

2023

**SUSTAINABILITY  
REPORT**

TO BE A TRUSTED  
INDUSTRY PARTNER

WITH  
GLOBAL  
VISION

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# About This Report

## About This Report

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This is the 2023 Sustainability Report ("this report") released by Xiamen ITG Group Corp., Ltd. (referred to as "Xiamen ITG Group" or "We").

This report aims to provide stakeholders with an overview of 2023 Sustainability performance and initiatives in Xiamen ITG Group.

## Reference Guidelines

We prepare this report in accordance with the "Global Reporting Initiative Standards" (GRI Standards), and "Sustainability Accounting Standards Board Standards" (SASB Standards). The report also takes into account the disclosure requirements of the "Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Standardized Operation", "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial)", SASAC Research Center's "Indicators Reference Systems for ESG Reports of Listed Chinese Central State-Owned Enterprises", IFRS Sustainability Disclosure Standards (ISDS) developed by International Sustainability Standards Board (ISSB), and the United Nations Sustainable Development Goals (SDGs).

## Reporting Scope

The reporting period is between January 1, 2023, and December 31, 2023 and some parts of the report are beyond the aforementioned scope. Unless otherwise specified, the environmental, social, and economic data disclosed in this report includes all enterprises within the scope of the consolidated statement of Xiamen ITG Group Corp., Ltd.

## Report Availability and Feedback

We released this report in electronic format in both Simplified Chinese and English. In case of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report is available on our official website ([www.itg.com.cn](http://www.itg.com.cn)) and the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)). If you have any comments or suggestions on our economic, environmental, and social performance, please contact [zqswb@itg.com.cn](mailto:zqswb@itg.com.cn).

## Explanatory Note

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Appendix

Abbreviation	Full Name
Xiamen ITG Group	Xiamen ITG Group Corp., Ltd.
IPCC	Intergovernmental Panel on Climate Change
IEA	International Energy Agency
ISO	International Organization for Standardization
Xiamen Keerun OCSMARTER	Xiamen Keerun OCSMARTER Technology Co., Ltd.
Keerun Tire (Rizhao)	Keerun Tire (Rizhao) Co., Ltd.
Ningbo Zhencheng Mining	Ningbo Zhencheng Mining Co., Ltd.
Hainan ITG Logistics	Hainan ITG Logistics Co., Ltd.
Keerun Tire (Dezhou)	Keerun Tire (Dezhou) Co., Ltd.
ITG Health Technology	Xiamen ITG Health Technology Co., Ltd.
Hubei ITG Supply Chain	Hubei ITG Supply Chain Group Co., Ltd.
ITG Petrochemical	ITG Petrochemical Co., Ltd.

Abbreviation	Full Name
ITG Paper	Xiamen ITG Paper Co.,LTD.
Keerun Medical Technology	Keerun Medical Technology (Xiamen) Co., Ltd.
ITG Baokang Medicine Technology	Xiamen ITG Baokang MedicineTechnology Co., Ltd.
Xiamen ITG New Energy Supply Chain	Xiamen ITG (Shanghai) New Energy Development Co, Ltd
ITG Elderly Care	Xiamen ITG Health Care Technology Co.,Ltd.
ITG Agricultural Products	Xiamen ITG Agricultural Products Co.,Ltd.
ITG Agriculture and Forestry	Xiamen ITG Agriculture and Forestry Co., Ltd.
ITG Tidak Logistics	Xiamen ITG Tidak Logistics Co., Ltd.
Heilongjiang Runda Xiangyun Logistics	Heilongjiang Runda Xiangyun Logistics Co., Ltd.
Hainan ITG	Hainan ITG Co., Ltd.
ITG Resources(Singapore)	ITG Resources(Singapore) Pte.Ltd.
Xiamen ITG Shipping	Xiamen ITG Shipping Co., Ltd.

\* The abbreviations above are arranged in the order of appearance.



## Message from the Chairman

We have always been exploring possibilities to create value for customers, employees, shareholders and investors, and society.

Since 2005, we have incorporated "value" and "growth" into our corporate philosophy. Today, amidst an increasingly uncertain external environment and the reshaping of the global value chain, we, guided by our brand mission of "Integrate Industry to Connect. Create Value to Share," have come to a deeper realization that—

Only by continuously creating value can we promote the sustainable development of the enterprise, and only by practicing the concept of sustainable development can we maximize social value. Value creation requires support from a sound corporate governance system and a conscious sense of responsibility, as well as guidance from a stronger environmental awareness and a cohesive corporate culture. This is also the original intention behind our annual compilation of sustainability report.

In 2023, we not only integrated resources and services but also collaborated with customers to achieve mutual success, seeking answers to enhance service value. As a leading supply chain enterprise in China, we consolidated resources, channels, and professional capabilities to provide partners with integrated, customized, and high-value-added comprehensive industry

services of ITG Solutions. Committed to creating more value for customers, we advanced the upgrade of the supply chain business model over the past year, enhancing service, industrial investment, and operational capabilities. We established a "Three-chain Integration" new development model, with full-process supply chain services as the core, international industrial chain operation as the driving force, and efficient value chain collaboration as the guarantee, contributing to the security and stability of the global industrial supply chain.

In 2023, we not only practiced the concept of green development but also contributed to the low-carbonization and intelligence of the industrial chain. We formulated goals for carbon peak and net zero, exploring the path to carbon peak through five aspects: designing sustainable products, facilitating supply chain decarbonization, utilizing renewable energy, developing sustainable industries, and executing sustainable actions. We actively promoted the development of the circular economy, focused on new energy supply chain businesses such as the "battery industry chain," "photovoltaic wind power industry chain," "new materials and new products industry chain," and the "hydrogen energy, energy storage, and waste battery recycling industry chain," and optimized the industrial and energy structures. We iterated on multiple digital projects to enhance the digital intelligence operation capabilities of the supply chain. We emphasized on upgrading the "medical device" business in the field of health technology, steadily expanding coverage in elderly care services, and continuously exploring normalization models for the transaction value of health and medical data.

In 2023, we not only expanded our presence internationally

but also established ourselves firmly in markets along the Belt and Road Initiative. Since the establishment of Pointer Investment (Hong Kong) Limited in 1984, we have set up over 20 overseas branches, with operations covering more than 170 countries and regions, thus building comprehensive international industrial service capabilities. In the past year, we have expanded both the depth and breadth of our global operations, responded to the demands of local industry partners, and implemented multiple projects in Southeast Asia, Central Asia, the Middle East, West Africa, South America, and other regions. Additionally, we have been serving national regional strategies by launching projects in the silicon and phosphorus chemical industries in key areas, including the central and western regions of China. This has resulted in win-win collaborations and value enhancement, integrating into the new development paradigm of dual circulation, both domestically and internationally.

In 2023, we went beyond attracting and nurturing talent to grow with our employees. Guided by our core values of "Leadership, Responsibility, Hardworking, Partnership," our 6900+ employees around the world are working with determination and pioneering spirit to solve problems and provide services to our partners. It is also them who are driving the transformation and development of our company continuously. Over the past year, we optimized our organizational structure, iterated on talent development systems, designed differential compensation and performance schemes, and built an employee care system, ensuring that "those who strive will always gain." We conducted a series of "Pioneering Culture" activities, enriched cultural life, promoted the construction of a healthy enterprise,

and created a safe, healthy, fair, just, harmonious, and inclusive working environment for our employees.

Our sustainability report is an annual answer sheet from over 6900 employees, conveying the values, responsibilities, and future plans behind our company's performance. This answer sheet will extend beyond just this year, and become our daily guide for responsibilities, embodying Xiamen ITG Group's commitment to numerous stakeholders and the future of the industry.

We deeply understand that actions speak louder than words. As responsible corporate citizens, we will uphold a long-term vision and unwavering resilience to do what is right, what is difficult, and what requires time to accumulate. Furthermore, we will continue to fulfill our commitment to working hand in hand with industry partners, understand their needs, connect industries, and jointly create more enduring and far-reaching value.

**Gao Shaoyong**  
**The chairman of Xiamen ITG Group**

# 2023 Honors and Awards

Ranked  
**1,214th**  
on Forbes Global 2,000

Brand value reached **40.9 billion RMB**

Ranked  
**60th**  
in the "China Listed Companies Brand Value  
Vitality Ranking"  
by National Business Daily

Awarded  
**"2023 Learn from Lei Feng Model Site"**  
by Xiamen City

"ITG ATLAS" was awarded the **"Outstanding  
Cases of Commercial Technology  
Innovative Application for the Year 2022"**  
by the Ministry of Commerce

Ranked  
**26th**  
on Fortune China 500 (Listed Companies)

Awarded  
**"Best Board of Directors"**  
in the "Gold Prize of Round Table" of Chinese  
Listed Company



Awarded  
**"Supply and Demand Matching Employment  
and Education Project"** Excellent Case  
by the Ministry of Education

Awarded  
**"5A-level Supply Chain Service Enterprise"**  
by China Federation of Logistics and Purchasing



Selected as  
**"Outstanding Case for ESG Practice of  
Listed Companies in 2023"**  
by CAPCO

\*"ITG ATLAS" Award Explanation: The award was announced in 2022 and awarded in 2023

Awarded  
**"Best Board of Directors of Listed Companies"**  
in the 13th Prestigious Charts of Chinese  
Listed Companies  
by the National Business Daily



Ranked **80th**  
in the "Top 100 Chinese Enterprises for Social  
Responsibility 2022"  
issued by the Southern Weekly

Awarded  
**"Xiamen Talent Scout Enterprise"**  
by the Xiamen Municipal Human  
Resources and Social Security Bureau



Awarded  
**"Leading Enterprise in Logistics and Supply  
Chain Digital Transformation for 2023"**  
by China Federation of Logistics and  
Purchasing

Selected as  
**"Best Practice Case of Board of Directors of  
Listed Companies" in 2023**  
by CAPCO

"ITG IRSP" Grain Silo Solution was  
awarded **"Excellent Case of Logistics  
and Supply Chain Digitization for 2023"**  
by China Federation of Logistics and  
Purchasing



Rank **1st** in both the Building Steel and Metal  
Sheet Categories  
on the **"Top 100 Chinese Steel Trading  
Enterprises"** list  
issued by the China Steel Development  
Research Institute and Mysteel

\* Southern Weekly Award Explanation: Results announced in 2023



Awarded  
**"Top 10 Talent Work Benchmark  
Enterprises in Xiamen"**  
by Xiamen High-level Talent Development  
Center

Awarded  
**"China Outstanding Employer Award"**  
from 51job

Awarded  
**"2023 Mysteel Iron Ore Long-Term Spot  
Price Index Integrity Pricing Unit"**  
and  
**"Integrity Pricing Unit for the 2022-2023  
Mysteel Coal and Coke Price Index"**  
by Mysteel



"ITG Carbon Chain" was awarded  
**"2023 Excellent Case of Digital Intelligence  
in Supply Chain"**



Awarded  
**"Best Employer in 2023"**  
by CHIRC

Awarded  
**"2023 Long-term Trusted Service  
Provider for Iron Ore"**  
and  
**"2023 China's Excellent Coal and Coke  
Supplier"**  
by MySteel

Awarded  
**"Top 100 Chinese Listed Companies Award 2023"**  
by Warton Economic Institute

Awarded  
**"Outstanding Employer Award"**  
jointly presented by Aimsen, Best Roi, and TC  
Consulting



# Environment




- 1.1 Climate Response
- 1.2 Pollution Control and Ecosystem Protection
- 1.3 Resource Utilization and Circular Economy

## 2023 Environmental Impact

 Total environmental protection input **2.27**  
million RMB

 GHG emission intensity **76.26**  
tCO<sub>2</sub>e / hundred-million RMB of operating revenue

 Energy consumption intensity **24.61**  
tons of coal equivalent / hundred-million RMB of operating revenue

 Water consumption density **84.19**  
m<sup>3</sup>/hundred-million RMB of operating revenue

**Environment**

● **Climate Response**

Pollution Control and Ecosystem Protection

Resource Utilization and Circular Economy

# 1.1

## Climate Response

In recent years, the risks brought by climate change have posed severe challenges to business operations and development, making addressing climate change a common topic for human society. As a leading domestic comprehensive supply chain service provider, we respect the temperature control agreements of the "Paris Agreement." Through technological innovation, we integrate digital intelligence products with the concepts of green development and product lifecycle into comprehensive supply chain services. We provide integrated industry services to upstream and downstream partners, actively taking actions to promote our own operations and the low-carbon transformation of the entire value chain.

● Completed ▲ In Progress

2023 Management Targets		Completion Status
1	Complete annual GHG(Scope 1, Scope 2) inventory work	●
2	Set carbon peak and net zero action goals: To peak carbon emissions by 2030 and to reach the net zero emissions goal by 2060	●
3	Increase the utilization of clean energy and progressively raise the proportion of green and clean energy year by year	▲

### Net Zero Strategy

We adhere to the mission of "Integrate Industry to Connect. Create Value to Share." and the core values of "Leadership, Responsibility, Hardworking, Partnership." Aligned closely with national strategic planning, we strive to be a trusted industry partner with global vision, contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the country's "dual-carbon goals."

We have set carbon peak and net zero action goals: **to peak carbon emissions by 2030 and to reach the net zero emissions goal by 2060.** Guided by the "Corporate Net Zero Pathway - Delivering the Paris Agreement and the Sustainable Development Goals" released by the United Nations Global Compact (UNGC), we have formulated five initiatives to achieve net zero strategy. We are actively exploring a unique "dual-carbon" path with characteristics of our company.

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**Designing sustainable products**

Through technological innovation, we integrate digital intelligence products with green development and the concept of the product lifecycle into comprehensive supply chain services, providing integrated industry services to upstream and downstream partners.



**Developing Sustainable industries**

Seizing the opportunities for green and low-carbon transformational development, we actively engage in initiatives such as promoting the circular economy and enhancing the well-being of the people, thereby contributing to the sustainable development of cities.



**Facilitating supply chain decarbonization**

We adopt sustainable materials and logistics methods in production and operations, collaborating with supply chain partners to build a sustainable supply chain, collectively promoting the overall green and low-carbon transformation of the industry chain.



**Executing sustainable actions**

Under the theme of "Passion for Nature and Dreams for Future," we carry out a series of activities to advocate for nationwide green movement with everyone's participation, collaboration, and sharing, aiming to collectively safeguard the Earth.



**Utilizing renewable energy**

We promote the use of renewable energy sources such as solar and wind power in production and operations, gradually reducing the proportion of non-renewable energy sources such as fossil fuels, to drive energy transition.

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## Sustainable Development Risk Management

Climate change presents humanity with severe and long-term adjustment challenges. We integrate sustainable development risk management into a comprehensive risk management framework. Referencing scenario models from the Intergovernmental Panel on Climate Change (IPCC), we identify and assess near-term, medium-term, and long-term physical risks. Likewise, referencing scenario models from the International Energy Agency (IEA), we identify and assess short-term, medium-term, and long-term transition risks and opportunities. We then formulate corresponding risk response and strategic adjustment strategies to continuously enhance our strategic resilience under sustainable development risks, ensuring the sustainable development of our company.



### Physical Risks

According to the five scenarios under the IPCC's Shared Socioeconomic Pathways (SSP), we have selected the very low GHG emissions scenario (SSP1-1.9) and the very high GHG emissions scenario (SSP5-8.5) to conduct Near term, Mid-term, and Long term climate disaster risk identification and assessment on our company's business and asset operations.

### • Physical Risk Assessment

Climate-related disaster risks	Current State	2030		2050	
		SSP1-1.9	SSP5-8.5	SSP1-1.9	SSP5-8.5
<b>Floods and Typhoons</b> The destruction of urban infrastructure and its impact on human welfare and health, especially in coastal cities and residential areas.	Medium Impact	Low Impact	Low Impact	Low Impact	Low Impact
<b>Biodiversity loss and habitat displacement</b> Risks of degradation in marine, coastal, and terrestrial ecosystems, including the loss of biodiversity, functionality, and protective services.	Medium Impact	Low Impact	Low Impact	Low Impact	Low Impact
<b>Sea Level Rise</b> The loss of human and natural systems in low-lying coastal areas, reduction in coastal fisheries resources, decrease in precipitation, and rise in temperatures.	Medium Impact	Low Impact	Low Impact	Low Impact	Low Impact
<b>Extreme Heat</b> The increase in temperature and extreme heat impose stress and lead to deaths, with an increase in heat-related mortality and morbidity rates among both humans and wildlife. Food and water security are at risk.	Medium Impact	Low Impact	Low Impact	Low Impact	High Impact
<b>Droughts</b> Freshwater scarcity, with a decrease in surface water supply for irrigation in agriculture and other human purposes.	Medium Impact	Low Impact	Low Impact	Low Impact	High Impact

● Extreme Low Impact ● Low Impact ● Medium Impact ● High Impact ● Extreme High Impact

According to the IPCC's Sixth Assessment Report: Compared to 1850–1900, global surface temperature averaged over 2081–2100 is very likely to be higher by 1.0° C to 1.8° C under the very low GHG emissions scenario considered (SSP1-1.9), the likely global mean sea level rise is 0.28–0.55 meters, and the average annual global land precipitation is projected to increase by 0–5%. Compared to 1995–2014, the global surface temperature is very likely to be higher by 3.3° C to 5.7° C by 2100 under the very high GHG emissions scenario (SSP5-8.5), the likely global mean sea level rise is 0.63-1.01 meters, and the average annual global land precipitation is projected to increase by 1-13%.

• **Physical Risk Management**

Physical Risks	Impact period	Coping Mechanism
<p><b>Floods and Typhoons</b> The destruction of urban infrastructure and its impact on human welfare and health, especially in coastal cities and residential areas.</p>	Near, Mid & Long term	Establish a comprehensive emergency management mechanism, formulate emergency plans, take corresponding measures according to different levels of warnings; regularly conduct emergency drills to enhance the ability to respond to floods and typhoons; ensure that the company's equipment and buildings can withstand the impact of super typhoons.
<p><b>Biodiversity Loss and Habitat Displacement</b> Risks of degradation in marine, coastal, and terrestrial ecosystems, including the loss of biodiversity, functionality, and protective services.</p>	Mid & Long term	Actively take sustainable development actions, advocate for everyone's participation, mutual benefit, and co-creation in the nationwide green action, jointly protecting the ecosystem.
<p><b>Sea Level Rise</b> The loss of human and natural systems in low-lying coastal areas, reduction in coastal fisheries resources, decrease in precipitation, and rise in temperatures.</p>	Mid & Long term	Monitor meteorological and oceanic changes to promptly adjust response strategies.
<p><b>Extreme Heat</b> The increase in temperature and extreme heat impose stress and lead to deaths, with an increase in heat-related mortality and morbidity rates among both humans and wildlife. Food and water security are at risk.</p>	Near, Mid & Long term	Monitor temperature conditions and provide employees with health and safety protection measures in high-temperature working environments; upgrade equipment with heat-insulating materials to enhance heat resistance and conduct regular maintenance to proactively address extreme heat risks.
<p><b>Droughts</b> Freshwater scarcity, with a decrease in surface water supply for irrigation in agriculture and other human purposes.</p>	Near, Mid & Long term	Advocate for water conservation principles, promote water-saving appliances, and reduce water resource consumption.

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- **Climate Response**
  - Pollution Control and Ecosystem Protection
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**Transition Risks**

We combine the Net Zero Emissions by 2050 Scenario (NZE) and the Stated Policies Scenario (STEPS) within the IEA scenario model to assess the transition risks and opportunities for our development posed by climate change. Corresponding strategies are formulated to enhance the strategic resilience of our company and achieve sustainable development.

• **Transition Risk Management**

Transition Risks	Impact period	Coping Mechanism
Geopolitical conflict	Near, Mid & Long term	Seize key areas in the domestic "East, West, South, North, and Central" for layout, accelerate overseas market expansion, increase internationalization efforts, actively build a dual-cycle development pattern domestically and internationally; drive innovation in business models, strengthen penetration along the entire industry chain, continuously build core competitiveness in investment and operation along the industry chain, large customer management, and one-stop services, rely on integrated channel resource integration capabilities to deeply penetrate the upstream and downstream of the industry chain, and maintain close strategic cooperation with industry chain customers based on mutual assistance and trust.
Pressure from greenhouse gas emission reduction policies	Mid & Long term	Adhere to the concept of green development, formulate net zero strategies and emission reduction targets, actively practice carbon reduction actions; contribute to the low-carbon or decarbonization development of the industry chain by implementing technology innovation, actively researching and developing iterative digital products, while reducing greenhouse gas emissions generated by our own operations.
Growing market demand for sustainable products and services	Near, Mid & Long term	Utilize global resources to acquire and establish distribution channels, enhance professional and effective risk management capabilities, build a 5A-grade logistics distribution network, and vertically expand the industry chain upstream and downstream. Horizontally enrich supply chain service content, provide customers with customized, integrated supply chain service solutions, continuously enhance the innovation vitality of the industry chain, and nurture business growth.
Demands for clean technology innovation and energy transition	Mid & Long term	Continuously advance digitalization strategy by innovating with technology, actively researching and developing iterative digital products, empowering the industry chain to achieve green transformation. Accelerate expansion into new fields such as new energy, new materials, information technology, and life sciences. Actively explore new energy materials business such as cobalt and lithium.

According to the IEA's World Energy Outlook" (WEO): Under Net Zero Emissions by 2050 (NZE) Scenario, the Global energy-related carbon emissions reach net zero by 2050, limiting the rise in global temperatures to 1.5 ° C. Under the Stated Policies Scenario (STEPS), which considers only specific policies already enacted or announced by governments, annual carbon emissions from energy and industrial processes will increase from 34 gigatonnes in 2020 to 36 gigatonnes in 2030, remaining at roughly the same level until 2050. If emissions continue along this trajectory and non-energy-related greenhouse gas emissions follow a similar trend, the temperature will rise by approximately 2.7° C by 2100 (with a 50% probability). By 2050, the share of renewable energy in global electricity generation will be close to 55%.

