

Social

1. Employee Rights & Well-being

- **Our Commitment**

We uphold an “employee-centered” philosophy, safeguarding employees’ legitimate rights and interests, prioritizing occupational health and safety and investing in their continuous development through training and inclusive dialogue, ensuring shared growth of employees and the enterprise.

- **Goals & Strategies**

Goal:

We strictly comply with applicable national labor laws and regulations, explicitly prohibit human rights violations in employment such as forced labor, labor trafficking and child labor, achieving 100% compliant employment. We also implement a comprehensive employment system to deepen employee communication and improve care initiatives. We remain committed to fostering a fair, transparent, and supportive working environment.

Strategy:

Competitive Compensation: We offer a comprehensive, market-competitive compensation package. It includes base pay (**position**-based and grade-based salary), variable pay (performance-based bonuses, special awards), annual bonuses, medium-to-long-term incentives, and various allowances and subsidies in addition to mandatory social insurances and housing fund. Our merit-driven and value-driven system ensures rewards are aligned with value contribution.

Benefits Beyond Compensation: We offer unified and comprehensive benefits for all employees. Beyond legal benefits, we provide a wide array of welfare programs for all employees, including subsidies, life security support, recreational activities, paid leave, and parental support, ensuring everyone has access to comprehensive care.

<p>Paid Leave: Based on different employee groups, we offer diverse paid leave options, including an extended maternity leave, parents’ hospitalization care leave (for only-child employees), Eid al-Fitr leave, extended leave (for employees returning from overseas assignment), family visit leave (for employees returning to Zhengzhou), extended leave after long-term business trip, and an extended Spring Festival holiday.</p>

Working Hours: We implement flexible working hours tailored to different employee roles, while strictly managing overtime to help maintain work-life balance.

Subsidies: A range of subsidies are provided including housing, education, commuting, and retirement support to enhance employees' sense of security and belonging.

Living Security: In addition to standard social insurance, we fully cover critical illness medical insurance for all employees and offer regular health and mental wellness services.

Retirement Benefits: For employees approaching retirement, we facilitate smooth handovers, offer clear guidance on retirement procedures, and continue providing post-retirement support and care through our 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 ban excessive overtime. There have been no incidents of employee strikes, work stoppages, illegal employment and major labor disputes over the past three years.

- **Democratic management:** We have 37 grassroots 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 China Best Employer Award and Most Attractive Employer for College Students

Venus 2025 AI+HR Pioneer Practice Award, Employer Brand Management Model Award

2025 Liepin Extraordinary Employer

2025 NFuture Most Preferred Employer by College Students

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. Occupational Health and Safety

- **Our Commitment**

We always prioritize the health and safety of every employee. We are committed to creating a safe working environment, effectively preventing occupational injuries and illnesses, and safeguarding employee well-being.

- **Goals & Strategies**

Aiming to “maintain stable safety conditions and become an industry benchmark,” we have set core targets of “zero serious injuries or fatalities and no new occupational diseases.” Safety performance is integrated into management assessments at all levels, implementing a “one-vote veto” system for occupational health and safety issues.

We have established a work safety organizational structure with clear roles and responsibilities. We ensure operational safety and employee health through improved regulations, systematic prevention, and strengthened training. The Safety Committee oversees the overall Health and Safety Strategy. Its responsibilities include establishing management systems, formulating and supervising the implementation of safety plans and emergency responses plans, and approving safety budgets, accountability measures, and performance incentives.

Occupational Health and Safety Targets & Progress:

Performance Targets	2025 Targets	Performance in 2025	2025 Targets Achieved or Not	2030 Targets
Production safety incidents (minor injury and above)	0	0	Yes	0
Reportable incidents (under-reporting, falsification, delay or omission)	0	0	Yes	0
Certification holding rate for required positions	100%	100%	Yes	100%
Safety hazard rectification rate	100%	100%	Yes	100%
Completion rate of safety operation procedures (SOPs)	100%	100%	Yes	100%
Safety training pass rate	100%	100%	Yes	100%
Contractor safety	0	0	Yes	0

incidents				
Occupational injury rate per million man-hours ¹ (including contractors)	8%	5.11%	Yes	≤ 5% by 2030

- **Key 2025 Milestones**

Safety Management System: We have established and issued an overarching *Occupational Health and Safety Policy* that applies to all employees, suppliers, contractors, and partners. We hold ISO 45001 certification (Occupational Health and Safety Management System) and conduct annual internal audits and third-party surveillance audits.

Safety Culture: In 2025, over 59,000 employee training sessions were conducted, averaging 5 training hours per person. During the “2025 Safety Production Season,” we organized comprehensive educational activities for all employees, including safety courses, knowledge quizzes, and “Everyone Talks About Safety” initiative.

3. Responsible Supply Chain

- **Our Commitment**

Yutong Bus is committed to building a supply chain that is globally competitive, supporting the realization of its strategic shift towards electrification, intelligent connectivity, premiumization, and globalization, thereby enhancing brand prestige. This commitment is advanced by strengthening specialized management in procurement quality, cost, delivery, and logistics, and by instituting responsible purchasing policies to drive sustainable development across 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 ESG-related investigations covering labor, environmental, and other aspects.
- Conduct second-party audits for Suppliers under key quality control, achieving a 100% completion rate for factory audits.

