting and pension to enhance employees' sense of security and belonging.

**Support For Certifications For Employees:** The Company has formulated the *Employee Education Assistance Management Measures* to encourage and support employees in pursuing knowledge, as well as upgrading professional knowledge and skills relevant to their current positions or intended reserve roles. The company supports all levels of management and employees in pursuing advanced studies such as engineering master's degrees and MBA programs. Upon approval through the Company's review process, eligible employees may receive a subsidy covering 50% of the total tuition fee, capped at 60,000 RMB.

**Living Security:** On the basis of the compliant insurance system, the Company bears the cost of employees' large medical insurance with a coverage rate of 100%; and provides employees with physical examinations, psychological counseling services, etc.

**Retirement Benefits:** For employees approaching retirement, we offer advance planning for work handover and provide guidance on retirement procedures. After retirement, the Company continues to extend care for employees through the Labor Union..

## ● Key 2025 Milestones

- **Equality & Diversity:** We prohibit child labor and forced labor, uphold anti-discrimination and anti-harassment policies, ensure reasonable working hours, and strictly prohibit excessive overtime. Over the past three years, the Company has experienced no incidents of employee strikes, work stoppages, illegal employment, or major labor disputes.
- **Democratic management:** We have 37 grass-roots labor union branches to ensure all employees have access to rights protection and welfare services, and labor

unions at all levels have achieved 100% coverage of all employees. 100% employees were covered by collective contracts in 2025.

- **External Employer Recognition:** Our HR awards include:

**2025:**  
2025 Zhaopin Best Employer of the Year and Most Followed Employer by University Students  
Venus 2025 AI+HR Practice Pioneer Award, Employer Brand Management Model Award  
2025 Liepin Annual Extraordinary Employer  
2025 NFuture College Students' Best Employer

**2024:**  
2024 Zhaopin China Best Employer Award  
2024 Liepin Henan Extraordinary Employer

**2023:**  
2023 Zhaopin China Best Employer Award  
2023 Liepin Henan Extraordinary Employer

## 2. Health and Safety

- **Our Commitment**

We consistently prioritize the health and safety of all employees, and are committed to creating a secure and healthy working environment, effectively preventing occupational injuries and illnesses, and earnestly safeguarding employee well-being.

- **Goals & Strategies**

Aiming to “maintain stable safety conditions and become an industry benchmark,” we have set core targets of “no serious injuries or above-level safety accidents and no new occupational diseases.” We incorporate safety performance indicators into the assessment of management at all levels, implementing a one-vote veto system for occupational health and safety.

We have established a clearly defined production safety structure. Through improved policies, systematic prevention and control, enhanced training and other measures, the Company ensures production safety and employees' occupational health. The Company has set up a Production Safety Committee, headed by the CEO. Health and safety performance is a factor in CEO compensation. The Production Safety Committee is responsible for the strategic decisions on health and safety, including establishing the safety management system, formulating and overseeing the implementation of work safety plans and emergency plans, and reviewing safety investment, accountability, assessment, rewards and penalties.

### **Occupational Health and Safety Targets & Progress:**

<b>Performance and targets of health and safety</b>	<b>Target in 2025</b>	<b>Performance in 2025</b>	<b>2025 Targets Achieved or Not</b>	<b>Target in 2030</b>
Production safety accident of minor injury and above	0	0	Yes	0
Concealment/Misrepresentation/Delayed Reporting/Underreporting	0	0	Yes	0
Percentage of employment with certificates	100%	100%	Yes	100%
Rectification rate for safety hazards	100%	100%	Yes	100%
Integrity rate of safe operation instructions	100%	100%	Yes	100%
Qualified rate of safety training for operating personnel	100%	100%	Yes	100%
Contractor safety accident	0	0	Yes	0
Work-related accident rate per million working hours <sup>1</sup> (including contractors)	8%	5.11%	Yes	≤ 5% by 2030

- **Key 2025 Milestones**

**Safety Management System:** We have formulated and issued the *Occupational Health and Safety Policy*, which covers all employees, suppliers, contractors and other business partners. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification and conducts annual internal audits and third-party certification audits.

**Safety Culture:** In 2025, safety education and training involved over 59,000 participations, with an average training duration of 5 hours per person. For all employees, during the "2025 Production Safety Season", a series of safety education activities were carried out, including safety themed Q&A and the "everyone prioritizes safety" activity.

### **3. Responsible Supply Chain**

## ● Our Commitment

Yutong Bus's supply chain defines its mission as "to establish a globally competitive supply chain system in the commercial vehicle industry, supporting the realization of "Electrification, intelligentization, premiumization, Internationalization" strategy, and elevate brand stature". We aim to enhance specialized management capabilities in areas such as quality, cost, delivery and logistics of purchased components, establish a responsible procurement system, and drive the sustainable development of the supply chain.

## ● Goals & Strategies

To ensure the effective implementation of responsible supply chain practices, we have established the following targets for 2026:

- Identify core suppliers for focused management and conduct social responsibility surveys covering labor and environmental management.
- Conduct second-party audits for suppliers under key quality control, with an audit completion rate of 100%..