**Environment**

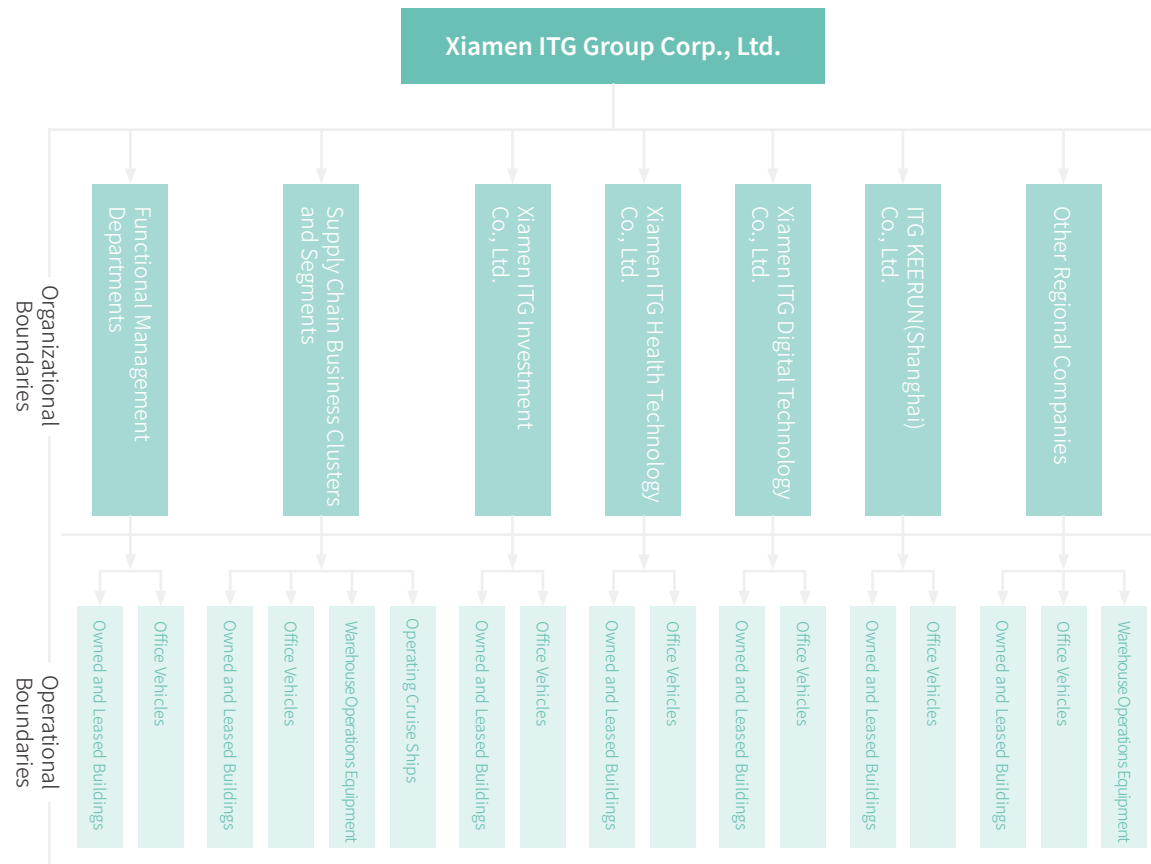
● **Climate Response**

- Pollution Control and Ecosystem Protection
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## GHG Emissions Control

To strengthen greenhouse gas emissions and energy management, the Strategic and Sustainable Development Committee has designated individuals responsible for exploring research directions in energy conservation and carbon reduction as well as providing operational and maintenance services related to energy-saving and carbon-reduction efforts. We aim to systematically advance greenhouse gas emissions and energy management initiatives.

In accordance with the requirements of the ISO 14064-1:2018 standard, we conducted a greenhouse gas inventory for the following entities that have operational control in 2023 using the operational control method:



Our GHG inventory scope for 2023 includes Scope 1 direct emission sources and Scope 2 indirect emission sources. Scope 1 includes emission sources from natural gas boiler combustion, ships/vehicles combustion facilities, and fugitive emissions from equipment like air conditioning, while Scope 2 includes GHG emissions generated from purchased electricity, heat, and other energy sources.

• **Description of GHG inventory scope for 2023**

GHG Category	Definition	Primary GHG activities
Scope 1	Direct Greenhouse Gas Emissions refer to the greenhouse gas emissions produced by the organization itself, including the emissions produced by burning fossil fuels and industrial processes. They are divided into stationary combustion emissions, mobile combustion emissions, process emissions, and fugitive emissions.	<ul style="list-style-type: none"> <li>Natural gas stove</li> <li>LPG stove</li> <li>Diesel generator</li> <li>Gasoline business vehicles</li> <li>Diesel business vehicles</li> <li>Diesel forklift and other on-site vehicles</li> <li>Marine transportation</li> <li>Operation of air conditioners and other cooling equipment</li> </ul>
Scope 2	Indirect Greenhouse Gas Emissions refer to the greenhouse gas emissions generated from the energy consumed by the organization, such as electricity and thermal energy. This includes purchased electricity, purchased steam, and others.	<ul style="list-style-type: none"> <li>Electricity for production</li> <li>Electricity for office use</li> <li>Purchased steam</li> </ul>



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**GHG Emissions**

Total GHG Emissions  
**357,093.61**  
tCO<sub>2</sub>e

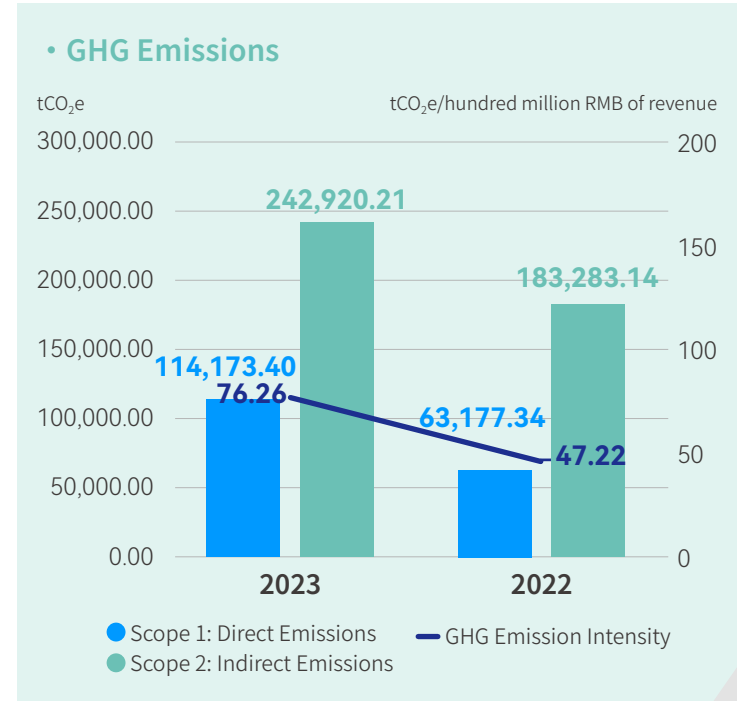
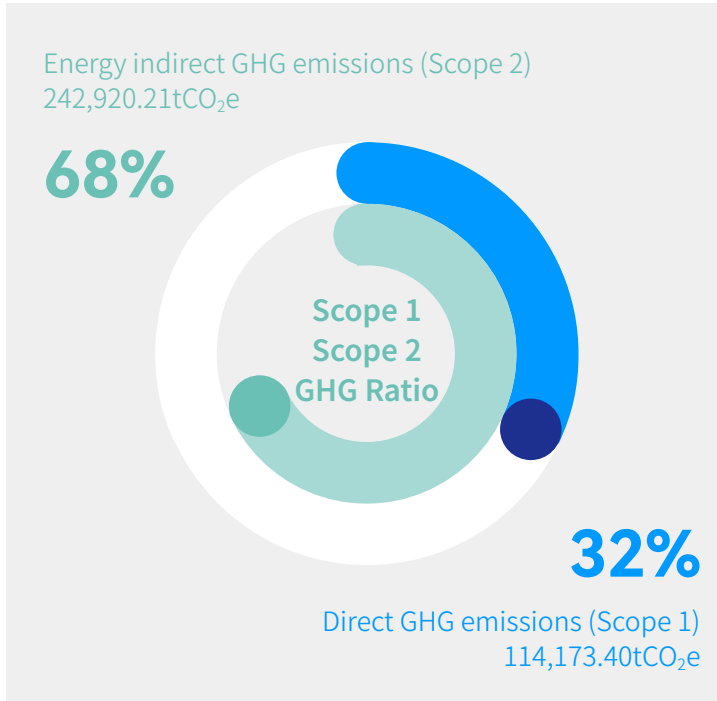
In 2023, our total GHG emissions amounted to 357,093.61 tCO<sub>2</sub>e

The GHG emission intensity was  
**76.26**  
tCO<sub>2</sub>e/hundred million RMB.

In 2023, the GHG emission intensity was 76.26 tCO<sub>2</sub>e/hundred million RMB

• **2023 GHG Emissions**

Category	2023	2022
<b>Scope 1: Direct Emissions</b> (tCO <sub>2</sub> e)	114,173.40	63,177.34
<b>Scope 2: Indirect Emissions</b> (tCO <sub>2</sub> e)	242,920.21	183,283.14
<b>Total</b> (tCO <sub>2</sub> e)	357,093.61	246,460.48
<b>GHG Emission Intensity</b> (tCO <sub>2</sub> e/hundred million RMB of revenue)	76.26	47.22



**Environment**

• **Climate Response**

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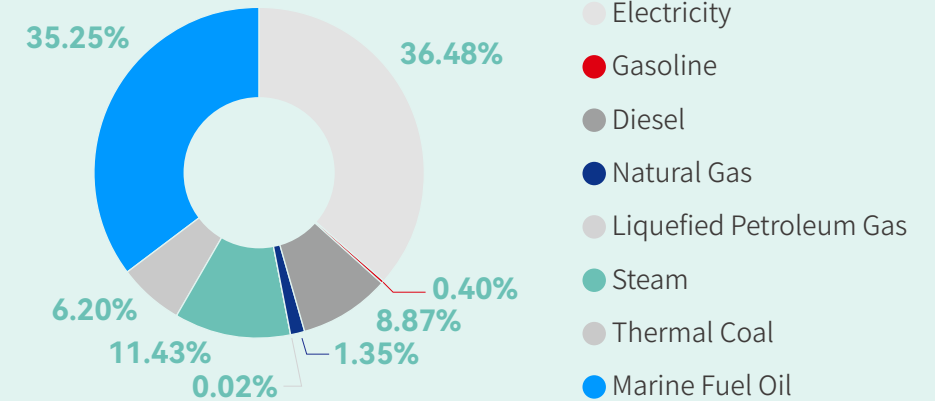
**Energy Consumption**

During the reporting period, our comprehensive energy consumption amounted to approximately 115,244.89 metric tons of coal equivalent. In terms of energy consumption structure, the highest proportion of comprehensive energy consumption is accounted for by electricity and marine fuel, totaling approximately 71.73%. Regarding greenhouse gas emissions generated from energy consumption, electricity contributes significantly, accounting for 58% of the total greenhouse gas emissions produced from energy consumption throughout the year.

• **2023 Energy Consumption**

Energy Type	2023 Energy Consumption	2022 Energy Consumption	Total comprehensive energy consumption in 2023 (tons of coal equivalent)	Total comprehensive energy consumption in 2022 (tons of coal equivalent)	Energy consumption percentage in 2023(%)
Electricity (kWh)	342,095,277.67	271,331,451.20	42,043.51	33,346.64	36.48
Natural Gas (m <sup>3</sup> )	1,169,092.15	/	1,554.89	/	1.35
Diesel (L)	8,156,804.16	8,346,273.39	10,221.35	10,458.76	8.87
Gasoline (L)	433,068.61	/	465.17	/	0.40
Liquefied Petroleum Gas (kg)	11,120.10	4,268.80	19.06	7.32	0.02
Steam (t)	139,112.81	74,541.45	13,173.98	7,059.08	11.43
Marine Fuel Oil (t)	28,432.67	/	40,618.91	/	35.25
Thermal Coal (t)	10,007.03	8,012.84	7,148.02	5,723.57	6.20
Thermal Energy (GJ)	/	3,204.96	/	109,353.27	/
<b>Total</b>			<b>115,244.89</b>		<b>100.00</b>

• **Energy Structure**



## Energy Conservation and Emissions Reduction Action

Digital technology is an important clean technology in improving resource utilization efficiency, reducing energy consumption, and promoting the low-carbon transformation of industrial chains. We continue to advance our digital strategy by innovating and actively developing iterative digital products. While reducing greenhouse gas emissions from our own operations, we contribute to the low-carbon or decarbonization development of the industrial chain, thereby driving our business activities to have a positive impact on the environment.



### Intelligent Energy and Carbon Management Platform--"ITG Carbon Chain"

The "ITG Carbon Chain" Intelligent Energy and Carbon Management Platform utilizes the independently developed zero-carbon industrial Internet platform by our subsidiary, Xiamen Keerun OCSMARTER, as its technical foundation. It can real-time collect multi-dimensional energy and carbon emission data, construct energy and carbon emission models, and achieve digital intelligence of energy and carbon management in multiple scenarios, providing technological support for efficient carbon accounting and precise energy conservation and emission reduction. It can achieve integrated energy management covering "heating, electricity, cooling, gas, and water" as well as "source, grid, load, storage, and charging," empowering users to complete the carbon management cycle of "efficient carbon calculation, continuous carbon reduction, and scientific carbon management." The "ITG Carbon Chain" s Intelligent Energy and Carbon Management Platform has been applied in more than 10 projects including Keerun Tire (Rizhao) and Zhonghong Kelun Pharmaceutical Factory.

Intelligent Energy and Carbon Management Platform--"ITG Carbon Chain"

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**Environment**

● **Climate Response**

Pollution Control and Ecosystem Protection

Resource Utilization and Circular Economy

During this reporting period, the "ITG Carbon Chain" intelligent energy and carbon management platform has received numerous awards, including:

**The "2023 Supply Chain Case of Digital Intelligence"**  
from the Alliance of Industrial Internet under the Ministry of Industry and Information Technology

**The third prize**  
in the Carbon Peaking and Carbon Neutrality Innovation Competition "New Green Cup" held by the China Academy of Information and Communications Technology under the Ministry of Industry and Information Technology

**The "Qingxin 2023 Practice Pioneer Digital Intelligence Project"**  
from the National Business Daily

**The "Selected Cases of Excellent Practice in Green and Low carbon Development of China Enterprises 2023"**  
from the China Enterprise Confederation

**Highlight**  
**Empower tire factories for energy conservation and emission reduction**

The "ITG Carbon Chain" has helped boost the annual production of zero-carbon steam to over 100,000 tons at both Keerun Tire (Rizhao) and Keerun Tire (Dezhou). The combined cost reduction for both factories amounts to approximately 7.4 million RMB. Through the "ITG Carbon Chain," tire factories achieve intelligent digitalization and low-carbon transformation, thereby accomplishing energy-saving, cost-reduction, quality-enhancing, and efficiency goals.



Keerun Tire (Dezhou) Smart Biomass Thermal Power Station



Smart Air Compressor Station in Zhonghong Kelun Pharmaceutical Factory

**Highlight**  
**Empower Zhonghong Kelun Pharmaceutical Factory to enhance quality and efficiency**

"ITG Carbon Chain" has assisted the subsidiary of Zhonghong Pulin Medical Products Co.,Ltd., Zhonghong Kelun Pharmaceutical Factory, in achieving low-carbon transformation and digital intelligence management of its factory. Through equipment upgrades and digital management systems, the operational efficiency of air compressors and chillers has been significantly improved. This has resulted in an annual reduction of approximately 1,694 tons of emissions for the factory, saving nearly 1.37 million RMB in costs.

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**"ITG Atlas" Pulp and Paper Industry Solutions**

"ITG Atlas" Pulp and Paper Industry Solutions - A Pulp and Paper Industry Internet Platform that breaks through industry barriers, enabling seamless integration with upstream factories' orders. It establishes a complete closed-loop covering the entire chain from "upstream raw materials - midstream production - downstream sales," thereby assisting the pulp and paper industry in improving quality and efficiency.

"ITG Atlas" Pulp and Paper Industry Solutions utilizes blockchain technology in the pulp industry's Internet platform to address challenges such as numerous participants, insufficient trust, and long-term reliance on paper documents. Simultaneously, the tamper-proof nature of blockchain technology ensures the reliability of multi-party collaboration in the supply chain. Data and documents on the blockchain can circulate securely, enabling paperless document applications and effectively reducing carbon emissions generated during the use and transmission of paper documents.

During this reporting period, "ITG Atlas" Pulp and Paper Industry Solutions, an Internet platform for the pulp industry, was awarded the third prize in the Industrial Collaboration category of the inaugural Professional Competition for Digital Scene Innovation for State-Owned Enterprises. Additionally, it was selected as a benchmark case in the "Compilation of Digital Supply Chain Benchmarking Cases (2023)" by the China Academy of Information and Communications Technology.



**The Energy-saving Renovation of the Vessels "Bailuzhou" and "Fenghuanghai"**

To promote energy conservation and emission reduction actions and to effectively implement the Energy Efficiency Existing-Ship Index (EEXI) rules set by the International Maritime Organization (IMO), which requires existing bulk carriers to reduce carbon emissions by 20% compared to 2019 levels, we have carried out energy-saving transformations on our own vessels, namely, the "Bailuzhou" and "Fenghuanghai".



**Flow guide tube:** Install guide wheels/guide blades in front of the screw propeller to improve the uniformity of inflow to the screw propeller and the separation flow, generate additional thrust, reduce the energy loss of the wake, and increase sailing distance by **3%-7%**.

**Vortex eliminators:** Add small fins equal to the number of propeller blades on the deflector cap of the propeller to eliminate the energy loss of the hub vortex of the screw propeller, increasing sailing distance by **2%-5%**.

**Rudder bulb:** Reduce water resistance, improve rudder efficiency, increasing sailing distance by **1%-3%**.

**Installation of electric heaters:** During the ship's anchorage period, use electric heaters for the auxiliary engine fuel steam heater, the lubricating oil separator steam heater, the main engine cylinder liner steam heater, and the domestic water steam heater in parallel. Keep the auxiliary boiler warm and pressurized, and stop supplying steam. This can achieve fuel savings of approximately **1** ton per day.



# 1.2

## Pollution Control and Ecosystem Protection

Biodiversity and ecosystems are the foundation of human survival and development. We respect international conventions such as the "Declaration of the United Nations Conference on the Human Environment" and the "United Nations Framework Convention on Climate Change", and strictly adhere to relevant environmental protection laws and regulations in China, including the "Environmental Protection Law of the People's Republic of China". We have formulated an "Environmental Protection Policy" aimed at minimizing the negative impact on the environment caused by our business operations. We are committed to creating an environmentally friendly and comfortable working and living environment for our employees, partners, and communities where we operate.

● Completed ▲ In Progress

2023 Management Targets		Completion Status
1	Promote garbage classification work actively to reduce the use of plastics	▲
2	Control strictly the use of water resources in production and operation, achieving the protection and efficient utilization of water resources	▲
3	Actively engage in environmental protection public welfare activities, advocating for nationwide green actions	▲

### Biodiversity Protection

In project investment, design, development, and operation stages, we incorporate environmental impacts into project assessment and decision-making processes. We avoid engaging in business activities unrelated to ecological protection in important ecological conservation areas and their vicinity, such as World Heritage Sites and protected areas listed in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species, to ensure the integrity and effectiveness of habitat and biodiversity protection. We advocate for projects and activities that promote biodiversity protection, aiming to collectively achieve ecological protection.

**Environment**

- Climate Response
- **Pollution Control and Ecosystem Protection**
- Resource Utilization and Circular Economy

## Pollutants Emissions Control

We strictly adhere to relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Water Pollution Prevention and Control Law of the People's Republic of China," the "Air Pollution Prevention and Control Law of the People's Republic of China," and the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste." Through-out our business operations, we aim to reduce emissions of air pollutants, hazardous waste, and wastewater.



## Waste Gas Emissions Management

Our subsidiary, Keerun Tire (Rizhao) Factory, has been included in the list of key environmental supervision units for 2023 by the Rizhao Municipal Government in Shandong Province. The Rizhao factory currently has 14 air pollutant emission outlets, with the main outlets equipped with online automatic monitoring devices for pollution sources in accordance with regulations, which are connected to the local ecological and environmental department. The environmental protection and governance facilities for waste gas treatment currently employ the following technologies: dust removal using bag filters, cotton filtering, electrostatic oil removal, zeolite adsorption, CO catalytic combustion, SNCR denitrification + multi-tube wet dust removal + desulfurization tower, etc.

According to data from the pollution source automatic monitoring system of the ecological and environmental management department, the emissions of major air pollutants in 2023 is as follows:

Category	Test Item	Emission Method	Average Daily Emission Concentration	Permitted Emission Concentration	Excessive emissions	Emission Volume (Tons)	Permitted Annual Emission Volume
Waste Gas	Non-methane total hydrocarbons	Compliant emissions after treatment	1.35 mg/m <sup>3</sup>	10 mg/m <sup>3</sup>	None	0.12869	/



## Waste Management

Keerun Tire (Rizhao) Factory has signed hazardous waste transfer and disposal contracts with qualified hazardous waste disposal units, and has filed transfer information with the Wulian Sub-bureau of the Rizhao Environmental Protection Bureau to ensure the legal and compliant transfer and disposal of hazardous waste. In 2023, the Keerun Tire (Rizhao) Factory generated 29.984 tons of hazardous waste, of which 25.973 tons were transferred and disposed of.



## Noise Management

Keerun Tire (Rizhao) Factory conducts regular on-site noise emission monitoring (commissioned to third-party monitoring agencies) in accordance with the requirements of the environmental impact assessment report and approval, and all monitoring results comply with the relevant requirements of Category 2 of the "Emission standard for industrial enterprises noise at boundary" (GB12348-2008) and the "Environmental quality standard for noise" (GB3096-2008).

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**Household Waste Classification**

We actively implement household waste classification, continuously improve inspection, promotion, and training efforts, standardize the classification and disposal of household waste, and manage records accordingly. We summarize the classification work through monthly reports and other means. Furthermore, we specifically require all departments and operating units to accurately dispose of lunch boxes, office paper, discarded masks, and other waste to avoid secondary pollution. We conduct irregular inspections of waste classification on each office floor to promptly correct any non-compliant behavior. During this reporting period, our company headquarters conducted a total of 4 training sessions on waste sorting and the explanation of sorting locations. Through these training sessions, we disseminated to all employees the ecological risks caused by unsorted waste, knowledge on household waste sorting, and the distribution of garbage bins in the building. This effectively enhanced employees' awareness of waste sorting and promoted the improvement of waste sorting practices.



**"Passion for Nature and Dreams for Future" Environmental Protection Charity**

To address climate change and support the development of environmental public welfare initiatives, our "Flying Love and Dream" public welfare brand, building upon its existing ethos, combines our ESG governance objectives. We have selected environmental issues such as natural resource conservation, enhancing energy efficiency, and addressing climate change, along with social issues such as human resources, product responsibility, and social responsibility. Under the theme "Passion for Nature and Dreams for Future," we are conducting a series of activities aimed at achieving the green transformation of our public welfare brand. Our goal is to engage society in collectively safeguarding the beauty of our blue skies, green lands, and clear waters through action.