- **Key 2025 Milestones**

- **Supplier Classification Management:** We implement a classification management system for our Suppliers. We conduct precise quality grading evaluations of Suppliers on an A-E scale based on their qualifications, technical

development and validation capabilities, quality consistency assurance capabilities, and quality management systems. Annual reviews are performed, and Suppliers failing to meet the qualification criteria are either eliminated or given deadlines for improvement. This ensures their technical capabilities, delivery stability, and quality control mechanisms remain reasonably stable.

- **Supplier Quality Audits:** We conduct regular quality audits on Suppliers at all levels. 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 qualifications/procurement/supplier management. In 2025, we conducted audits of 70 Tier 1 Suppliers and 7 key Tier 2 Suppliers to assess their quality consistency assurance capabilities. This initiative ensures Suppliers meet quality requirements, enhances supply chain resilience, and controls risks.
- **Supplier ESG Management:** In 2025, we established the *Supplier Code of Conduct* to elaborate on our ESG management requirements for Suppliers. We will continuously evaluate whether Suppliers' conduct aligns with the requirements of this Code, prioritizing collaboration with Suppliers demonstrating superior ESG performance. If a Supplier is found to violate the provisions of this Code of Conduct or fails to meet the minimum requirements within the stipulated timeframe, Yutong may decide to refrain from entering into new collaborations or terminate existing agreements. During the reporting period, 94.3% of Suppliers signed *Code of Conduct* and procurement contracts containing clauses related to environmental, labor, human rights, and ethical requirements.
- **Supplier Quality Capability Development:** We have established specialized quality improvement initiatives covering fire safety, corrosion prevention, environmental protection, and other areas. We organize communication sessions with Suppliers to promote quality management methodologies. This approach not only helps Suppliers elevate their overall quality standards but also ensures a more robust and reliable supply chain. We conduct specialized quality improvement training for Suppliers annually through online and offline formats, focusing on key management areas such as quality systems, critical characteristics (CCSC), legal and regulatory compliance, and production line error-proofing. This supports Suppliers in enhancing their capabilities and making improvements. In 2025, we conducted quality training and awareness campaigns for over 400 core Suppliers.

4. Product Quality and Safety

- **Our Commitment**

“Never take the market as a testing ground” is Yutong Bus’s quality philosophy and principle for its products. We place high importance on product quality and safety, continuously driving product upgrades through technological innovation to deliver the best products and service experience to our clients.

● **Goals & Strategies**

With “zero-defect” as its core quality objective, we strive to enhance client satisfaction, product quality, and market share while reducing production costs to support the achievement of our strategic goals.

■ **Establishing a Quality Management System:** We have always attached great importance to the establishment and implementation of the quality management system. This has led to the establishment of an integrated management system framework with the quality management system as its core, incorporating multiple systems. Additionally, we have built a quality management organization that spans the entire product lifecycle, including planning, development, verification, manufacturing, and after-sales service. To ensure the continuous and effective operation of the quality management system, we formulate and strictly implement the *Annual Quality Objectives Plan* each year. Through regular management meetings, we monitor process performance and utilize performance evaluations that integrate responsibilities, authorities, and benefits as a means to ensure quality objectives are monitored throughout the entire process and successfully achieved. Additionally, we strictly adhere to the requirements of the State Administration for Market Regulation and the relevant regulations of the countries where our products are sold. We have established the *Regulations on the Recall Management of Defective Vehicle Products* and built a product recall management system featuring “proactive identification, scientific assessment, compliant implementation, and closed-loop control.”

■ **Implementing Quality System Certification:** By the end of 2025, we have successively introduced 21 advanced certifications, accreditations, and standards. This has enhanced our product quality management capabilities and competitiveness while meeting the quality and management expectations of global markets, regions, and diverse customers. To meet customer safety requirements and continuously enhance our management capabilities and product competitiveness, we implement and maintain a quality management system in compliance with ISO 9001, IATF 16949, China Compulsory Certification (CCC) regulations, and other applicable laws, regulations, and quality standards. We routinely refine our quality management system and conduct regular internal audits of management systems, process audits, product audits, management reviews, and third-party audits to ensure ongoing optimization of our quality management framework.

■ **Conducting Quality Training:** We continuously deepen our quality culture development through diverse initiatives. These include organizing employee technical competitions, launching Quality Month themed activities, promoting best practice case studies, reinforcing learning of quality responsibility lists, hosting quality culture seminars, implementing routine training programs, and selecting quality benchmarks.

These multifaceted approaches comprehensively strengthen quality awareness among all employees, fostering a positive quality culture atmosphere. We encourage employee participation in quality improvement, assigning quality responsibility to every position and fostering a shared cultural commitment to the “zero-defect” quality objective..

- **Key 2025 Milestones**

Quality System Certification: Achieve a 100% pass rate for third-party quality management system audits in 2025. Among these, one vehicle manufacturer with three production plants achieved IATF 16949:2016 certification, achieving 100% coverage. Two parts manufacturers with seven production plants also achieved IATF 16949:2016 certification, achieving 100% coverage.

Quality Training: In 2025, our quality training program covered 100% of employees.

Product Recall: In 2025, we did not experience any product recall incidents.