## ● Key 2025 Milestones

- **Supplier Classification Management:** The Company implements classified management of suppliers. We conduct precise quality grading of suppliers and externally sourced components from A to E levels based on suppliers' qualifications, technical development and validation capabilities, quality consistency assurance, and quality management systems. The grading will be reviewed annually. Non-compliant suppliers are either phased out or required to improve within a deadline, ensuring sound and reliable technical capability, delivery stability and quality control mechanisms.
- **Supplier Quality Audits:** We conduct on-site quality audits of Tier 1 and Tier 2 suppliers, evaluating them across multiple dimensions including: quality system management, technical implementation capabilities, product development and production processes, quality management and continuous improvement, warehousing and raw material management, as well as corporate qualification. In 2025, we conducted quality audits for 70 Tier 1 suppliers and 7 key Tier 2 suppliers to ensure they meet quality requirements and enhance supply chain resilience.
- **Supplier ESG Management:** In 2025, we established the *Supplier Code of Business Conduct*, detailing ESG management expectations for suppliers. We continuously evaluate whether supplier practices align with the requirements outlined in the *Supplier Code of Business Conduct* and prioritize collaboration with suppliers with better ESG performance. If a supplier is found to violate the Code or fails to meet minimum requirements within the stipulated deadline, Yutong may decide not to initiate new collaborations or terminate existing

agreements. During the reporting period, 94.3% of suppliers signed the Code or entered into procurement contracts that included clauses clarifying requirements on environment, labor, human rights and ethics..

- **Supplier Audit and Capacity Building:** We place significant emphasis on supplier audits and capacity building. We have established specialized initiatives for quality enhancement in areas such as safety, fire prevention, corrosion prevention, and environmental protection. Moreover, we organize communication and dissemination sessions on quality management methodologies for suppliers. These initiatives not only help suppliers improve their overall quality standards but also ensure a more robust and reliable supply chain. Yutong Bus organizes specialized training sessions for suppliers annually, both online and offline, focusing on key areas such as quality systems, critical characteristics (CCSC), legal and regulatory compliance, and error proof in production lines. These training sessions are designed to support supplier improvement and capacity building. In 2025, we provided quality training and guidance to over 400 core suppliers.
- **Supply Chain Mitigation Control and Contingency Plan:** The Company has established a robust supply chain risk management system and emergency response plans, standardizing supplier risk control mechanisms. It proactively identifies potential risks such as operational issues or supply halts from suppliers, as well as external environmental changes, and implements preventive measures in advance. Regular risk assessments of suppliers are conducted, and a dynamic monitoring platform has been set up to ensure closed-loop management of risk mitigation. Concurrently, the Company analyzes various external uncertainties, including resource shortages in the industry and international trade risks. By aligning with production cycles, it optimizes inventory management and diversifies supply channels, ensuring comprehensive safeguarding of stable material supply and the secure, efficient operation of the supply chain.

## 4. Product Quality and Safety

### ● Our Commitment

"Do not take the market as the test site, but the test site as the market" is Yutong's attitude and principle towards product quality. The Company highly values product quality and safety, continuously leads product upgrades through technological innovation, ensures user privacy and information security, and provides users with the best product and service experience.

### ● Goals & Strategies

Guided by the core quality objective of "zero defects", the Company strives to enhance customer satisfaction, improve product quality, and win market trust with superior quality.

■ **Establishing a Quality Management System:** Attaching great importance to the development and operation of the quality management system, Yutong Bus has built a multi-system integrated product quality management framework, with the quality management system as the core foundation. Each year, Yutong Bus formulates and strictly implements the Annual Quality Objective Plan. Process performance is monitored through regular business meetings, and a responsibility-authority-benefit integrated performance appraisal mechanism is employed to ensure that quality objectives are overseen throughout the process and successfully achieved.

Additionally, the Company strictly adheres to the requirements stipulated by the State Administration for Market Regulation and relevant regulations of the countries where its products are sold. Besides, the Company has formulated the *Provisions on the Administration of Recall of Defective Automobile Products*, clarifying the organizational structure, division of responsibilities, and standardized work procedures. On this basis, the Company has established a product recall management system characterized by "proactive identification – scientific judgment – compliant implementation – closed-loop control".

■ **Implementing Quality System Certification:** To meet customers' safety needs, and continuously improve its management level and product competitiveness, the Company keeps on refining its quality management system in daily operations based on the requirements of laws, regulations and quality system standards such as ISO 9001, IATF 16949 and China Compulsory Certification (CCC) rules. Furthermore, the Company regularly conducts internal audits under various systems, process audits, product audits, management reviews and third-party audits to continuously optimize the quality management system.

■ **Conducting Quality Training:** The Company continuously deepens its quality culture development. Through diverse initiatives such as employee skills competitions, Quality Month themed campaigns, excellent case sharing, study of the quality responsibility list, quality culture seminars, regular training, and quality benchmark selection, the Company has comprehensively reinforced the quality awareness of all employees and fosters a sound quality culture atmosphere. We encourage employee participation in quality improvement, delegate quality responsibilities to each position, and build a cultural consensus on the "zero defect" quality goal.

#### ● **Key 2025 Milestones**

**Quality System Certification:** Achieve a 100% pass rate for third-party quality management system audits in 2025. Among these, 1 automotive manufacturing enterprise with 3 production sites has obtained the IATF 16949:2016 system certification, representing 100% coverage. 2 parts manufacturing enterprises with 7 production sites have obtained IATF 16949:2016 system certification, representing 100% coverage.

**Quality Training:** In 2025, the Company's quality training achieved 100% of employees participation.

**Product Recall:** In 2025, the Company had no product recalls..