Sustainable coffee cups made from discarded coffee grounds



**Action of Plastic Minimization and Carbon Reduction**

The extensive use of plastic will have a serious impact on the ecosystem, particularly on the habitats of birds and fish. We actively advocate for reducing plastic usage to alleviate plastic pollution issues.

- ✓ In 2023, we did not use any disposable paper cups or plastic cups.
- ✓ Our company's chemical sector provides fully biodegradable plastic PBAT. This plastic can be decomposed through composting after disposal, which helps reduce the environmental harm caused by plastic.
- ✓ Our company's paperboard sector integrates resources from sugarcane pulp and bamboo pulp, promoting the use of paper as a substitute for plastic to reduce plastic production and decrease environmental pollution.

During this reporting period, we launched sustainable coffee cups made from discarded coffee grounds and "Flying Love and Dream" lifestyle blind boxes made from biodegradable resin materials, in conjunction with the theme of "World Environment Day". Our aim is to promote awareness of "plastic Minimization and carbon reduction", thereby contributing to sustainable development.



## Water Resources Conservation

We strictly adhere to relevant laws and regulations such as the "Energy Conservation Law of the People's Republic of China," the "Renewable Energy Law of the People's Republic of China," and the "Water Law of the People's Republic of China" to protect water resources. We develop and utilize water resources legally and compliantly, strengthen water resource management, improve water resource utilization efficiency, and reduce water waste. In our business operations, we actively promote water conservation and advocate for it, regulating the use and management of water in our internal production and daily life to reduce water waste. We also actively promote businesses related to recyclable resources such as waste paper to reduce deforestation, promote soil and water conservation, and protect the ecological environment.



The design of our headquarter, ITG Center, fully implements green and sustainable concepts and considers the conservation of energy, water, and materials, thus obtaining the two-star rating of national green building labels. We realized energy conservation by installing HVAC and rainwater harvesting systems and launching water-saving products.



## Resource Utilization and Circular Economy

Development of a circular economy and promotion of resource conservation, intensification, and recycling serve as powerful supports for the country to achieve its dual-carbon goals. We integrate the perspective of resource conservation, intensification, and recycling into our overall development strategy. We actively promote the sustainable and circular utilization of resources in investment projects and throughout the supply chains of traded goods. Our commitment is to achieve maximum economic and social benefits with minimal environmental costs, contributing to the construction of a circular society.

● Completed ▲ In Progress

2023 Management Targets		Completion Status
1	The annual sales volume of recycled paper shall not be less than 1.4 million tons	●
2	The annual sales volume of scrap steel shall not be less than 700,000 tons	●

**Environment**

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## "Forest-Pulp-Paper" Industry

By integrating resources across the industry chain, we provide comprehensive integrated supply chain services to industrial customers. We upgrade the linear "forest-pulp-paper" supply chain to a networked service system, thus promoting the green and high-quality development of the "forest-pulp-paper" industry.



### Green Pulp Substitution

We participate in chemi-mechanical pulp trading in the industry's midstream, which allows high fiber resource utilization and only 1/4 of the pollutant emissions compared to traditional chemical pulping methods. We supply bagasse pulp and bamboo pulp for pulp molding, replacing plastic with paper to reduce plastic production and usage. We try hard to reduce deforestation by developing various green pulp markets and leveraging sugarcane pulp and bamboo pulp made from bagasse, a sugar production waste.



### Sustainable Wood Procurement

In the upstream industry, we prioritize the procurement of sustainable wood, such as plantation forests in New Zealand and planned reforestation in Europe and America. These forests, which have been certified or are properly managed, have harvesting plans that align with ecological principles. They also implement timely replanting of seedlings for replacement and renewal. Additionally, we seek to collaborate with large-scale timber processing suppliers to maximize the utilization efficiency of wood through production and grading, thereby achieving the goal of forest protection.



### Renewable Resources Utilization

We collaborate with paper mills downstream of industry to sell waste paper and promote resource recycling. During this reporting period, our sales of recycled paper exceeded 1.4 million tons, reducing the felling of around 14.48 million trees and protecting approximately 841 square kilometers of forest.

## Trade of Recycled Steel Materials

We actively engage in the trade of recycled steel materials to reduce waste of steel resources. During this reporting period, our business scale in recycled steel material trading reached **2,087** million RMB, with sales volume of **776,500** tons and contract signing volume of **642,000** tons.



# Society



## 2.1 Employees

## 2.2 Innovation-driven Development, Suppliers and Clients

## 2.3 Rural Revitalization and Social Contribution

### 2023 Social Impact

 Total Social Contributions	<b>6,637.58</b> million RMB	Among which Total Tax Payment <b>2,627.93</b> million RMB
 Social Contribution Per Share	<b>3.01</b> RMB	Employee Compensation <b>1,721.45</b> million RMB
 Number of Employees	<b>6,947</b> persons	Dividends Paid to Shareholders <b>1,644.54</b> million RMB
 Total Occupational Health and Safety Investment	<b>38.03</b> million RMB	Interests Paid to Creditors <b>1,208.34</b> million RMB
 Number of Work-related Fatalities	<b>0</b> persons	External Donations <b>1.53</b> million RMB
 Volunteer Service Hours	<b>1,605</b> hours	<b>Subtract:</b> Amount of fiscal subsidies received <b>566.21</b> million RMB
 Total Employee Training Hours	<b>114,431</b> hours	



# 2.1 Employees

We adhere to the philosophy of "World-class enterprises need world-class talents" and have established a "Pioneering Culture" system with "Leadership, Responsibility, Hardworking, and Partnership" as our core values. Guided by the "Pioneering Culture", we empower the development of first-class enterprises. By perfecting a "results-oriented" value evaluation mechanism and a "striver-oriented" value distribution mechanism, we create a community of interests, providing employees with a fair, healthy, inclusive, and upward-working environment to achieve mutual creation and sharing.

## Human Rights Protection

We adhere to the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and relevant laws and regulations on labor rights protection in the regions where our business operates. We have formulated the "Labor Rights Protection Policy," which applies to all entities under our financial and operational control and all employees (including contractors), aiming to fully safeguard the basic rights of employees, such as human rights and occupational health. We provide comprehensive training mechanisms and fair career development opportunities to employees, thus promoting the sustainable development of human capital within us. Furthermore, we encourage suppliers, partners, and other stakeholders to join in implementing the initiatives and requirements proposed in our "Labor Rights Protection Policy".

● Completed ▲ In Progress

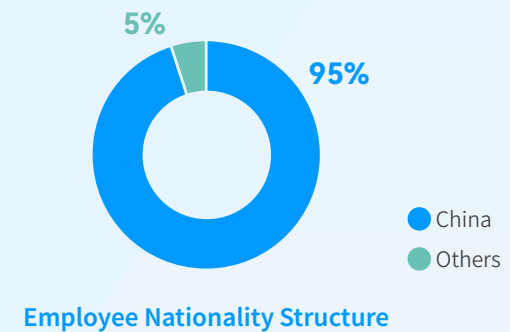
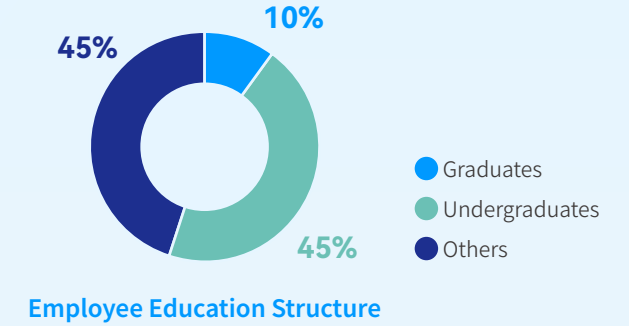
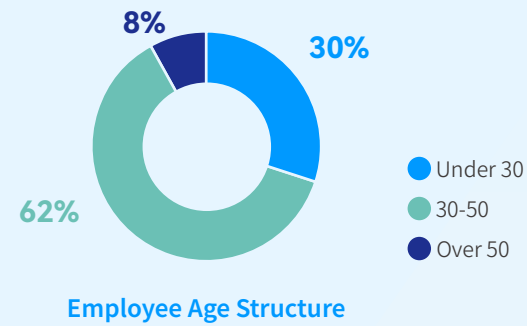
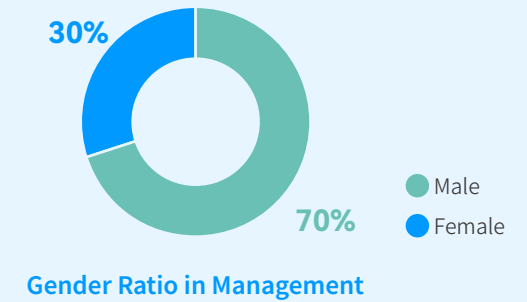
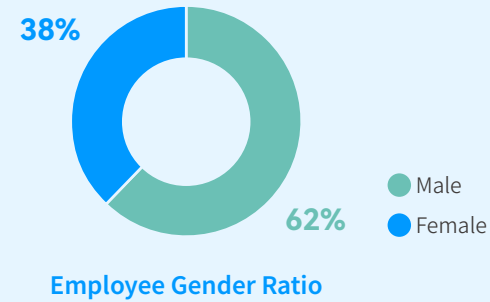
2023 Management Goals		Completion Status
1	Formulate "Labor Rights Protection Policy" and "Community Policy", provide equal employment and development opportunities, and create a fair and just professional environment	●
2	No incidents of workplace discrimination or harassment occurred throughout the year	●
3	No penalties incurred due to violations of relevant labor laws and regulations or employment discrimination	●
4	The average training duration provided to employees throughout the year should not less than <b>10</b> hours per person	●
5	The number of major accidents or significant incidents should be <b>zero</b>	●
6	The mortality rate for general accidents should be <b>zero</b>	●
7	There should be <b>zero</b> incident with direct economic losses exceeding <b>1</b> million RMB	●
8	The annual occupational safety and health training for employees and contractors should not be less than <b>20,000</b> participants and <b>30,000</b> hours	●

• **Employees**

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During the reporting period, we rigorously enforced the "Labor Rights Protection Policy" and other internal regulations related to employee recruitment and benefits. No penalties were incurred due to violations of laws and regulations concerning labor rights protection in the regions where our business operates. As of December 31, 2023, we had a total of 6,947 employees.





## Anti-discrimination and Anti-harassment

We adhere to the principle of equal employment and are committed to creating a diverse and inclusive work environment. We practice fairness in employee recruitment, promotion, and incentives, providing equal opportunities without discrimination based on gender, nationality, race, religion, age, disability, sexual orientation, or any other factors for candidates or employees. Any form of discrimination and harassment, including but not limited to sexual harassment, threats, and intimidation, is strictly prohibited.

During the reporting period, we did not experience any incidents of discrimination, harassment, or violations of compliance and fairness in recruitment and hiring procedures.



## Prohibition of Forced Labor and Child Labor

We strongly oppose all forms of forced labor, child labor, slavery, servitude, and human trafficking. In the "Employee Recruitment Measures" and the "Guidelines for Risk Control of Labor Outsourcing, Labor Dispatch Units, and Personnel (Trial)," the ages of candidates and personnel from outsourcing companies are clearly specified. During the recruitment process, strict age verification is conducted, and we strictly adhere to the minimum working age as stipulated by relevant laws and regulations.

During the reporting period, there were no risks of child labor or forced labor in any of our operating locations, and no incidents of child labor, minors in hazardous work, or forced labor occurred.



## Protection of Women Employees' Rights

We place great importance on protecting the rights of female employees, ensuring equal pay for equal work, and prohibiting gender discrimination. We have signed a "Special Collective Contract for the Protection of Female Workers' Special Interests," fully guaranteeing female employees' rights to pregnancy leave, maternity leave, breastfeeding leave, childcare leave, etc. We continuously improve various welfare programs for female employees, such as setting up lactation rooms, providing personalized health advice and treatment plans through "one-on-one" health consultations, to provide special labor protection for female employees, creating a working environment that respects the special needs of women and balances work and development.



"Love's Ten Square" lactation room, catering to the needs of "working-and-nursing mothers"

**Society**

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**Protection of Employee Democratic Rights**

We respect the democratic rights and freedom of speech granted to employees by the constitution and laws, fully guaranteeing employees' rights to be informed, participate, express, and supervise. We value employee communication, actively promote collective bargaining and mediation mechanisms, and provide diversified channels for employees to express their opinions and grievances. In the democratic formulation, modification, negotiation, and decision-making processes of regulations and systems involving employee rights, we fully solicit the opinions of employee representatives. We have signed Collective Contract, Special Collective Contract for the Protection of Women Workers' Special Interests, and Wage Collective Contract to fully protect employees' democratic rights.

● **Employee Satisfaction Survey**

We conduct democratic assessments to effectively understand employees' demands regarding career development, occupational health, compensation and benefits, and other aspects. We manage potential human rights risks such as workplace discrimination, harassment, and overwork, and take preventive and corrective measures to promote a more inclusive, healthy, and diverse work environment. During the reporting period, we conducted an employee satisfaction survey covering **85%** of employees. The average satisfaction score of surveyed employees was **8.98** out of 10, representing a **6%** increase compared to the same period last year. Among the surveyed employees, **87%** reported high levels of happiness.



● **Employee Complaints and Protection**

In response to violations of human rights protection, we have established corresponding complaint channels and implemented effective procedures to ensure prompt and comprehensive investigation.

If any employee encounters situations that violate human rights protection, they can file a complaint with the Human Resources Department or Labor Union. The CEO Office, Human Resources Department, and Risk Compliance Department collaborate to handle complaints, including labor disputes and violations of human rights protection.

If the investigation confirms the validity of the allegations, in accordance with relevant laws, regulations, and internal policies, we take necessary punitive actions against the implicated employees and provide necessary comfort to the victims and their families, ensuring that the rights of the victims or complainants are protected. All information about victims or complainants is kept confidential to prevent retaliation.

• **Employees**

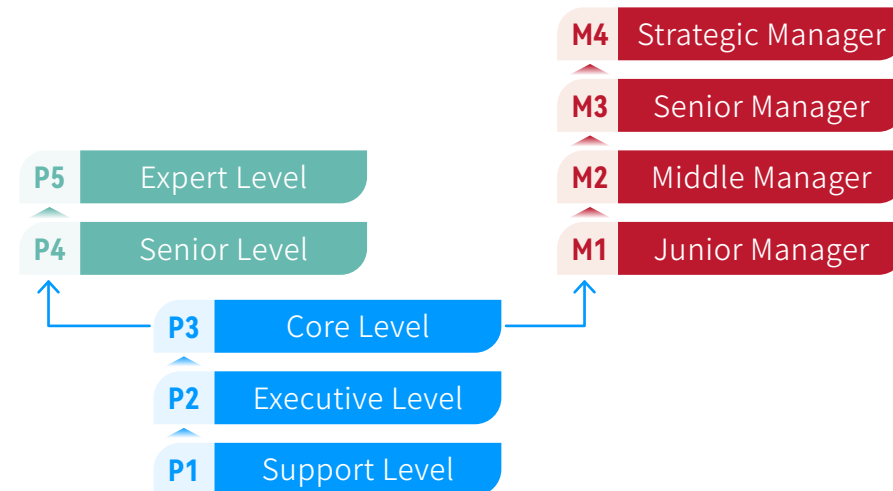
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Rural Revitalization and Social Contribution

## Smooth Career Development Pathways

We have formulated internal management systems such as the "Salary Management System," "Performance Management Regulations," "Salary and Benefits Management Regulations for Overseas Employees," and "Implementation Rules for Enterprise Pension Schemes" in accordance with relevant laws and regulations such as the "Contract Law of the People's Republic of China", "The Regulation on the Implementation of the Contract Law of the People's Republic of China", and "The Company Law of the People's Republic of China". These systems provide employees with competitive, fair, and reasonable compensation and benefits, and we commit to implementing minimum wage standards not lower than the requirements of laws and regulations to ensure equal pay for equal work. We implement open, fair, and just principles of employee promotion management.

During the reporting period, we revised the "Career Management Regulations," "Employee Rotation Management Measures," and "Internal Examination Management Measures," implementing a dual-track career development system for management and professional roles. By establishing objective, specific, and unified promotion standards and evaluation methods, we strive to provide employees with comprehensive training mechanisms and fair career development opportunities, providing diverse employee training through the establishment of a scientific promotion management process, creating a fair and just talent environment. Additionally, through the implementation of employee stock ownership plans, we are committed to achieving mutual creation and sharing of personal and corporate values.



### • Employee Compensation

We adhere to the principles of "fairness, performance linkage, incentive, and talent attraction" in employee compensation. Employee compensation consists of fixed wages (including basic wages and position wages), allowances, variable pay, and benefits. By signing the "Wage Collective Contract," we commit to implementing minimum wage standards not lower than the requirements of laws and regulations. We also reference local and industry wage levels and relevant wage collective bargaining situations to determine personnel income standards based on factors such as job attributes and competency levels. Employee grading and salary determination are conducted annually, considering factors such as employee capabilities. Additionally, a review of employee salary levels and compensation matching is carried out each year.

### • Employee Performance Management

We have established and continuously optimized a scientific performance management system, utilizing comprehensive performance evaluation methods such as "KPI (Key Performance Indicators) + 360-degree performance appraisal." We implement performance assessment cycles such as quarterly, semi-annually, and annually. Combining departmental and individual performance plans, we apply performance evaluation results to aspects such as bonus distribution, salary adjustments, job grade adjustments, training, career development, and commendation, fully leveraging performance management to guide and motivate employee development.

Performance communication is integrated throughout the entire performance management process. performance interviews are conducted at least once a year. The interviews are conducted to discuss the assessed individual's work performance, behavioral performance, next year's work goals, and improvement plans. Regular reporting and periodic guidance are provided, reviewing performance indicator completion, conducting performance reinforcement and ongoing tracking, assisting in implementing improvement measures, ensuring closed-loop management, achieving scientific evaluation, rational allocation, and motivating employees to create value, forming a virtuous cycle. If the assessed individual disagrees with the performance evaluation results, they can appeal to the performance assessment group or relevant departments. The relevant departments must ensure that within 10 working days of the appeal being filed, the employee receives a fair and objective assessment and response, ensuring the legitimate rights and interests of the appellant are respected.



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**Employee Incentive Mechanisms**

Taking a long-term perspective, we utilize equity incentives as a mechanism for profit sharing, effectively aligning the interests of shareholders, company, and key team members, thereby supporting sustainable business development. During this reporting period, we implemented a Restricted Stock Incentive Plan, granting a total of 20,677,200 shares to 397 mid-level management and key employees.



**Multi-Dimension Talent Development System**

We have established and continuously improved the "4321" talent development system, based on the concept of "Pioneering Culture". We distilled four major talent characteristics - "Pursuit of Excellence, Responsibility and Dedication, Preservation and Innovation, Efficient Collaboration" - and four key abilities, guiding the talent development goals. We established a three-pillar training program system of "Cultural Leadership, Professional Advancement, and Management Progression", emphasizing talent development to ensure the capacity building of the HR team and internal trainers. Centered around the positioning of "the world of education at your fingertips", we continuously enhanced the digital learning platform, ITG WE-Learning.



**Employee Welfare Benefits**

We provide employees with benefits such as marriage leave, maternity leave, prenatal examination leave, caregiving leave, breastfeeding breaks and maternity leave, childcare leave, nursing leave, bereavement leave, annual leave, and other statutory holidays; we legally contribute to employees' social insurance and housing provident fund, and offer supplementary medical insurance; on-duty employees enjoy benefits such as hygiene

allowances, lunch subsidies, transportation allowances, heatstroke prevention allowances, holiday bonuses, year-end double salary, annual health check-ups, etc.; we implement an enterprise annuity system to provide retirement benefits for employees through additional pension plans.

For expatriate employees, they can choose between two options: remote permanent medical coverage or temporary remote medical coverage. We purchase overseas insurance (including overseas emergency medical rescue, coverage for infectious disease death and critical illness, accident and illness outpatient and inpatient allowances, travel property loss, third-party liability, etc.) for expatriate employees (non-residents of the country of assignment) who apply for it, ensuring the health and safety of expatriates abroad.



We organized a total of **1,281** employee training sessions

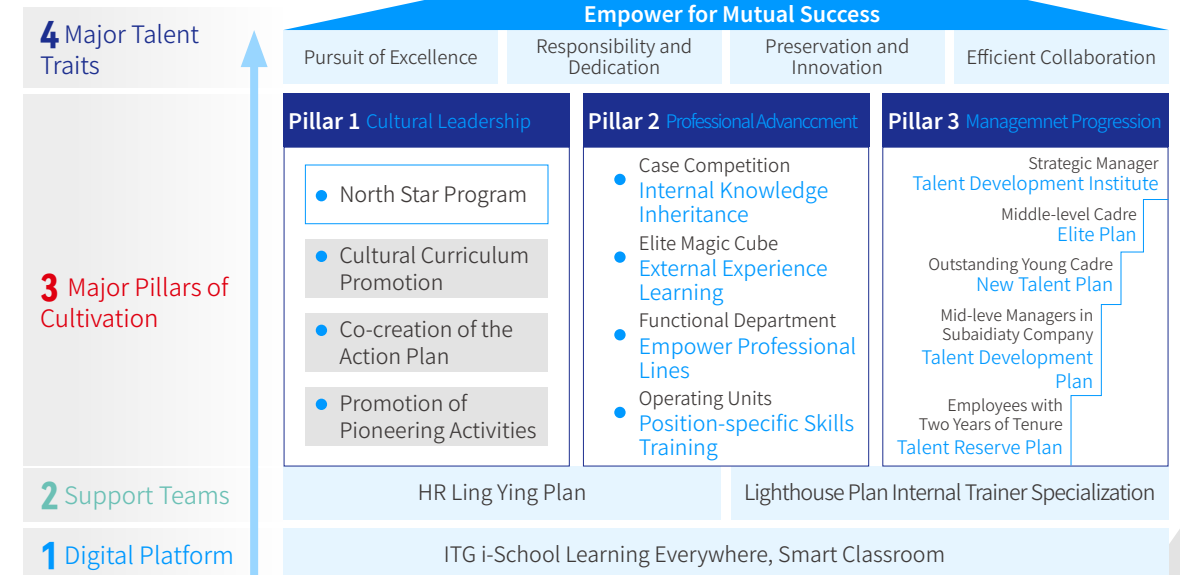


with a total of **6,095** employees participated



received **6** awards from industry organizations for learning initiatives

**"4321" Integrated Talent Development Framework**



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**Highlight**  
**Internationalized Talent Program**

In 2023, we held our first "Internationalized Talent Program" specialized in international talent development. The Internationalized Talent Program aimed to cultivate confident, capable, and willing international talents through specialized training. It aimed to strengthen the understanding of international strategies, enhanced skills in overseas business expansion, and reinforce cross-cultural adaptability, thereby facilitating the smooth operation of our international business. The program is designed around talent development objectives and integrates the entire chain of talent selection, nurturing, and utilization., focusing on empowering training with the main themes of "global perspective, overseas expansion capabilities, and cross-cultural integration." The first batch of **64** participants entered the international talent pool, receiving priority consideration for subsequent advanced empowerment and personnel deployment.



**Highlight**  
**North Star Program**

The "North Star Program" corporate culture special training, employing an integrated approach of "teaching and practice." We organized **31** sessions to promote the course "Pioneering Excellence" with coverage of nearly **5,000** participants, including **11** sessions held remotely. The initiative also launched the "Pioneering Declaration SHOW" activity, accumulating over **600** insights into corporate culture learning. This initiative effectively mobilized employees to participate in online corporate culture learning community activities, deeply embedding the understanding of the "Pioneering Culture" within the organization.



**Highlight**  
**New Talent Plan**

The project's training objectives are "role transformation, management efficiency enhancement, and innovation stimulation." It empowers outstanding young cadres to transit into top-notch managers by focusing on four aspects: "management strategy, cross-border communication, strategic orientation, and business thinking." Through the implementation of the "Innovation Proposal Workshop," participants engage in practical work scenarios, critically evaluate, reflect, and propose actionable solutions. This workshop outputs innovative proposals grounded in practicality, ensuring seamless integration between "learning" and "practical application" to enhance business quality and efficiency. In 2023, there were a total of **46** participants in the New Talent Plan, with an average satisfaction score of **94** points.



**Highlight**  
**Elite Plan**

The plan's training objectives are "breaking stereotypes, transforming and upgrading, and broadening perspectives." In line with our requirements for change and development, the project has devised a four-level cognitive model: "self-awareness, understanding others, understanding the world, and understanding wisdom." Following the logical thread of "leadership - strategic management - management practice focus," the project systematically designed empowering courses under the themes of "leadership, strategic management, and management practice focus." The aim was to assist middle-level cadres in elevating their positions, broadening their horizons, and providing key insights on digitalization, internationalization, team management, and other crucial aspects of work. The participants clearly identified improvement points in the plan and proposed management work plans. In 2023, there were **38** participants in the Elite Plan, with an average satisfaction score of **91** points.



• **Employees**

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Rural Revitalization and Social Contribution

## All-Staff Involved Occupational Health and Safety Management

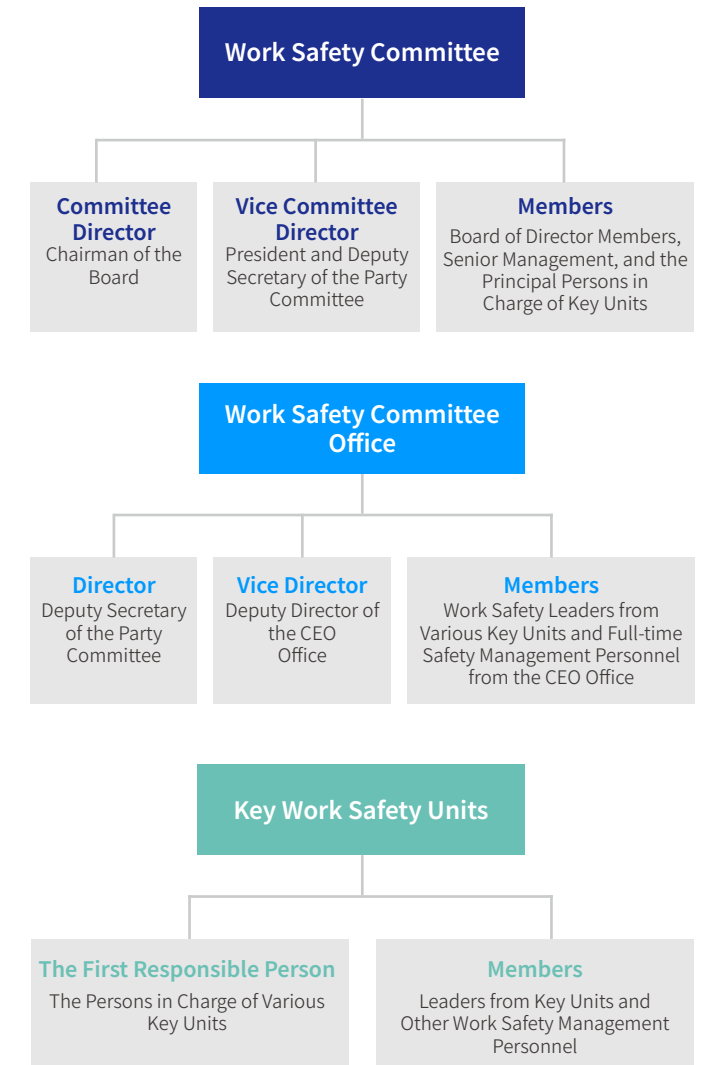
We strictly adhere to relevant laws and regulations such as the " Law of the People's Republic of China on Work Safety " and industry standards, and reference international standards such as ISO 45001. We continuously improve occupational health and safety management system. Using the " ITG Intelligent Brain - Safety Management System" as a focal point, we strengthen the implementation of work safety responsibilities, enhance guidance and supervision of work safety in our subordinate business units, effectively prevent and resolve various safety risks, and resolutely prevent the occurrence of work safety accidents.

During this reporting period, after consulting relevant departments, we organized the revision of work safety systems and emergency plans, including the " Major Safety Risk Announcement and Warning Regulations," " Safety Hazard Investigation and Management Regulations," " Safety Risk Identification, Assessment, Grading, and Control Management Regulations," and " Flood and Typhoon Emergency Plan." We actively urged all units to advance safety standardization construction, resulting in the addition of three new Level-3 standard-compliant units in work safety within the year, with two units passing the standard-compliant reexamination.



## Work Safety Management

We have established a Work Safety Committee (hereinafter referred to as the "Committee") composed of board chairman, senior management, and the principal responsible persons of secondary work safety key units. The chairman of the board of directors serves as the director of the Committee, and the president and deputy secretary of the Party Committee serve as vice directors of the Committee. The Committee has set up a Work Safety Committee Office (hereinafter referred to as the "Office"), with the deputy secretary of the Party Committee serving as the director of the Office and the deputy director of the CEO Office serving as the vice director of the Office. The CEO Office is responsible for the daily work of the Office, and the members of the Office are composed of full-time safety management personnel from the CEO Office and work safety leaders from various key units. We link the performance compensation of the managements with the safety and environmental performance of the managed units by formulating regulations and systems such as the " Regulations on Work Safety Management" and the " Full Work Safety Responsibility System." If a significant safety or environmental responsibility incident occurs during the annual performance assessment period, resulting in significant adverse effects on us or causing losses to state-owned assets, the annual performance salary and deferred performance salary of the principal responsible person of the unit should be deducted. We strictly implement the all-staff work safety responsibility system, signing " Work Safety Target Management Responsibility Letters" at all levels to achieve the principle of "work safety, everyone's responsibility," forming a top-down, all-staff participation work safety management framework.



• **Employees**

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During this reporting period, we organized a total of 7 special work safety meetings, where safety risks were thoroughly analyzed and assessed. Through these meetings, we tightened the work safety responsibilities of leaders at all levels and the main responsibilities of various operating units. Functional departments and operating units were organized to refine and decompose work safety objectives and tasks at each level, and "Work Safety Target Management Responsibility Letters" were signed accordingly. Following the principle of "horizontal to the edge, vertical to the bottom," we ensured full coverage across all staff. Throughout the year, there were no fatalities or major work safety accidents, no incidents resulting in severe or above injuries, and the incidence rate of occupational diseases remained at 0.

• **Digitalization Empowers Work Safety**

We implemented digital management of work safety through the construction of the "ITG Intelligent Brain - Safety Management System". During the use of the system, continuous improvement were carried out in functions such as hazard identification and control, contractor personnel management, etc., making them more comprehensive and efficient in serving the work safety management.

During this reporting period, we conducted comprehensive safety risk identification, assessment, grading, control, and the construction of a dual prevention mechanism for hazard investigation and rectification for seven units including Keerun Tire (Rizhao) Factory. Additionally, the second phase of the work safety management system was implemented. We organized training sessions on system usage for over **300** employees. Throughout the system implementation process, a total of **1,840** risks were identified and assessed, with **117** hazards detected during inspections, all of which have been rectified.



• **Identification, Prevention, and Management of Safety Risks**

During this reporting period, we revised and improved the "Safety Risk Identification, Assessment, Grading, and Control Management Regulations," "Safety Hazard Investigation and Management Regulations," and "Major Safety Risk Announcement and Warning Regulations" and other regulations to standardize work safety risk management. Through comprehensive identification and control, we regulated safety risks in various operating units during the production and operation processes, including potential hazards and significant risk sources, limiting possibilities of risks to preventable and controllable ranges, thus enhancing safety management capabilities.

**The process of identifying hazards and controlling risks**

Through annual, quarterly, and daily hazard identification and risk assessment, we carry out hazard identification work for key areas, key locations, key processes, as well as operational behaviors, occupational health, environmental conditions, safety management, etc.

We use LEC evaluation method, risk matrix method, and other methods to identify and assess hazards, and classify four safety risk levels from high to low: major risk, serious risk, general risk, and low risk, indicated respectively by the colors red, orange, yellow, and blue.

After the classification is completed, we organize the writing and establishment of a safety risk list and database, specifying the identified time and area, existing risks and levels, control measures, and recommendations, to improve safety risk control measures.

Based on safety risk assessment and the types and levels of safety risks, we categorize them into four hierarchy levels from high to low: operating unit, department, team, position. These are progressively implemented at each level of position and management, ensuring that every risk is managed, monitored, and supervised by individuals.

**Society**






• **Employees**

Innovation-driven Development, Suppliers and Clients

Rural Revitalization and Social Contribution

• **Safety Hazard Investigation and Rectification**

We implement the regulations for safety hazard investigation and rectification and the regulations for major safety risk announcement and warning such as "Safety Hazard Investigation and Management Regulations," "Major Safety Risk Announcement and Warning Regulations", adhering to the principle of "safety must be managed in all business operations, industries, and production and operation activities." We strengthen the work of safety hazard investigation and rectification to prevent safety risks.

-  participated **123** work safety inspections
-  issued **88** rectification notices
-  identified **1,149** rectification items
-  completed **1,149** rectifications
-  completion rate of **100.00%**

The safety hazard investigations conducted within the year include:

**01** During the holidays, senior management led teams to conduct extensive work safety inspections at the grassroots level. In 2023, a total of **17** safety inspections were conducted, during which **120** issues and hazards were identified. All identified issues have been rectified.



**02** Invited external safety experts, utilizing a "check while guiding, targeted measures" approach, comprehensively and systematically investigated the safety risks presented in various key operating units. In 2023, a total of **29** external experts were invited to conduct on-site research and diagnosis for **11** locations with higher work safety risks and densely populated areas, including Ningbo Zhencheng Mining Co., Ltd., Hainan ITG Logistics Park, and Keerun Tire Dezhou Factory. A total of **349** rectification measures were proposed, all of which have been completed.



**03** Through the "ITG Intelligent Brain - Safety Management System," we carried out safety hazard self-inspection and self-correction work in various subordinate operating units. In 2023, the subordinate operating units conducted a total of **5,627** self-inspections for work safety hazards, all of which have been rectified with a completion rate of **100%**.

**04** By issuing an "Urgent Notice on Conducting Emergency Inspection of Gas Safety Hazards," we instructed all operating units to conduct comprehensive inspections of bottled gas and pipeline gas. A thorough inspection of gas safety hazards was carried out in rental properties under the jurisdiction of ITG Health Technology and senior care industry to ensure that all procedures related to gas usage were complete, legal, and compliant.



**05** Organized and urged subordinate operating units to actively participate in **12** special rectification activities, including "Work Safety Month," special rectification for gas safety, and "119" fire safety awareness month. A total of **135** reports were submitted on the phased progress, summaries, and conclusions of various work safety tasks to ensure the effective implementation of various special rectification activities.

● **Employees**

Innovation-driven Development, Suppliers and Clients

Rural Revitalization and Social Contribution

● **Environmental Emergency Drill**

We have developed systems such as the "Flood and Typhoon Emergency Plan" to deploy emergency preparedness and response measures for potential natural disasters caused by extreme weather due to climate change. Through regular organization of environmental emergency drills, we enhance employees' emergency response capabilities.

During this reporting period, various operating units organized a total of **223** emergency drills according to the annual drill plan. These drills included emergency drills for slope collapse, flood and typhoon prevention, fire safety, crane accident response, vehicle injury response, and electrical accident response. A total of **3,951** participants took part in these drills, covering 100% of employees.



● **Promotion and Training on Occupational Health and Safety**

We advocate organizing occupational health training activities for employees and stakeholders such as contractors. We encourage suppliers and contractors to conduct occupational health and safety management in accordance with international standards such as ISO45001 Occupational Health and Safety Management System, fostering a healthy and safe working environment together.

In terms of safety education and training, we have invited external experts to conduct training on the full implementation of the all-staff work safety responsibility system, assessment criteria for major accident hazards, and gas safety education. This initiative comprehensively promoted the construction of the all-staff work safety responsibility system, aiming to prevent safety accidents from the source. We urged all operating units to remain vigilant, enhanced safety awareness, acquired necessary knowledge of work safety, and improved hazard identification capabilities to prevent accidents.

Additionally, we actively carried out themed propaganda and education. During Work Safety Month and Fire Safety Awareness Month, promotional slogans were displayed on the front desk televisions in office building. Propaganda materials were also distributed to various operating units through electronic screens, bulletin boards, banners, official WeChat accounts, and our official website, creating a strong atmosphere of work safety.

Moreover, we organized all employees to participate in activities such as the "Work Safety Knowledge Contest" and the "Chain Worker Treasure 2023 National Work Safety Month Knowledge Competition," aiming to promote our work safety systems and safety knowledge.



During this reporting period, various operating units actively organized **504** safety training sessions on topics such as "Safety Knowledge Promotion for Working at Heights," "Safety Knowledge Promotion for On-site Operations," and "Safety Responsibility is Paramount," with a total of **24,881** participants.

● **Occupational Health and Safety Management of the Outsourcing Party**

To safeguard the rights of outsourcing contractors, we have formulated the "Labor Rights Protection Policy" and the "Risk Control Guidelines for Labor Outsourcing, Labor Dispatch Units, and Personnel (Trial Implementation)." We require outsourcing agencies to lawfully contribute to social insurance and purchase employer liability insurance for personnel assigned to work at various operating unit. They must also provide on-site workers with labor protection equipment that meets national or industry standards. For outsourced contractors engaged in hazardous work, regular medical examinations and occupational disease surveys are required, and health records are established to ensure their health and well-being.

Through conducted surveys on the management of outsourcing agencies and personnel in various operating units, the Office analyzed and summarized the insurance coverage situation and management issues of outsourced personnel in each operating unit. Through in-depth discussions with insurance brokers and other relevant parties, the Office explored improvements in outsourcing personnel management to enhance occupational health and safety management for outsourced personnel.

• **Employees**

Innovation-driven Development, Suppliers and Clients

Rural Revitalization and Social Contribution



**Advocate For Healthy Work and Living**

We advocate for a healthy work-life balance. We implement a professional occupational health consultation system, providing employees with consulting services on disease prevention and occupational health protection to avoid the hazards of occupational diseases. Regular psychological health tests are provided to employees to prevent the impact of occupational stress on their mental health, ensuring the physical and mental health and safety of employees.

• **Employee Assistance Program**

We pay attention to employees' mental health and respect their personal values. We have long been implementing the **Employee Assistance Program (EAP)**, aiming to provide care, support, and assistance for the psychological health of all employees and their immediate family members. We continuously enhanced occupational health service capabilities and protection levels. During this reporting period, our EAP program conducted over 10 online live course sessions and provided counseling services to 183 participants. The "All-Staff Mental Health Check" project attracted 2,811 participants, and 71 employees signed up for the first phase of the "EAP Ambassador" series training.

• **Diverse Cultural and Sports Activities**

We strictly implement holiday and working time management in accordance with relevant requirements, ensuring that employees enjoy reasonable and sufficient rest time. Additionally, we provide a healthy working environment for employees and support their mental and physical health by organizing diverse cultural and sports activities.





# 2.2

## Innovation-driven Development, Suppliers, and Clients

As a trusted global industrial partner, we focused on full industry chain operations, injecting three "chain dynamics" into the industry and society—integrated services, industry connectivity, and ecosystem co-creation. We rely on six pillars of support: diverse integration, customized solutions, industry depth, partner empowerment, cross-border innovation, and sustainable symbiosis. We provide eight types of services to partners, including procurement services, distribution services, price management, logistics services, financial services, market research and development, digital operations, and industry upgrades. By aggregating deep and multidimensional resources, we empower upward development and ecological synergy in the industry, creating a resilient foundation for the industry and society and nurturing new value in the industry.

● Completed ▲ In Progress

2023 Management Goals		Completion Status
1	Continuously enhance the supply chain risk management system, establishing due diligence mechanisms for the supply chain, and ensuring no supply chain compliance risk events occurred throughout the year	●
2	Gradually incorporate CSR/ESG evaluation dimensions into the new supplier admission assessment criteria	▲
3	The signing coverage of the "Integrity Agreement" and the "Labor Compliance Commitment Letter" with suppliers and contractors reach <b>100%</b>	●
4	Continuously advance technological innovation and digitalization construction, with the addition of no less than <b>30</b> new intellectual properties throughout the year	●
5	Enhance information security management, with no information security incidents or breaches of customer privacy occurring throughout the year	●



Employees

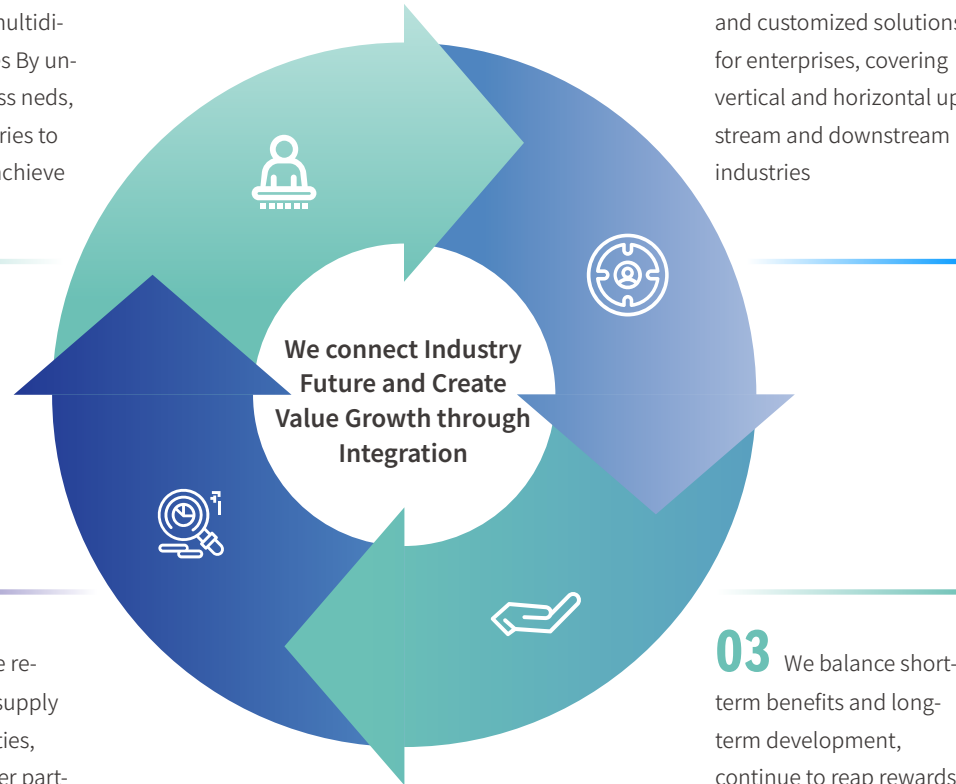
- **Innovation-driven Development, Suppliers and Clients**

Rural Revitalization and Social Contribution

## Integrate Industry to Connect and Create Value to Share

**01** We help clients aggregate vertical multidimensional resources. By understanding business needs, empowering industries to move upward and achieve ecological synergy.

**02** We provide efficient and customized solutions for enterprises, covering vertical and horizontal upstream and downstream industries.



**04** We break the restrictions between supply and demand identities, connect cross-border partners, and explore financial collaboration and digital boundary upgrades.

**03** We balance short-term benefits and long-term development, continue to reap rewards during their growth, creating a sustainable business circulation foundation.

We rely on core competencies, including access to global resources and channel layout, professional and agile comprehensive risk control systems, a 5A-grade logistics distribution network, and comprehensive financial service capabilities. We deeply cultivate eight industry chains including "metallurgy, petrochemicals, textiles, non-ferrous metals, pulp and paper, agricultural products, rubber, and new energy". We vertically expand the upstream and downstream of the industry chain and horizontally enrich the content of the supply chain services. From the perspective of full industry chain operation, we provide customized and integrated supply chain service solutions, effectively addressing the core demands of production and manufacturing enterprises such as stable sources of goods, cost reduction, and risk control. This strengthens and enhances the leading position of the supply chain industry.

- On the raw material front, we integrate domestic and foreign material procurement demands to lock in raw material procurement costs for downstream operations and ensure stable supply of goods.
- At the production end, we offer multimodal integrated logistics services, customizing and differentiating solutions for factory raw material blending requirements through financial derivatives such as futures and options.
- At the sales end, we leverage global marketing network to effectively align products with channels, empowering the entire industry chain to improve quality and efficiency.



**Highlight**  
**Reducing costs and increasing efficiency for manufacturing enterprises**

At a privately-owned steel mill in Xianning City, a procurement order for 80,000 tons was divided into three parts and purchased globally. With significant fluctuations in market prices, this steel mill relied on the global procurement network of Hubei ITG Supply Chain. The material warehouse was filled with iron ore from Australia and Brazil. This ensured the supply of raw materials while also reducing procurement costs by three percent.

Anchoring bulk commodity procurement, Hubei ITG Supply Chain deeply cultivates the core business of "logistics + trade + import" in bulk commodities, aiming to become a leading enterprise in resource-integrated supply chain. It successfully establishes channels for importing coal from Indonesia and iron ore from South America into Hubei province. In 2023, Hubei ITG Supply Chain's import scale reached 680 million US Dollars.

**Highlight**  
**Heading out along the " Belt and Road," the cultivation of small cotton seeds has led to the growth of a major industry.**

Since 2016, we have seized opportunities and integrated into the development of Central Asia, delving deep into the cotton spinning industry in Uzbekistan, with the scale of cotton yarn imports ranking first in the country for consecutive years. In recent years, we have accurately grasped the window of opportunity for reforms in Uzbekistan, continuously extending the "textile-clothing" industry chain in conjunction with local raw materials and industrial advantages, supporting local industrial upgrades. The Boyovut Cotton Textile LLC. In Syrdarya region of Uzbekistan, cooperated with us, has created a large number of employment opportunities and export scale for the local area, achieving an export value of 6 million US dollars in 2023.

Nearly half of our products enter China through Xiamen ITG Group procurement. Currently, we are planning a phase two factory and discussing with Xiamen ITG Group to extend the industry chain, allowing our products to upgrade from cotton yarn to cotton fabric.

by the General Manager



**Highlight**  
**ITG Solutions comprehensive services in the polyester industry chain to enhance resilience.**

Affected by macro factors, mismatches in PTA supply and demand in the polyester industry chain have led to issues such as unclear seasonal fluctuations in demand, resulting in high inventory and poor turnover for a certain polyester enterprise. ITG Petrochemical Co., Ltd. comprehensively assessed the short, medium, and long-term needs of this enterprise and introduced ITG Solutions' comprehensive industry services. Utilizing a combination of futures and spot trading, the partnership aimed to reduce finished product inventory, ensured continuous production, optimized raw material inventory structure, reduced costs, and improved efficiency. By leveraging our supply chain management advantages and hedging functions in the financial derivatives market, this solution locked in processing profits for the polyester enterprise and activated working capital. This initiative helped the enterprise avoid losses, saved costs exceeding 15 million RMB, assisted in navigating industry cycles, ensured stable supply to safeguard people's livelihoods, and has received positive social feedback locally.

Employees

- **Innovation-driven Development, Suppliers and Clients**

Rural Revitalization and Social Contribution

## Smarter and Advanced Supply Chain Services

We prioritize customer-centricity and leverage technological innovation and digital empowerment to offer smart solutions suitable for various bulk commodity supply chains. These solutions aim to facilitate efficient business circulation for industry partners.



### R&D Support

We have formulated the "Research and Development Management Measures" and established a collaborative management mechanism for research and development (R&D). The R&D department serves as the coordinating management department for R&D, responsible for improving the R&D system, drafting and revising R&D management regulations, optimizing the R&D process, coordinating and guiding R&D-related matters across departments and subsidiaries, and facilitating the sharing and efficient allocation of various R&D resources. We continuously strengthen comprehensive research and analysis on international new markets, emerging industries, and new business models, deepen the layout of emerging fields, and conduct related industrial research on the upgrading of traditional industries, to assist investment decisions.



### Digital Intelligence Empowerment

#### Highlight Intelligent Supply Chain Comprehensive Service Platform - "ITG ATLAS"

The "ITG ATLAS" is a supply chain intelligent platform that integrates electronic signatures, smart logistics, supply chain finance, and other functions. It achieves flexible supply chain management, addressing issues such as the complexity of traditional supply chain service processes, lack of agility in operations, mismatch between supply and demand, and lack of synchronization in information. As the "chain leader" enterprise, we utilize the "ITG ATLAS" supply chain intelligent platform to bridge the information silos between factories and logistics, facilitating efficient circulation of contracts, information, funds, and logistics. This promotes efficient communication and helps upstream and downstream customers reduce costs and improve efficiency.

During this reporting period, the "ITG ATLAS" supply chain intelligent platform has covered over **2,200** customers, processed over **40,000** orders, and accumulated a total transaction amount exceeding **12.5** billion.

In 2023, the "ITG ATLAS" supply chain intelligent platform was honored with the "Innovation Case of National Smart Enterprise Construction" award by the China Enterprise Confederation.

#### Highlight Intelligent Warehouse Monitoring and Management Platform - "ITG IRSP"

"ITG IRSP" intelligent warehouse monitoring and management platform connects "people, vehicles, goods, and scenes." By deploying sensors in perimeter security, bulk cargo inventory, and other warehousing and logistics scenarios, and through technologies such as IoT, edge computing, and digital twins, the supply chain management becomes more data-driven. While ensuring the safety of goods and scenes, it also improves the efficiency of logistics management. In addition, the intelligent hardware devices deployed by the "ITG IRSP" intelligent warehouse monitoring and management platform prioritize the use of renewable energy, with most of them using photovoltaic power generation, effectively reducing carbon emissions in warehousing management processes.

In 2023, the "ITG IRSP" intelligent warehouse monitoring and management platform was honored with the "Outstanding Case of Innovative Applications in Big Data, Internet of Things, Blockchain Supply Chain Finance, etc." at the Xiamen 5G Application Competition hosted by the Xiamen Industrial and Information Technology Bureau (Big Data Management Bureau).

## Supply Chain Risk Management

After years of market operation and continuous improvement, we have established an efficient comprehensive risk management system, continuously iterating our multidimensional risk control management capabilities such as dynamic credit granting, monitoring alerts, risk investigation, rectification tracking, and post-event review. We possess composite risk management tools including inventory management, position management, credit management, price management, hedging, and insurance coverage. Embedding risk management, risk warning tracking, and pre-control at various critical nodes of the business chain, we utilize refined risk management techniques to connect revenue with costs, effectively operate in volatile markets, and avoid negative impacts of major risks. Furthermore, we continuously strengthen market research and analysis, increase the use of digital technology, fully utilize specialized digital means such as research and judgment, dynamic monitoring, and intelligent inventory, enhance risk control efficiency, and achieve comprehensive risk control coverage with proactive warning and control, dynamic control during events, and normative summary afterward. Additionally, we provide risk management services externally, laying a solid foundation for our stable and high-quality development as well as that of industry partners.



### Supply Chain Human Rights Due Diligence

We have formulated the "Compliance Guidelines for Preventing Forced Labor Risks in the Supply Chain," and regularly conducted supply chain due diligence through methods such as blacklist screening, information collection, document review, on-site visits, questionnaire surveys, data analysis, and compliance audits. We focus on six indicators of forced labor, including intimidation and threats, abuse of vulnerable positions, movement restrictions, isolation, harsh working conditions, and unreasonable working hours. We aimed at effectively preventing and controlling human rights risks in the supply chain.



### Violation Reporting Mechanism in Supply Chain

We establish anonymous reporting channels and avenues according to suppliers and other stakeholders. We provide guidelines to whistleblowers on how to fill out reporting forms, how to provide necessary information, and evidence. We and our subsidiaries may adopt measures such as open channel searches, interviews with relevant personnel of suppliers, or third-party interference to appropriately investigate and verify the reported content and respond promptly to the reports. If violations of human rights protection or other non-compliance issues by suppliers are confirmed after investigation, we will take corresponding corrective measures and explain the subsequent processing steps to the stakeholders.





## Responsible Sourcing

As a responsible corporate citizen, we are committed to jointly promoting the high-quality development of the industrial ecosystem with our partners. We have formulated the "Supplier Code of Conduct," which sets out requirements for human rights protection, occupational health and safety, business ethics, and environmental protection for our supply chain partners.

We attach great importance to effective communication with suppliers and continuously deepen cooperation with them by establishing open and transparent communication channels. All suppliers and contractors have signed the "Integrity Agreement" and "Labor Compliance Commitment Letter." Through both online and offline meetings, we engage in regular in-depth discussions with suppliers on business negotiations, business execution, production and operation conditions, and credit status. This ensures that all suppliers fully understand and comply with requirements outlined in the "Supplier Code of Conduct." By actively practicing responsible supply chain management responsibilities, we collaborate with suppliers to create a fair, transparent, and sustainable business ecosystem.

## Responsible Marketing

We strictly adhere to relevant laws and regulations and have formulated the "News and Publicity Management Measures" and "New Media Management Measures." We follow the principles of "review before release" and "one event, one review," and implement a strict "three-level review system" for publicity content. We are committed to enhancing the market influence of our brand through the dissemination of truthful, accurate, and morally appropriate positive information.

## Protection of Customer Rights

We adhere to a customer-centric approach by implementing management systems such as the "Interim Measures for Negative List Management of Customers" and the "Grey List Management Manual" to strengthen credit and risk management, and enhance our customer management system. We have established transparent channels for complaints and efficient resolution processes, including business liaison, management-level contact, risk control coordination, and documentation coordination. Additionally, we provide publicly available contact numbers, emails, and a Chairman's mailbox to ensure the quality of service to guarantee that customer complaints and feedback receive prompt and proper responses, fully safeguarding customer rights.

Employees

- **Innovation-driven Development, Suppliers and Clients**

Rural Revitalization and Social Contribution



## Information Security Management

We strictly adhered to relevant laws and regulations such as the Cybersecurity Law of the People's Republic of China, and formulated internal management regulations including the Information Security Management Regulations. We established a clearly defined information security management structure and continuously strengthened information security management to safeguard network information security. No information security incidents occurred during this reporting period.

We have formulated the "Implementation Assessment System of Network Security Management" to enhance supervision and evaluation of network security management and ensure effective execution of information security management. Through regular inspections, random checks, investigations, and external audits, we assess the execution of network security policies and control measures, the fulfillment of network security responsibilities, the handling of network security incidents, and the effectiveness of network security training, and implement corresponding improvement measures. Our Digital Management Department links information security work performance to the performance of each department's employees, incorporating information security protection into quarterly performance targets for departmental staff. We assess the execution of network security work quarterly based on daily work performance and the overall level of information security protection in positions and departments.

### Network and Information Security Leading Group

- CEO serves as the group leader, and the vice president of digital management department serves as the deputy group leader. Members include leaders of the party committee and the heads in charge of digital construction.
- The group is responsible for uniformly guiding and coordinating the information security work of the company and subsidiaries.

### Network and Information Security Office

- The members comprise persons in charge of digital construction, heads from the Digital Management Department, and leaders from Xiamen ITG Digital Technology.
- Serving as a permanent body of the Network and Information Security Leading Group, it is tasked with managing the daily network security operations of the Leading Group.

### Digital Management Department

- As the headquarters' responsible department for network security, it is responsible for the construction and operation of network security. Every year, it formulates a network security implementation plan based on the company's network security development strategy and holds regular information security meetings to identify information security vulnerabilities, assign tasks and summarize the outcomes of regular enhancements in information security.

### Subsidiaries

- Responsible for the daily construction and operation of information security in each subsidiary company.

● **Information Security Risk Management**

We collect feedback from employees on the implementation of information security management systems through surveys, interviews, and other methods. Additionally, we regularly invite external independent cybersecurity experts to assess the rationality and effectiveness of our network security management systems to strengthen information security management. We enhance network security risk assessment, monitoring, and response through normalized management measures to ensure information security.

**01 Conducted regular network security checks to promptly identify and assess network security risks:**

- Daily security checks were performed based on alerts from the Security Situation Awareness System, where suspected compromised hosts and abnormal attacks were promptly investigated and handled. Additionally, portal websites susceptible to attacks undergone continuous tamper-proof status monitoring and checks, and daily security check reports were submitted accordingly.

- Weekly on-site inspections were carried out by security service providers to address risks identified by the Security Situation Awareness System, with optimization and improvement undertaken based on their recommendations.

- Bi-monthly web vulnerability scans were conducted on externally accessible web site URLs, and any identified high or medium-risk vulnerabilities were promptly addressed to prevent unauthorized exploitation and mitigate risks of network intrusion and data leakage.

- Quarterly host security vulnerability scans were conducted, and the development team was provided with the results for timely rectification of any existing high or medium-risk vulnerabilities, followed by regular updates on the progress of vulnerability remediation.

**02 Implemented regular data center and equipment inspections:**

- Quarterly security equipment patrols were carried out in coordination with security service providers.

- Security equipment configuration backups were performed at least once per quarter to ensure the security of configuration data

**03 Conducted regular IT audits:**

External agencies were commissioned to audit the information

systems, equipment, as well as the execution and effectiveness of information security management systems and contingency plans.

**04 Executed Critical Network Security Protection Work During Key Periods:**

- Initiated Sangfor Technologies's Managed Security Service during significant periods such as the 2023 Spring Festival, National People's Congress and Chinese People's Political Consultative Conference sessions, Digital Summit, May Day, Cybersecurity Protection Campaign, and National Day.

- Security service providers were commissioned to collaborate on-site to carry out cybersecurity protection work during other important periods like the Network Security Civilization Conference.

**05 Practice random emergency drills to ensure swift and effective response to information security emergencies:**

- Conducted emergency drills for various application systems such as the ITG IRSP "Smart Silos Solution", CRM System, HR One-Stop Onboarding System, Enterprise WeChat Session Archive System, and Datagrand OCR System.

- During the arrival of typhoon "Doksuri" in July 2023, the Digital Management Department specifically formulated the



Information Security Training

"Typhoon Emergency Response Plan of Data Center Server Room", and personnel were assigned for server room inspections and emergency duty.

**06 Organized regular information security training:**

- The Digital Management Department collaborated with security service providers and the Human Resources Department to conduct network security training courses titled "Enhance Information Security Awareness and Build Information Security Defense Lines" for all employees.

- During Network Security Week, articles such as "Build Network Security and Strengthen Password and Email Security" were distributed to all employees for intranet publicity.

- Through the i-ITG Network Information Security public account, 16 security notification reminders and articles on security knowledge were sent to all employees. Additionally, classification and summarization of frequent phishing and scam email incidents were conducted, and thematic articles such as "Tactics of Email Scams" were sent to enhance email security awareness to ensure that employees have a deep understanding of and effectively adhere to the regulations and norms related to information security management, enabling them to promptly detect and effectively respond to potential information security threats.

**07 Established reporting and feedback channels:**

Encouraged employees to report any information security issues to their immediate supervisors or the Digital Management Department, and monitored daily feedback on network security risks from internal employees.

**Information Security Emergency Management**

We formulate information security emergency plans and clarify the procedures for emergency response to ensure rapid and effective handling of such incidents, aiming to minimize losses.

**Information Security Incident Response Procedure**

**01**

In the event of an information security emergency, it should be immediately reported to the emergency team. The team leader will then initiate the emergency plan based on the actual situation.

**02**

If the emergency escalates into a major incident, it should be promptly reported to department heads, and effective response measures should be taken in accordance with the decision instructions of the emergency decision-making leaders.

**03**

After the incident is resolved, timely analysis and summarization should be conducted, and a written report should be submitted to department heads and unit leaders.

To ensure the rapid and effective implementation of emergency plans, we have established an assessment mechanism for the execution of security incident emergency response, and organize non-scheduled emergency drills every year to continuously improve and refine emergency response procedures, ensuring the effectiveness and compliance of emergency response procedures, and continuously enhance the company's ability to respond to information security incidents.



**Customer Privacy Protection**

We attach great importance to customer privacy protection and strictly manage the collection, use, and storage of customer information. Through digitalization, informatization systems, localized information deployment, hierarchical authorization, internal network management, and other technologies and management methods, we prevent data leakage, misuse, or loss, ensuring that customers' privacy rights are fully respected and protected. During the reporting period, we did not experience any incidents of customer privacy infringement.



## Promote Industry Development

Guided by the mission of "Integrate Industry to Connect and Create Value to Share" and the core values of "Leadership, Responsibility, Hardworking, Partnership," we closely align ourselves with national strategic planning, respond to the "Belt and Road" initiative, and integrate into the new development paradigm of "dual circulation". We actively participate in industry innovation and collaboration, create extensive networking opportunities for industry partners, and strive to become a trusted global industrial partner.

### 2023 Participation in Industry Associations

China Association for Public Companies	Director Unit
The Listed Company Association of Xiamen	Vice President Unit
The Institute of Modern Supply Chain of China Federation of Logistics and Purchasing	Vice Chair Unit
China Customs Brokers Association	Managing Director Unit
China Chamber of Commerce For Import and Export of Textiles	Director Unit
China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters	Managing Director Unit
China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts	Director Unit
China Paper Association	Xiamen ITG Group Paper-Director Unit
Xiamen Import & Export Chamber of Commerce	Vice President Unit
Xiamen Steel & Iron Trade Association	Vice President Unit
Xiamen Chamber of International Commerce	Permanent Vice President Unit
Xiamen Federation of Modern Supply Chain	Vice President Unit

### Honors



Xiamen ITG Group was awarded the **"Outstanding Productio-finance Incubation Base of 2022"** by Dalian Commodity Exchange



ITG Petrochemical was approved as one of the first batch of **"Powerful Source for Enterprises"** Production-Finance Service Bases by Shanghai Futures Exchange



### 2023 Participation in Industry Associations

Xiamen Pilot Free Trade Zone and Customs Special Supervision Area Association	Permanent Vice President Unit
Xiamen Association For Medical Devices	Xiamen ITG Group- Vice President Unit
Xiamen Elderly Care Service Promotion Association	Xiamen ITG Health Technology-Vice President Unit
Fujian Chamber of Commerce for Medical Equipment	Keerun Medical Technology - Vice President Unit
Xiamen Health Association	Keerun Medical Technology - Vice President of the First Council (Supervisory) Unit
China Association For Medical Devices Industry	Panther Healthcare -Association Member
National Association of Health Industry and Enterprise Management-Hernia and Abdominal Wall Surgery Industry and Clinical Research Association	Panther Healthcare-Managing Director Unit
Pharmaceutical Circulation Professional Committee of Fujiang Pharmacists Association	Xiamen ITG Baokang Medicine Technology-Standing Committee Member Unit
China Tourist Hotels Association	Sheraton Grand Wuhan Hankou Hotel-Director Unit
Hubei Tourist Hotels Association	Sheraton Grand Wuhan Hankou Hotel-Member Unit

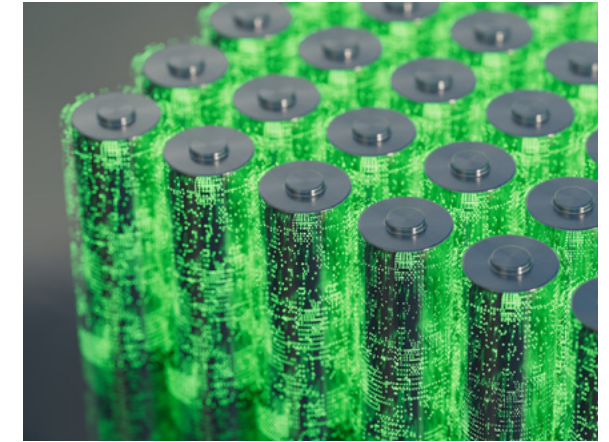


**Highlight**  
"Belt and Road" Initiative:  
Cooperation in the New Energy Sector  
with South Africa

From September 18th to 21st, the "Refreshing Fujian, Where Maritimes Silk Road Begins" cultural tourism promotion event was held in South Africa. Witnessed by the Fujian provincial delegation, Xiamen ITG Group Co., Ltd. signed an agreement with the South African national power company, reaching consensus on jointly promoting the construction of renewable energy projects, the supply of renewable energy equipment, fostering technology sharing and innovation, and advancing comprehensive governance. This agreement will further strengthen cooperation in international trade, warehousing logistics, project investment, and other fields related to new energy, promoting the application of new energy, renewable energy, and clean energy, alleviating South Africa's power shortage, and enhancing the reliability and stability of the power system.

**Highlight**  
Intensified Cooperation in Ferrous  
Derivatives Industry Chain

From November 15th to 17th, the 2023 (14th) Ferrous Derivatives Summit, jointly organized by the Metallurgical Industry Branch of China Council for the Promotion of International Trade and Shanghai Ganglian E-commerce Holdings Co., Ltd, was held in Xiamen with the Xiamen ITG Group and Fujian Sangang (Group) Co., Ltd., served as the co-host. Xiamen ITG Iron Ore BG (Business Group) exploited its industry influence and professional service capabilities and brought together nearly 800 industry elites, including industry partners, renowned scholars, and domain experts, to collectively focus on the development trends of the metallurgical industry and explore the new prospects for the industry and market under emerging circumstances.



**Highlight**  
Participation in Standard Setting  
and Active Involvement in Lithium  
Carbonate Futures Market

In December, Xiamen ITG Group successfully obtained approval to serve as a designated delivery warehouse for lithium carbonate futures. As an active participant in the lithium carbonate futures market, Xiamen ITG New Energy Supply Chain actively cooperated with Dalian Commodity Exchange in setting standards before the launch of lithium carbonate futures, and even became one of the first traders on the day lithium carbonate futures and options were listed. Subsequently, it also actively participated in simulated deliveries, assisted the exchange in investor education, and prepared for the smooth implementation of the first lithium carbonate futures delivery.



# 2.3

## Rural Revitalization and Social Contribution

In response to the national call, we uphold the ethos of corporate responsibility as a cornerstone of our state-owned enterprise, with the harmonious values of corporate citizenship guiding our direction. We integrate corporate production and operations with societal development by leveraging our industrial resource advantages, aligning our efforts with the national development agenda, supporting rural revitalization strategies, and fostering sustainable development across both enterprise and socio-economic realms.

● Achieved ▲ In Progress

2023 Management Objectives		Performance Progress
1	Position in the agricultural industry chain to support the high-quality development of agriculture and ensure national food security, starting with grains and agricultural materials fields	▲
2	Carry out paired assistance work to support the implementation of the national rural revitalization strategy	▲
3	The annual local employee hiring ratio should not be less than <b>60%</b>	●
4	The annual organization of volunteer activities should not be less than <b>80</b> events, with a minimum of <b>1,500</b> volunteer service hours provided	●

### Support Rural Revitalization Strategies with Industrial Resource Advantages

We base our actions on the national development agenda, leveraging our industrial resource advantages to actively implement various requirements of the national rural revitalization strategy. We fulfill our social responsibilities through tangible actions like industrial revitalization and cultural resurgence, expressing our gratitude to society with compassion and dedication.



## Enhance the Agricultural Product Industry Chain for National Food Security

The agricultural sector is one of the pivotal development focuses outlined in our company's "14th Five-Year Plan" strategy. Leveraging our extensive experience in the agricultural industry, our subsidiaries, ITG Agricultural Products and ITG Agriculture and Forestry, have established collaborative partnerships for contract farming in key grain-producing regions such as Northeast China and Inner Mongolia. Through tailored models like "Company + Base + Farmers" and "Enterprise + Cooperative + Base + Farmers," ITG Agricultural Products has forged agricultural production alliances with professional cooperatives and joint societies. By establishing mechanisms that align interests with farmers, ITG Agricultural Products has streamlined the entire supply chain—from seedling cultivation and planting to procurement and processing—effectively addressing the challenge of "production without market access" for agricultural products while ensuring the quality and quantity of raw materials required for production. Additionally, ITG Agricultural Products has formed a dedicated grain procurement team, engaging deeply with local farmers in Northeast China's grain-producing heartlands, conducting comprehensive market assessments, and upholding a "no price suppression, no bargaining" policy to safeguard farmers' interests. Through the industry support and sales empowerment initiatives, the company is bolstering local grain production and income, enabling farmers to market their products domestically and internationally, supporting the smooth functioning of domestic and global grain markets, and contributing to the stability of the domestic grain industry supply chain and facilitating unimpeded import and export flows.

Our subsidiaries, such as Xiamen ITG Tidak Logistics and Heilongjiang Runda Xiangyun Logistics, align their services closely with the rural revitalization strategy. They establish an industry chain layout encompassing "agricultural production areas-logistics bases-direct sales cities," aiming to enhance transportation efficiency, ensure product quality, and meet customer demands.

- Purchase corn and rice in major grain-producing areas such as eastern Inner Mongolia and northeastern China. The grains meet the national storage standards after undergoing drying, moisture-proofing, and pest control operations. This not only ensures local grain supply and contributes to national grain reserves but also addresses the issue of difficulty in drying wet grains, thereby promoting increased income for farmers.
- Grains collected and stored locally are mainly utilized for feed processing and transported to enterprises nationwide through various means such as automobiles, railways, and vessels, to ensure the supply of raw materials for the breeding industry across the country.



## Paired Assistance for Rural Development

We have established relationships of paired assistance with Xishan Village in Xinmin Street, Tong'an District, Xiamen, Fujian Province. We are actively exploring new models for state-owned enterprises to empower rural revitalization, solidly advancing the assistance work for villages with relatively weak collective economic income. We delve into the industrial advantages and development potential of Xishan Village, aiming to stimulate the initiative, enthusiasm, and creativity of villagers by analyzing resource endowments and refining assistance needs, thereby activating the endogenous vitality of the collective economy in Xishan Village. During this reporting period, the Labor Union procured agricultural products from local regions of Pengyang County, Jingyuan County, and Minning Town in Ningxia, Zuogong County in Tibet, Jimusaer County in Xinjiang, and Pingnan County in Fujian, with the total amount exceeding 1 million RMB.



## Secure Stability in Supply and Pricing within the Silicon Industry

In 2023, with the advent of the rainy season, market supply rapidly increased due to a temporary downturn in downstream demand and high social inventories. Consequently, the price of industrial silicon experienced a rapid decline. Most smelting enterprises in Yunnan and Sichuan chose to delay their planned start-ups. We initiated the use of futures risk management tools in our industrial silicon smelting plant in the Nujiang region of Yunnan, leading neighboring factories to actively sell forward production capacity. This action effectively locked in profits from production during the rainy season, resulting in an overall operational rate of over 90% for enterprises in the Nujiang region of Yunnan during the peak water period. It ensured stable production during the rainy season and secured the stability of the entire supply chain in the industry.

## Promote Health and Education, Support Urban Sustainable Development

We firmly believe that the prosperity of our business is intricately linked with the well-being of the cities and communities where we operate. In our pursuit of sustainable business growth, we actively engage with urban and community stakeholders to support local employment, urban economic development, and improvements in health and education, thus creating a more vibrant and fulfilling urban life.

We actively adhere to the requirements of the United Nations Sustainable Development Goal 11 (Sustainable Cities and Communities) by formulating the "Community Policy," committing to building positive community relations, and respecting the rights and cultural diversity of indigenous peoples. We are dedicated to supporting local communities in areas such as healthy living, equitable healthcare, quality education, dignified employment, volunteer services, charitable relief, rural revitalization, and sustainable urban development, to foster the prosperity and development of local communities.

We have established a dedicated department responsible for community communication, receiving and addressing feedback and complaints from the local community to build mutually beneficial community relationships. We conduct community risk assessments in our business development to minimize any negative impacts on the local community, integrating community development considerations into investment project planning. For instance, we ensure the respect and protection of rights of indigenous communities, their cultural customs, and heritage before investment.



## "Flying Love and Dream" Public Welfare Brand



In 2005, we established the "Flying Love and Dream" public welfare brand, focusing on carrying out public welfare activities to care for the healthy growth of adolescents and children, and launched the cartoon image "AMO" for the public welfare brand. Over the past 19 years, the footsteps of "AMO" have spread across cities and villages in Xiamen and surrounding areas, delivering care to rural left-behind children, urban migrant children, and special groups of adolescents and children.

### Highlight Flying Love and Dream Charity Sale

In 2023, the "Flying Love and Dream" public welfare brand responded to the call of "Love Xiamen" and launched the "Flying Love and Dream Charity Sale- Passion for Nature and Dreams for Future" exhibition on the 33rd "National Disability Day". The exhibition showcased oil paintings and handicrafts created by students from Xiamen Special Education School for a charity sale.

On the occasion of the International Children's Day in 2023, the "Flying Love and Dream" public welfare brand journeyed to Hainan, collaborating with the Xingyan Special Education Center in Qionghshan District, Haikou City, for the charity event of "Children's Hearts Unite with Love and Dreams Take Flight". Our employees in Hainan brought supplies to the special education center and comfort to children with autism. Engaging in activities like origami and painting together with the "Children of the Stars," they illuminated the children's spirits, with the glow of goodwill candles mingling with the hopeful sparkle of stars.



**Society**

Employees

Innovation-driven Development, Suppliers and Clients

- Rural Revitalization and Social Contribution

Governance

Appendix



**Urban Health and Well-being**

Collective Wealth, Leading with Health. With the exacerbation of urban population aging and the increasing awareness of residents' health, the demand for the health and elderly care industry is also growing rapidly. Our health technology business focuses on the core medical device industry, synergizing with three key supporting industries: elderly care services, medical and health big data, and health services. We continue to uphold the mission of "Technology and Care Enrich life with Health and Happiness," actively responding to the call for "Healthy China," and promoting medical technology innovation by constructing a large health industry ecosystem. This helps to facilitate the construction of urban health and elderly care service systems and improve social well-being.

• Innovation of Elderly Care Service

Our subsidiary Xiamen ITG Elderly Care Industry Co., Ltd. (ITG Elderly Care) innovates elderly care service model and explores the market-oriented "property + elderly care" service. Through high-standard project configuration and standardized operation concepts, it provides diversified, high-quality services for the elderly in the community, including day care, respite care, health management, public welfare meals, cultural and recreational activities, and policy consultation. It aims to become a nearby elderly care center integrating functions such as smart elderly care, health management, daily living assistance, spiritual and cultural enrichment, and elderly volunteer assistance, dedicated to ensuring that every elderly person enjoys a healthy and happy life in their later years.



• "Yellow Handrail" Initiative

According to statistics, falling is the leading cause of injury among elderly people over 65 in China. On average, 3 to 4 out of every 10 elderly individuals over 65 have experienced a fall, with more than half of these falls occurring at home, especially in the bathroom and toilet, typically when getting up or squatting down. In 2023, ITG Elderly Care initiated the "Yellow Handrail" program for the age-friendly renovation of daily living facilities, providing home age-friendly renovation services in Jinlin and Hubian communities. The company installed yellow handrails free of charge for 25 elderly individuals living alone, reducing safety hazards for indoor walking, bathing, and toileting, and improved the living environment for elderly individuals at home.



● **Public Health Services**

In 2023, leveraging our business advantages in the field of health technology, we conducted over 20 medical consultations in communities such as Jinlin, Jinhai, Wutong, and Haicang Street's elderly care service center in Xiamen. Through a combination of traditional Chinese and Western medical therapies, physical examinations, and rehabilitation guidance, we provided the public with diagnosis and treatment plans, as well as consultations on daily rehabilitation and health care knowledge.

Since signing a co-construction agreement with Xiamen Cardiovascular Hospital Xiamen University in 2020, we have consistently organized volunteers to provide convenient guidance services at the hospital during the weekend, directing patients to medication pickup and registration, as well as offering on-site consultation services. For this purpose, Xiamen

Cardiovascular Hospital Xiamen University granted our company the title of "Best Volunteer Service Team."

In 2023, our employee volunteers went to Houbu Public Welfare Library in Huli District to organize a public welfare event on children's health education and donated a series of books. We invited medical experts to provide professional guidance on the prevention and emergency treatment of common childhood illnesses on-site.







## Boost School-Enterprise Cooperation with More Local Job Offerings

We closely track developments in the job market and regard local employment needs as a key consideration in our talent recruitment process, striving to generate more high-quality job opportunities locally and fulfill greater social responsibilities. During the reporting period, the proportion of locally hired employees in our company was approximately 63.54%.

We adhere to the concept of "bringing in and going out" in university-enterprise cooperation, advocate collaboration with local universities to jointly promote the coordinated cultivation of talents in enterprises, universities, and research institutions, and facilitate the development of local young talents.

### Highlight University-Enterprise Cooperation with Singaporean Universities

ITG Resources (Singapore) regards social responsibility as a pivotal element in its growth strategy. By closely partnering with the Singaporean government, the company facilitates cooperation between school and enterprise, offering internships, training programs, and employment opportunities to local college students, assisting them in successfully transitioning into the workforce. Furthermore, the company is committed to localization, with a high percentage of local employees and salary packages aligned with Singaporean regulations, fostering a strong sense of job security and cohesion among its workforce. These endeavors not only inject vitality into the company itself but also create additional avenues for employment and development within Singaporean society, making significant and sustained contributions to the country's economic prosperity and social stability. As of 2023, approximately 90% of the workforce consists of local employees, with 13 local employees recruited during the year. In 2023, the company also participated in career fairs at the National University of Singapore and Nanyang Technological University, and collaborated with both institutions to host inaugural corporate presentations which attracted nearly a thousand students.



### Highlight Supply-Demand Matching Employment and Education Project by the Ministry of Education

We collaborate with Zhongnan University of Economics and Law to implement the Supply-Demand Matching Employment and Education Project, establishing a joint educational platform between the university and the enterprise. We organize expert personnel to serve as career mentors for university students and use the ITG major experimental class as a pilot. The initiative involves bringing enterprises into the classroom through a combination of "offline + online" methods, creating a talent cultivation model that integrates "economics, law, and management" with a combination of "theory and practice." Through organizing a series of commercial planning competitions and lectures on career planning and employment guidance, the project provides students with opportunities for social practice, corporate visits, and internships. This joint university-enterprise initiative cultivates potential talents and helps students with career positioning and planning. Zhongnan University of Economics and Law organizes teachers and students to visit the Xiamen ITG Group to participate in an OPEN DAY event, deepening the "co-education of talents" through face-to-face interaction and cooperation between the school and the enterprise. During the collaboration period, we host annual campus recruitment events. Over the past two years, a total of 24 graduates from Zhongnan University of Economics and Law have joined us through campus recruitment.

**Highlight**

**Team up with Xiamen University and Sun Yat-sen University to Provide Professional Ship Management Services for University Oceanographic Research Vessels**

Leveraging its extensive expertise in commercial ship management, Xiamen ITG Shipping, a subsidiary of the Xiamen ITG Group, offers vessel management and operational services for the oceanographic research vessels "TAN KAH KEE" of Xiamen University and "ZHONG SHAN DA XUE" of Sun Yat-sen University. From ship construction, engineering maintenance, and management mechanism establishment to meteorological services, shore-based support, and vessel maintenance, Xiamen ITG Shipping delivers premium services to ensure the smooth operation of oceanographic research, thereby supporting China's marine scientific research efforts and maritime power construction.

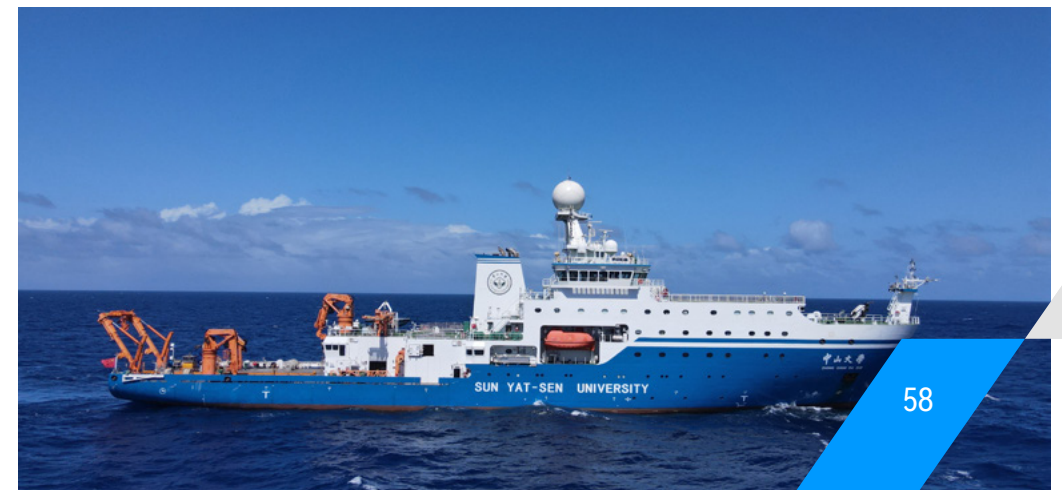


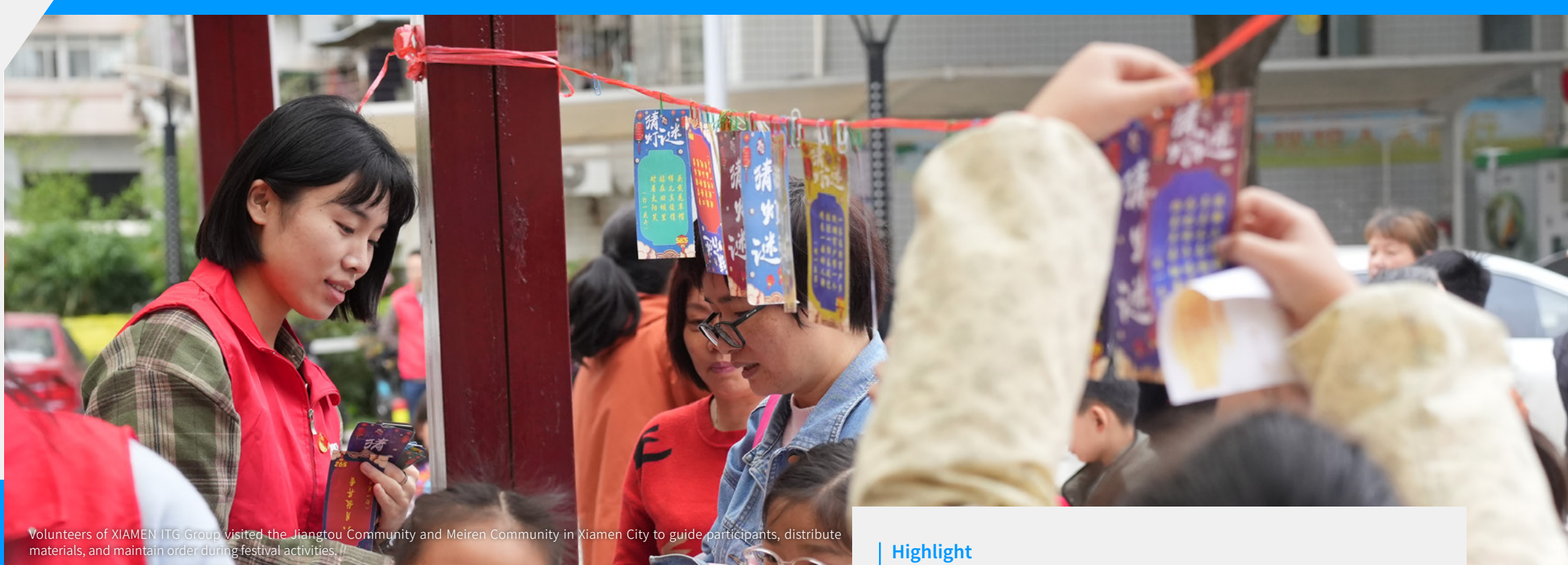
"Since the inception of the planning for the construction of the scientific research vessel at Xiamen University, Xiamen ITG Group has maintained close communication with us, providing necessary assistance and support in shipping technology and shipbuilding supervision information. Xiamen ITG Group, through its subsidiary Xiamen ITG Shipping, has been involved in the daily management of the 'TAN KAH KEE' research vessel, contributing to the development of a high-level crew talent pool and the 'TAN KAH KEE' vessel management system. Over the years, they have provided strong support for marine scientific research with their high-quality services. We look forward to further strengthening the collaboration between our center and Xiamen ITG Group, leveraging each other's strengths to advance China's marine scientific research to new heights."

**— Wang Haili, Director of the Xiamen University Research Vessel Operations Management Center**

"The 'ZHONG SHAN DA XUE' is the ocean comprehensive scientific research training vessel with the largest domestically designed displacement, the strongest comprehensive scientific research performance, and the most innovative design highlights, equipped with the ability to conduct multidisciplinary, multisource observations, sampling, and experiments from an altitude of 10,000 meters to a depth of 10,000 meters. Since 2021, Xiamen ITG Shipping has provided specialized ship management and crew support services for the 'ZHONG SHAN DA XUE,' consistently integrating the concepts of greening and intelligent ship construction to ensure the safe and efficient operation of the vessel, successfully completing various marine scientific research missions. In the future, the Sun Yat-sen University Marine Science Exploration Center will work more closely with the management team, continuously explore and promote the green, digital, and intelligent transformation of ship management, provide strong support for the high-quality development of Sun Yat-sen University's marine cause, and demonstrate greater responsibility and contribution in serving the country's major development strategies."

**— Wu Haiming, Deputy Director of the Sun Yat-sen University Center of Ocean Expedition**





Volunteers of XIAMEN ITG Group visited the Jiangtou Community and Meiren Community in Xiamen City to guide participants, distribute materials, and maintain order during festival activities.



### Volunteer Activities for Public Welfare

We advocate for a culture of public welfare and contribute to our local communities and society by regularly organizing volunteer service activities such as cleaning neighborhoods, traffic guidance, legal education and publicity, safety awareness training, tree planting, blood donation, and exhibition services. During this reporting period, we organized a total of 87 volunteer service activities, with 420 participants contributing a combined total of 1,605 hours of voluntary service.



**87**  
volunteer service activities



**420**  
participants



**1,605** hours  
of voluntary service

### Highlight Urban Life Experience Summer Camp

In 2023, we collaborated with the Jinlin Community in Xiamen to organize the "Urban Life Experience Summer Camp." Led by company volunteers, children from the community visited the Fire Science and Technology Education Center for experiential education, which enhanced children's interaction with their living environment, further improved urban life skills, and stimulated children's enthusiasm for learning and exploration.



# Governance

## 2023 Economic Impact

 Total Assets **113,126.80**  
million RMB

 Operating revenue **468,246.88**  
million RMB

 Net profit attributable to shareholders of the parent company **1,914.87**  
million RMB



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS

3.1 Sustainability-Related Governance Mechanisms

3.2 Anti-Commercial Bribery and Anti-Unfair Competition

# 3.1

## Sustainability-Related Governance Mechanisms

We integrate the concept of sustainable development into the core and development of our enterprise. By embodying the ESG principles in our governance practices, we continuously enhance our corporate governance mechanisms and improve our management capabilities in various sustainable development issues to drive forward the sustainable development of our company



● Achieved ▲ In Progress

2023 Management Goals		Completion Status
1	No incidents of conflicts of interest	●
2	To strengthen and revise sustainable development policies in accordance with the needs of business development	●
3	To publish the 2023 ESG report by May 2024	●

### Governance Structure

We have established a standardized, scientifically structured, operationally efficient, and clearly delineated corporate governance framework comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the Management Team to ensure effective checks and balances within the company. We have established and improved an internal institutional system based on the Company's Articles of Association, defining the responsibilities and authorities of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the Management Team. We strictly adhere to relevant laws, regulations, regulatory rules, and internal regulations, standardizing procedures for convening, holding, and voting at shareholders' meetings. We fully respect and treat all shareholders equally, ensure that all shareholders can fully exercise their right to information, participation, voting, and supervision over major company mat-

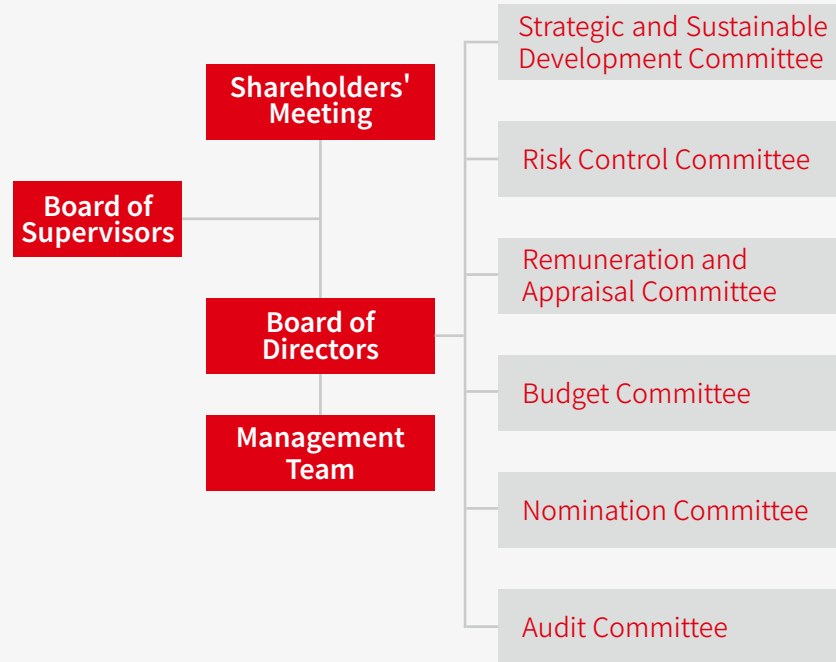
ters, and effectively safeguard the rights and interests of minority shareholders.

As the company's decision-making body, the Board of Directors diligently fulfills its duties in accordance with relevant laws, regulations, regulatory rules, and internal regulations, and is accountable to the shareholders' meeting. The Board of Directors establishes six specialized committees including the Strategy and Sustainable Development Committee, the Risk Control Committee, the Compensation and Appraisal Committee, the Budget Committee, the Nomination Committee, and the Audit Committee, which provide professional advice for the Board of Directors' decision-making processes. Among these committees, a majority of independent directors serve as chairpersons in three committees, all of which are composed of independent directors.

**Governance**

• **Sustainability-Related Governance Mechanisms**

Anti-Commercial Bribery and Anti-Unfair Competition



The Board of Directors establishes a Strategic and Sustainable Development Committee, responsible for researching, proposing recommendations, and tracking evaluations on our company's sustainable development, as well as the strategic objectives concerning environmental, social, and governance (ESG) factors. The Strategy and Sustainable Development Committee, along with other specialized committees such as the Risk Control Committee, Audit Committee, and Compensation and Appraisal Committee, collectively guide the company's sustainable development efforts. They supervise and facilitate the effective implementation of relevant initiatives to ensure that our ESG strategies are fully integrated into daily operations.

Our sustainable development policies	
Code of Business Conduct	
Supplier Code of Conduct	
Environmental Protection Policy	
Labor Rights Protection Policy	
Community Policy	

**19** Board of Directors meetings **87** proposals

**21** Board committee meetings **41** proposals

**1** Independent director meeting **1** proposal

**19** times Independent directors provided independent opinions on significant matters

During the reporting period, we convened a total of 19 Board of Directors meetings, deliberating on 87 proposals. Additionally, we held 21 board committee meetings, discussing 41 proposals. One independent director meeting was convened, addressing one proposal. Independent directors provided independent opinions on significant matters 19 times. Our Board of Directors was recognized for its scientific, professional, and efficient governance practices, and was selected as a "Best Practice Case of Listed Company Boards of Directors" by the China Association for Public Companies in 2023. We were also honored with the "Best Board of Directors" title in the "Gold Prize of Round Table" of Chinese Boards of Listed Company by the Magazine "Board of Directors" and were recognized as the "Best Board of Directors of Listed Companies" in the 13th Prestigious Charts of Chinese Listed Companies by the National Business Daily.

China Association for Public Companies  
**"Best Practice Case of Listed Company Boards of Directors" in 2023**

Magazine "Board of Directors"  
**the "Gold Prize of Round Table" of Chinese Boards of Listed Company "Best Board of Directors"**

National Business Daily  
**the 13th Prestigious Charts of Chinese Listed Companies "Best Board of Directors of Listed Companies"**

- **Sustainability-Related Governance Mechanisms**

Anti-Commercial  
Bribery and Anti-Unfair  
Competition



## Selection and Appointment of Directors and Senior Management

We actively promote the diversification and professionalization of the Board of Directors and management team, ensuring continuous enhancement of the company's governance standards. To ensure the fairness and transparency of the nomination and appointment procedures for directors and senior management, our Company's Articles of Association and the Nomination Committee Implementation Rules clearly define the nomination and election processes. The Nomination Committee is responsible for advising the Board on matters concerning the composition of the Board and the appointment criteria for directors and senior management, considering diverse factors such as gender, age, educational and professional backgrounds, experience, character, reputation, and other service roles. Our independent directors provide independent and unequivocal assessments of the legality and compliance of procedures related to the nomination or dismissal of directors, as well as the appointment or dismissal of senior management, and express their opinions after assessing these procedures. Director candidates are presented to the shareholders' meeting for voting after approval by the Board of Directors, while senior management are appointed upon approval by the Board of Directors.

### ● Diversity and Professionalism

The Board of Directors consists of nine members with diverse gender and age representation, encompassing various professional backgrounds including economics, law, management, finance, and accounting. Among them, there are three independent directors, and one female director. Board members possess extensive industry and corporate management experience, with all independent directors being seasoned experts in their respective fields. Additionally, over 50% of the directors hold doctoral degrees. The professionalism and diversity of the board members provide vital assurance for the board's informed decision-making.

Our senior management team boasts expertise in diverse fields such as economics, accounting, and business administration, with extensive experience in corporate management, financial management, and risk management. Additionally, our senior management team includes two female executives, representing 40% of the team.



**3**  
independent  
directors



over  
**50%**  
of the directors hold  
doctoral degrees



**Governance**

• **Sustainability-Related Governance Mechanisms**

Anti-Commercial Bribery and Anti-Unfair Competition

Name	Position	Age	Professional Competence				Board Committees						Attendance (Board meetings and Board committee meetings)	
			Industry Experience	Operations Management	Risk Control and Compliance	Financial Accounting	Strategic and Sustainable Development Committee	Risk Control Committee	Remuneration and Appraisal Committee	Budget Committee	Nomination Committee	Audit Committee		
Gao Shaoyong (Male)	Chairman	51	○	○	○	○	○	○						100%
Xu Xiaoxi (Male)	Director	54	○	○	○	○	○			○		○		100%
Wu Yunxuan (Female)	Vice Chairman	51	○	○	○	○		○						100%
Xiao Wei (Male)	Director	58	○	○	○	○	○	○						100%
Zeng Yuan (Male)	Director	42	○	○	○	○	○	○		○			○	100%
Zhan Zhidong (Male)	Director	49	○	○	○	○	○	○	○	○				100%
Liu Feng (Male)	Independent Director	57	○		○	○				○	○	○	○	100%
Dai Yiyi (Male)	Independent Director	56	○		○	○	○			○			○	100%
Peng Shuijun (Male)	Independent Director	48	○		○	○	○					○		100%
Cai Yingbin (Male)	CEO	44	○	○	○	○								/
Fan Dan (Female)	Vice President and Board Secretary	50	○	○	○	○								/
Yu Lijie (Female)	Vice President and CFO	48	○	○	○	○								/
Wang Xiaofeng (Male)	Vice President	53	○	○	○	○								/
Wang Yongqing (Male)	Vice President	43	○	○	○	○								/



We prioritize the continuous enhancement of the performance capabilities of directors, supervisors, and senior management. Regularly, we provide the latest regulatory rules issued by the China Securities Regulatory Commission and Stock Exchanges to directors, supervisors, and senior management for learning purposes. Additionally, we proactively arrange them to training sessions on new regulations and duties hosted by stock exchanges, associations, and external institutions, to continually improve the company's standardized operations management. To enhance the professional knowledge and performance capabilities of directors, senior management, and relevant department staff in ESG areas and consistently improve our ESG management level, in 2023, we invited external professional institutions to conduct training on the theme of "ESG and Long-Term Value Creation for Enterprises". This training covered the topics of the importance of ESG construction and information disclosure, the methodology for implementing ESG initiatives, and the case studies from world-class companies. During this reporting period, a total of 51 directors, supervisors, and senior management participants joined in varied professional training sessions.



**51**

directors, supervisors, and senior management participants joined in varied professional training sessions



## Compensation of Director and Senior Management

The Remuneration and Appraisal Committee is responsible for reviewing and examining the compensation policies and assessment schemes for directors and senior management, as well as supervising the implementation of compensation systems and assessment processes. In accordance with the Company's Articles of Association and the Implementation Rules of the Remuneration and Appraisal Committee, the compensation plan for directors is proposed by the Remuneration and Appraisal Committee, approved by the Board of Directors, and then subject to review and approval by the shareholders' meeting before implementation. The compensation schemes for senior management are proposed by the Remuneration and Appraisal Committee, subject to review and approval by the Board of Directors before implementation.

The compensation for independent directors is provided in the form of allowances, while the Chairman of the Board and senior management are subject to an annual salary system. We have established the "Chairman and Senior Management Compensation and Performance Management System" to clearly define matters related to the compensation and performance management of the Chairman and senior management. The compensation structure for the Chairman and senior management comprises two parts: basic annual salary and performance-based annual salary. It employs a comprehensive evaluation method that benchmarks operational performance indicators and shareholder return, and is linked to operational performance and the safety and environmental performance of the units under their responsibility. The Chairman of the Board and senior management are eligible to participate in the welfare programs established by the company for union members, and upon reaching the statutory retirement age, they may receive pensions according to regulations upon retirement.

• **Equity Incentive**

To effectively align the interests of shareholders, the company, and key management personnel, and to achieve sustainable development, we have implemented a Restricted Stock Incentive Plan to provide equity incentives to the directors and senior management of the company. As of the end of this reporting period, the directors and senior management have been granted a total of 4,815,000 restricted shares, accounting for 0.22% of the total share capital of the company. Among them, 1,217,700 shares have been released from restrictions, accounting for 0.06% of the current total share capital of the company.



• **Clawback Mechanism**

While constructing a competitive compensation system for directors and senior executives, we have also established a corresponding clawback mechanism. Specifically, 70% of the performance-based annual salary for the Chairman and senior management personnel will be settled and paid based on the results of the annual assessment at the end of the year, while the remaining 30% will be deferred for settlement based on the results of the tenure assessment after the tenure assessment period ends. In cases where the Chairman or senior management personnel are found to engage in illegal or improper conduct, mismanagement, financial misrepresentation, significant safety or quality incidents, major environmental pollution incidents, serious disciplinary violations, legal disputes, or any other circumstances that result in negative impacts or losses to the company, corresponding deductions from performance-based compensation will be made in accordance with internal constraint mechanisms such as clawback requirements.

Name	Position	Shares held at the beginning of the year (share)	Shares held at the end of the year (share)
Gao Shaoyong	Chairman	860,000	860,000
Xu Xiaoxi	Director	0	0
Wu Yunxuan	Vice Chairman	780,000	780,000
Xiao Wei	Director	0	0
Zeng Yuan	Director	200,000	200,000
Zhan Zhidong	Director	0	0
Liu Feng	Independent Director	0	0
Dai Yiyi	Independent Director	0	0
Peng Shuijun	Independent Director	0	0
Ma Chenhua	Chairman of Board of Supervisor	0	0
Su Yi	Supervisor	0	0
Zeng Jian	Employee Representative Supervisor	0	0
Cai Yingbin	CEO	780,000	780,000
Fan Dan	Vice President and Board Secretary	780,000	780,000
Yu Lijie	Vice President and CFO	350,000	350,000
Wang Xiaofeng	Vice President	550,000	550,000
Wang Yongqing	Vice President	575,000	575,000

**Governance**

- **Sustainability-Related  
Governance Mechanisms**

Anti-Commercial  
Bribery and Anti-Unfair  
Competition



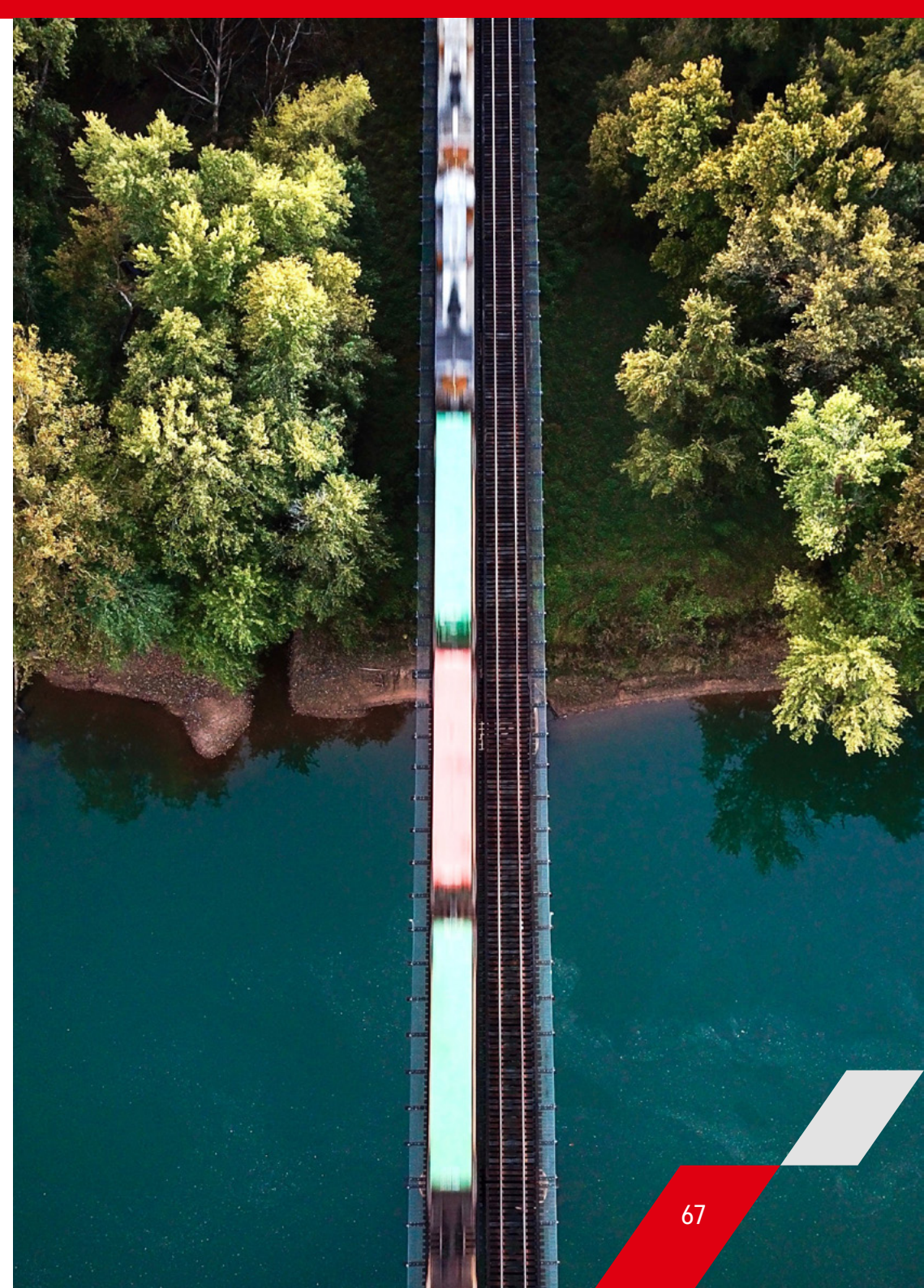
## Related-party Transaction

To standardize corporate related-party transactions, we have formulated the "Related-Party Transaction Management System," which provides clear provisions on the types of related-party transactions, pricing principles, decision-making procedures, and information disclosure. During the reporting period, we revised and improved the aforementioned matters. We strictly adhere to relevant laws and regulations as well as the requirements of the "Related-Party Transaction Management System," fulfilling the related-party transaction approval procedures. Independent Directors express independent opinions before submitting them to the board of directors for review. Related parties abstain from voting during board of directors and shareholders' meeting deliberations to ensure that related-party transactions are fair, just, transparent, and equitable, thereby fully safeguarding the interests of minority shareholders.



## Conflicts of Interest

As stipulated in the Company's Articles of Association, directors, supervisors, and senior management personnel have a fiduciary duty to the company. Without the consent of the shareholders' meeting, they are not allowed to exploit their positions for their own or others' benefit by seeking business opportunities that rightfully belong to the company or engaging in self-operated businesses or similar ventures to those of the company. It is the responsibility of our directors, supervisors, and senior management to report any conflicts or potential conflicts of interest with the company's interests and to comply with the relevant laws, regulations, and internal procedures, ensuring that each director, supervisor, and senior management personnel can perform their duties without being influenced by any conflicting interests arising from other positions, activities, or relationships.



## Investor Relations

We fully respect and treat all investors equally. We have established the "Investor Relations Management System" and strictly adhere to relevant laws and regulations, as well as internal management systems such as the "Information Disclosure Affairs Management System," "Information Disclosure Deferral and Exemption Business Management System," "Corporate Bond Information Disclosure Affairs Management System," "Significant Information Internal Reporting System," and "External Information User Management Regulations." We have established effective communication channels that satisfy requirements such as the scope and timing of information disclosure outlined in the aforementioned systems. We have also implemented strict confidentiality mechanisms and fulfilled our information disclosure obligations through appropriate channels. This ensures that company information is disclosed truthfully, accurately, completely, timely, and fairly to investors and other relevant stakeholders, enabling them to timely understand the company's situation and safeguarding their rights and interests.

We have strengthened communication with investors and enhanced their understanding of the company by establishing an investor relations management mechanism and employing diverse communication methods to ensure that investors can exercise their rights fully. The Securities Department of the company, serving as the functional department for investor relations management, handles the daily affairs in this regard. During the reporting period, we received an A-class acknowledgement from the Shanghai Stock Exchange for 2022-2023 annual information disclosure. We were also selected as the "2022 Best Practice for Annual Performance Briefing" by the China Association for Public Companies. Furthermore, our Securities Department was honored as the "2023 Best Practice Case for BOD Office of Listed Companies" by the China Association for Public Companies.

### Investor hotline and investor email



Received over **100** calls on the investor hotline



Responded to over **50** inquiries from investors on the E-interaction platform

### Institutional investor conferences



Participated in nearly **200** institutional investor conferences

### WeChat official account, video platform, and other media platforms

Provided frequent and multi-angle coverage of the company's business dynamics and key projects, such as timely releases of easy-to-understand "Fast Fact of Annual Report (in both Chinese and English)" and "Fast Fact of ESG Report (in both Chinese and English)."

### Performance briefings and investor reception days

Participated in investor reception days in Xiamen jurisdiction in 2023, hosting three performance briefings, and was selected for the "Best Practice for Annual Performance Briefing" among listed companies in 2022.



### Establishment of extensive and multi-level media matrix

**01.** In 2023, participated in national-level exhibitions such as the China International Import Expo, Supply Chain Achievements Exhibition, China International Supply Chain Promotion Expo, China International Consumer Products Expo, and The China Import and Export Fair to showcase the company's development strategy and business highlights in "industrialization, internationalization, and digitization" to the market.

**02.** Media such as Xinhua News Agency, Xinhua Net, People's Daily, People's Daily Online, CCTV News, and National Business Daily conducted in-depth analyses of the company's business model through media interviews and feature films. Also, introduced the company's typical business projects in markets along the "Belt and Road" initiative on the occasion of the tenth anniversary of the initiative to create a positive brand effect.

**03.** Conveyed the company's business value to the market through public roadshows and media live broadcasts.

## The Party Development Endeavors

We stick to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, uphold the overall leadership of the Party, and focus on the principal task of "A better-quality and high-efficiency." We implement the action plan to pursue excellence by deep learning, bold leadership, and practical efforts while integrating Party building work with corporate operations, planning, deployment, advancement, and assessment. By empowering business with top-tier Party building, we aim to pave the way for the company's high-quality development.

During this reporting period, our Party committee has fully leveraged its leadership role of "Set the right direction, keep in mind the big picture, ensure the implementation of Party policies and principles", and formulated the "List of Annual Exercise Responsibilities of the full and strict governance over the Party in 2023," further refining the responsibilities of members of the Party committee. In conjunction with the actual situation of the enterprise, we revised the system concerning issues of "Major decision-making, Major personnel appointments and dismissals, Major project investment decisions, and Large Fund Utilization" and the list of pre-research matters of the Party committee to effectively ensure the unity of the Party's overall leadership and the improvement of corporate governance, continuously enhancing the level of scientific decision-making and corporate governance.



## Risk Control and Compliance

We perfect our comprehensive risk management system in accordance with our corporate development plan, enhancing our risk prevention capabilities and risk management levels through risk identification, monitoring and early warning, risk review, and response, thereby ensuring stable operations. A risk management framework led by the Board Risk Control Committee, with subsidiaries and functional departments serving as three lines of defense, has been established. This framework operates in coordination to manage all types of risks associated with our operations comprehensively and effectively. The Board Risk Control Committee consists of five directors with expertise in risk management. It supervises and guides our risk management efforts through assessing potential significant risks to the business, analyzing and summarizing significant risk events that have occurred, and conducting comprehensive inspections and risk assessments of the operating situation.

• Enterprise Risk Management Framework

About This Report

Message from the Chairman

2023 Honors and Awards

Environment

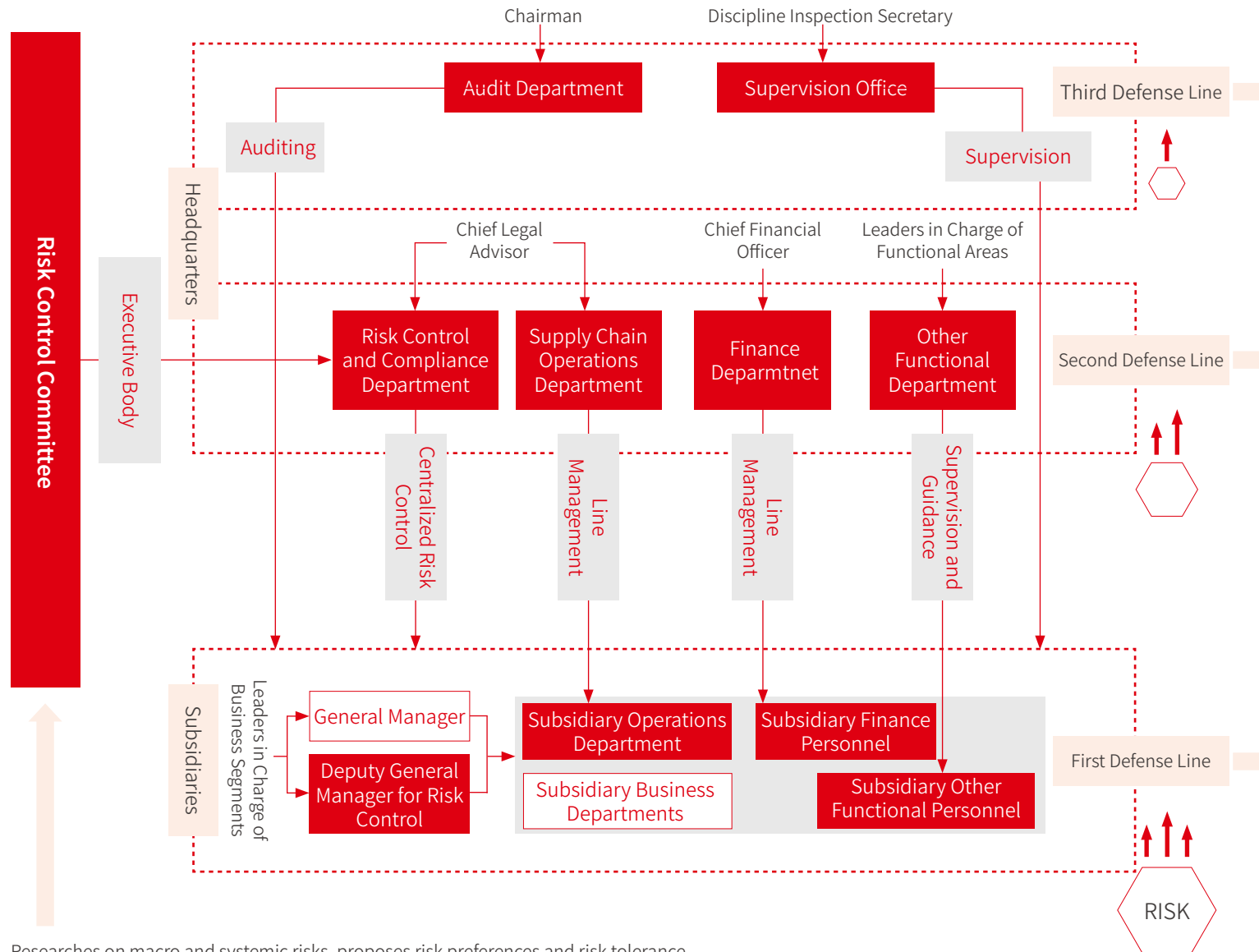
Society

**Governance**

• Sustainability-Related Governance Mechanisms

Anti-Commercial Bribery and Anti-Unfair Competition

Appendix



Researches on macro and systemic risks, proposes risk preferences and risk tolerance level, and determines the overall risk tone.

**Audit Department:** Deploys audit supervision functions to urge subsidiaries to implement risk control management requirements.  
**Supervision Office:** Prevents integrity risks through disciplinary inspection and supervision functions.

**Risk Control and Compliance Department:** Acts as the executive body of the Risk Control Committee and is the centralized department for company risk management.  
**Supply Chain Operations Department:** Serves as the business risk management department, appointing and evaluating the performance of subsidiary operations managers and personnel.  
**Finance Department:** Manages financial risks and directly oversees subsidiary financial personnel.  
**Other Functional Departments:** Handle other risk management areas, such as capital risk, HR risk, etc.

**Deputy General Manager of Risk Control:** Subsidiary personnel responsible for overall business risk management.  
**Subsidiary Operations Department:** Frontline risk control personnel in operations, appointed by the Operations Department and evaluated for performance.  
**Subsidiary Finance Personnel:** Frontline financial risk control personnel, directly managed by the Finance Department.  
**Subsidiary Other Functional Personnel:** Frontline personnel controlling other risks, directly managed by the subsidiary's management team with oversight and guidance from the headquarters' functional departments.

The first defense line consists of subsidiary business departments and other frontline functional departments and personnel, responsible for identifying, assessing, and responding to risks during our business operations.

The second defense line includes our headquarter risk management functional departments, among which the Risk Control and Compliance Department serves as the centralized risk management department. The Risk Control and Compliance Department is responsible for collaborating with the Supply Chain Operations Management Department, Finance Department, and other functional departments to establish and maintain comprehensive and multi-dimensional risk management policies and procedures, and report to the Board Risk Control Committee. A non-executive director with risk management experience has been appointed as the company's Chief Legal Officer to provide professional support for risk management and compliance affairs. The Chief Legal Officer oversees the Risk Management and Compliance Department of the company.

The third defense line consists of our supervisory inspection functional departments, including the Audit Department and the Supervision Office, led by the Chairman and the Discipline Inspection Secretary, respectively. They are responsible for conducting independent inspections of the effectiveness of our risk management processes, urging responsible parties to rectify discovered issues to ensure the effective implementation and timely improvement of risk management. The Audit Department also regularly reports the results of supervisory inspections and the urging of rectifications to the Board Audit Committee.

We have formulated various risk management-related regulations and systems, including the "Risk Indicator Monitoring and Management Regulations," "Interim Measures for Customer Negative List Management," as well as internal management documents such as the "Internal Control Manual," "Risk Management and Internal Control Matrix," and "Classified Risk Early Warning Indicators Table." Functional departments have also integrated risk management requirements into various functional management systems, covering financial risk, operational risk, legal risk, safety risk, and other types of risks closely related to our operations and management, forming a comprehensive and executable risk management system. During this reporting period, we revised system documents such as the "Risk Indicator Monitoring and Management Regulations," "Guidelines for Handling Significant Risks in Supply Chain Business," and "Legal Dispute Case Management Measures," further solidifying the foundation for compliant operations from a system perspective.





## Risk Identification

We follow the COSO "Enterprise Risk Management Framework" and integrate our operational management and business realities, identify our principal risks. We assess the specific risk levels associated with the main risks, determine the corresponding control measures, types, frequency, and related responsible departments, and formulate the corresponding risk inventories. This process results in the creation of a risk management and internal control matrix, which is regularly updated.

Taking the risks of strategic development adjustment and procurement process management, which we have already identified, as examples:

Risk Type	Risk Description	Risk Level	Control Measures
Strategic Development Adjustment Risk	Due to the lack of timely adjustments and updates in strategic planning, some contents may deviate from the corporate strategic goals or cannot be implemented or fail to adapt to changes in the internal and external business environment. This will affect the operational efficacy of overall planning .	High	Monitor the progress of key indicators for relevant departments and business units, conduct annual strategic checks on the implementation of strategies and business synergy, review the achievement of strategic performance, and adjust and update after deliberation by the Board of Directors, the Strategy and Sustainable Development Committee, and the management team.
Procurement Process Management Risk	Unreasonable procurement methods, unscientific bidding or pricing mechanisms, and irregular authorization approvals may lead to purchases of inferior quality at high prices, causing economic losses to the enterprise.	High	Specify detailed procurement standards for public tendering, invited tendering, inquiry, competitive negotiation, sole sourcing, and direct purchasing. Except for direct purchasing, other methods should be included in the procurement request and submitted for approval.



## Risk Reporting

In strict adherence to regulations such as the "Risk Indicator Monitoring and Management Regulations," we enforce a risk indicator early warning and risk information reporting mechanism:

- For daily risk indicators, our functional departments, and the risk management departments of each subsidiary are responsible for managing, tracking, handling, and timely reporting. The Risk Control and Compliance Department of us ensures the implementation of risk response measures. The Risk Control and Compliance Department keeps abreast of significant risk warning issues reported by each business segment, tracks and compiles the latest progress of each significant risk warning issue monthly, analyzes the overall significant risk status of us, and reports risks classified as early warning and response levels to the Risk Control Committee in a bi-weekly report format.
- Regarding specified risk issues, the functional departments of us and each subsidiary, in conjunction with their risk policies, determine the business operation risk warning elements. Standards are set reasonably according to different business types and risk warning elements, and response measures are formulated. Business risks are identified, warned, and controlled. Risk issues classified as early warning and response levels must be reported to our CEO, Chairman, and Party Secretary within 24 hours. Dynamic management of risks is practiced, with risk levels, estimated losses, and response measures re-evaluated every two weeks, and progress reported in a bi-weekly report format.





## Risk Review

We regularly organize risk reviews for each business segment and subsidiary to timely identify operational risks, deficiency in management processes, and execution. We promote optimization, improvement, and rectification by the related units, and assess and evaluate the sufficiency and effectiveness of risk management through audit inspections, internal control evaluations, and more, thereby strengthening risk supervision.

### ● Risk Screening

During the reporting period, we conducted a series of risk screening projects to prevent potential risks:

✓ To proactively identify potential risks in new business models like integrated projects and to mitigate or prevent operational and management risks, integrated project risk screenings were carried out, including regular site visits and inspections. In 2023, 19 integrated projects were inspected, with individual inspection reports issued for each project. These reports highlighted existing issues and suggested improvements, tracking the implementation progress of business units to enhance the risk control levels of integrated projects effectively.

✓ Two special screenings were conducted on the effectiveness of guarantees and some trade business compliance risks. Potential risks in business operations and models were identified, and solving suggestions and standardized operation guidelines were provided to related business departments to help them standardize operations and resolve compliance risks.

✓ Project risks were assessed and screened through audit processes. In 2023, we reviewed key integrated project feasibility study reports, discussing and analyzing cooperation models, process designs, risk exposures, and guarantee measures with functional departments and business units to prevent risks. We approved 731 material and service procurement items and 108 engineering construction projects.

### ● Internal Control Audit

In this reporting period, we conducted internal control audits and inspection projects according to the annual audit work plan and strategic focus areas, including the construction of internal control systems, decision-making and execution of foreign investment projects, key control points in the business execution process of purchasing and payment, sales and collection, etc. We raised issues including promoting institutional construction and optimization, deviations in institutional implementation, and the requirement for enhanced management refinement, along with corresponding audit opinions. We tracked and ensured the implementation of rectification measures according to the schedule. We also carried out an internal control effectiveness evaluation, covering major businesses and matters like procurement, asset management, sales, engineering projects, risk assessment, and internal supervision, focusing on high-risk areas such as sales and procurement management risks, and engaged third-party professional institutions to audit the effectiveness of internal controls.

### ● Control Evaluation

During the reporting period, we collaborated with third-party professional institutions to advance the construction of a subsidiary risk control capability evaluation system. We established an index library for evaluating the risk control capabilities of subsidiaries, completed the risk control capability evaluation, and used the evaluation to promote construction, thereby enhancing the business operation risk prevention capabilities.



## Training on Risk Control

We place a high value on employee training in risk control and compliance, encouraging employees to proactively identify and report potential risk and compliance issues. This emphasis plays a critical role in leveraging the "first line of defense" for contributing intelligence and suggestions to enterprise risk management. During this reporting period, we conducted various forms of employee training and dissemination work related to risk control and compliance, instilling a sense of risk prevention throughout our operations, enhancing the risk prevention and compliance awareness of employees, and the relevant personnel:

- Our intranet features special columns for risk control observation and compliance perspectives, using a combination of text and images to monthly disseminate information on risk control and compliance aspects, including risk points, policy regulations, cases, and tips. A collection column for State-owned Assets Supervision and Administration Commission (SASAC) regulations and policies is also available for relevant personnel to reference and use.
- Promotional work on risk control themes was carried out through risk control observation platform on the "Fangyuan Lecture", including the written of 14 articles such as "Interpretation of Central SOEs Comprehensive Risk Management Guidelines" and "Discussion on ESG Risk Management in Supply Chains" through the "Fangyuan Youdao" internal public account.
- Training for all employees on topics including "ESG and Corporate Sustainability," "Key Points in Legal Risk Prevention for Equity Investments by State-owned Enterprises," "Compliance Risk Prevention in the Health Technology Business," "Case Studies on Illegal and Unlawful Practices in the Futures Market," and "The Temptation and Punishment of Insider Trading" were conducted.
- Regular collective learning sessions within risk control-related departments were organized, sharing work experiences and learning insights.



## Communications with Stakeholders

We maintain positive communication with stakeholders through a diversified communication mechanism, promptly understand their suggestions and expectations and incorporate them into our development planning considerations to continuously enhance our sustainability capabilities.

Stakeholders	Concerning Topics	Communication Methods
Employees	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Equal Employment</li> <li>Training and Education</li> <li>Anti-corruption</li> <li>Tax Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Employee Feedback Solicitation</li> <li>Employee Training and Activities</li> <li>Employee Satisfaction Surveys</li> <li>Employee Feedback and Complaint Channels</li> <li>Workers' Representative Meetings</li> <li>Company WeChat Public Account and Intranet "Colleague Circle"</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Responsible Supply Chain</li> <li>Anti-corruption</li> <li>Anti-unfair Competition</li> <li>R&amp;D Innovation</li> <li>Complaint Mechanism and Whistleblower Protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction Surveys</li> <li>Customer Service and Complaint Handling</li> <li>Social Media and Company Publications</li> <li>Exhibitions and Industry Events</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Human Rights Protection</li> <li>Operations Compliance</li> <li>Anti-unfair Competition</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Conferences</li> <li>Exhibitions and Industry Events</li> <li>Visits and Research</li> <li>Discussions and Training</li> <li>Big Data Monitoring</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Environmental Compliance</li> <li>Human Rights Protection</li> <li>Compliance Operations</li> <li>Risk Management</li> <li>Anti-corruption</li> <li>Anti-unfair Competition</li> <li>Tax Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Public Company Information Disclosure</li> <li>Shareholders' Meetings</li> <li>Performance Briefings</li> <li>Investor Surveys</li> <li>Investor Hotline/Interactive Easy Platform</li> </ul>

Stakeholders	Concerning Topics	Communication Methods
Media Institutions	<ul style="list-style-type: none"> <li>Responsible Supply Chain</li> <li>R&amp;D Innovation</li> <li>Environmental Compliance</li> <li>Energy Management</li> <li>Customer Rights Protection</li> <li>Equal Employment</li> <li>Human Rights Protection</li> <li>Occupational Health and Safety</li> <li>Tax Compliance</li> <li>Complaint Mechanism and Whistleblower Protection</li> </ul>	<ul style="list-style-type: none"> <li>Social Welfare Activities</li> <li>Public Company Information Disclosure</li> <li>Social Media and Media Communications</li> <li>Public Opinion Monitoring</li> </ul>
Government and Regulatory Bodies	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Training and Education</li> <li>Employee Communication</li> <li>Customer Rights Protection</li> <li>Operations Compliance</li> <li>Risk Management</li> <li>Anti-corruption</li> <li>Information Security</li> <li>Complaint Mechanism and Whistleblower Protection</li> </ul>	<ul style="list-style-type: none"> <li>Online Exchanges</li> <li>Visits and Research</li> <li>Participation in Policy Making Suggestions</li> <li>Government Project Cooperation</li> <li>Information Disclosure</li> </ul>
Banks	<ul style="list-style-type: none"> <li>Tax Compliance</li> <li>Environmental Compliance</li> <li>Operations Compliance</li> <li>Risk Management</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Site Visits</li> <li>Online Communication</li> <li>Project Cooperation</li> <li>Business Training</li> </ul>
Non-governmental Organizations	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Information Security</li> <li>Tax Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Site Visits</li> <li>Company Website</li> <li>Social Media</li> <li>Industry Activities and Social Welfare Activities</li> </ul>

- **Sustainability-Related Governance Mechanisms**

Anti-Commercial  
Bribery and Anti-Unfair  
Competition

## Material Issues Assessment

We pay attention to identifying and managing sustainable development issues, following reporting frameworks such as GRI, and combining our business operations to form a substantive issue assessment process. Every year, we invite internal and external stakeholders to participate in the material issue assessment and responds to the content of material issues in this report based on the assessment results.



### Material Issue Identification

Based on reporting framework requirements like GRI and SASB, and considering our business characteristics and exemplary ESG practices in the industry, we reviewed and analyzed the results of our 2022 material issue assessment to identify 26 ESG issues for 2023.



### Issue Importance Ranking

Following the principle of double materiality, issues were analyzed and prioritized based on their importance to our financial impact and to stakeholders impact, forming a material issue matrix.



### Stakeholder Survey and Assessment

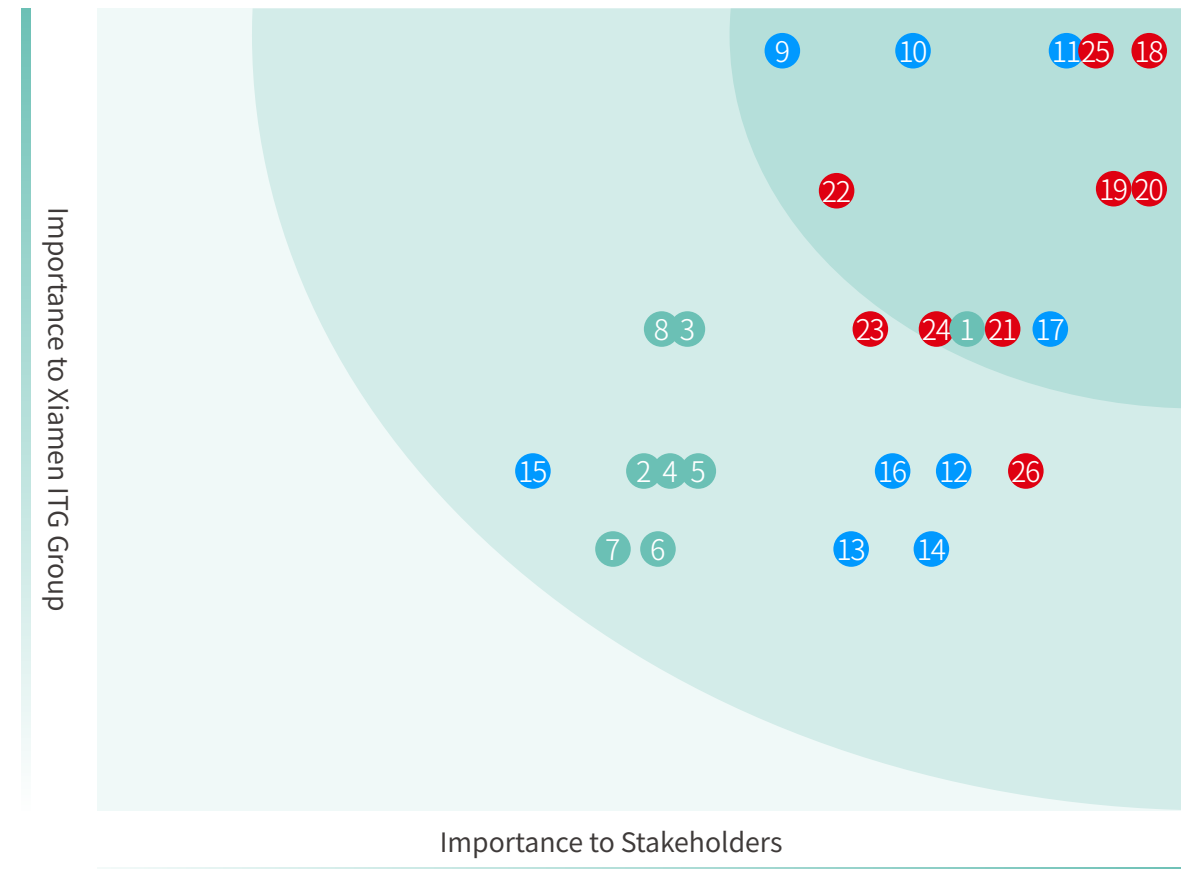
Through material issue survey questionnaires, we invited management and stakeholders to participate in the material issue assessment work, understanding the sustainable development issues of concern to stakeholders through internal and external surveys.





## Issue Assessment Results Review

The final assessment results of material issues were reviewed and confirmed by our Strategic and Sustainable Development Committee and detailed in this report, with special emphasis on the three issues identified as most important in this assessment (operations compliance, tax compliance, and occupational health and safety).



### Environmental Issues

- ① Environmental Compliance
- ② Greenhouse Gas Emissions
- ③ Energy Management
- ④ Water Conservation and Wastewater Management
- ⑤ Exhaust Air Management
- ⑥ Waste Management
- ⑦ Biodiversity
- ⑧ Resource Recycling

### Social Issues

- ⑨ Equal Employment
- ⑩ Human Rights Protection
- ⑪ Occupational Health and Safety
- ⑫ Training and Education
- ⑬ Compensation and Welfare
- ⑭ Employee Communication
- ⑮ Community Investment
- ⑯ Responsible Supply Chain
- ⑰ Customer Rights Protection

### Governance Issues

- ⑱ Operations Compliance
- ⑲ Risk Management
- ⑳ Anti-corruption
- ㉑ Anti-unfair Competition
- ㉒ Research and Development Innovation
- ㉓ Intellectual Property Rights Protection
- ㉔ Information Security
- ㉕ Tax Compliance
- ㉖ Whistleblower Protection

# 3.2

## Anti-Commercial Bribery and Anti-Unfair Competition

We are committed to operate with integrity, cooperate with all relevant parties according to the highest standards of business ethics and corporate governance, thereby establishing a strong corporate reputation. To continuously foster an atmosphere of fair competition and integrity, we have developed a "Code of Business Conduct." This code sets forth norms for anti-corruption, anti-bribery, anti-fraud, avoidance of conflicts of interest, protection of trade secrets, anti-monopoly, and anti-unfair competition. We encourage suppliers, contractors, and other partners to comply with these standards, working together to build a regulated, harmonious, honest, and transparent business environment.

● Achieved ▲ In Progress

The Management Objectives for 2023		Completion Status
1	No incidents of commercial bribery or corruption occurred throughout the year	●
2	No incidents leading to litigation or administrative penalties due to unfair competition practices occurred throughout the year	●
3	100% of employees received training on business ethics within the year	●
4	No incidents of infringing on others' intellectual property rights occurred throughout the year	●
5	No tax-related violations occurred throughout the year	●

Sustainability-Related Governance Mechanisms

- **Anti-Commercial Bribery and Anti-Unfair Competition**

## Anti-Monopoly and Anti-Unfair Competition

We respect the requirements of relevant international conventions and strictly adheres to the laws and regulations of China and the countries (regions) where we operate. We oppose monopolistic and unfair competitive practices, as well as improper trading that disrupts market order. We insist on operating with honesty to maintain the order of fair market competition.

## Anti-Corruption and Anti-Commercial Bribery

We adhere to anti-corruption and integrity in practice, upholding a "zero tolerance" principle towards fraudulent activities. We oppose any form of corruption and commercial bribery, committing to strictly comply with the anti-corruption and anti-commercial bribery laws and regulations of China and the countries (regions) where we operate, as well as the provisions and guidelines related to anti-corruption and anti-commercial bribery of multilateral international financial institutions and our own regulations. Any form of bribery is prohibited, including but not limited to: providing any improper kickbacks and other forms of bribery to another business or person directly or indirectly; requesting any form of benefit from customers, suppliers, or other stakeholders; offering or receiving compensation or other benefits that may unfairly affect our business. We integrate business ethics requirements such as honesty and conflict of interest avoidance into employee performance assessment indicators to strengthen employee behavior norms and management.



## Business Ethics Supervision System

We continuously promote the improvement of specialized supervision by the disciplinary inspection, internal party supervision, integration of various types of supervision mechanisms, and grassroots supervision systems, forming a joint supervisory force. A comprehensive business ethics supervision network has been established, led by our Discipline Inspection Committee, executed by the Supervision Office, and closely collaborated with related departments, covering us and our subsidiaries. The Supervision Office is responsible for party conduct building, integrity education, supervisory management, clue reception, investigation and disposal, comprehensive coordination, and more, playing a vital role in supervising the implementation and promoting development. We have also set up a coordination group for party conduct, integrity construction, and anti-corruption to coordinate and support among departments like organization, audit, finance, assisting in the advancement of party conduct, integrity construction, and anti-corruption coordination efforts. Furthermore, we continuously push the deep implementation of the "1+X" special inspection mechanism, integrating specialized supervision with functional supervision, encouraging coordination, information sharing among the Supervision Office, functional departments, and party organization discipline inspection commissions at all levels, to enhance the overall effectiveness of supervision.

**Governance**

Sustainability-Related Governance Mechanisms

- **Anti-Commercial Bribery and Anti-Unfair Competition**



**Business Ethics Risk Prevention and Control**

We integrate business ethics risk control into the operational risk management system, in conjunction with the actual operations of our functional departments and business segments. We target key areas and critical positions involved in property transactions, bidding, construction projects, and bulk trading. We have developed and improved management systems such as the "Business Ethics Risk Control Embedded in Operational Risk Management Work Procedures (Trial)" and others. By comprehensively utilizing education, early warning, regulatory, and supervisory methods, we conduct early prevention, mid-term monitoring, and post-event handling to effectively prevent and investigate potential corrupt practices in management and operations.



Collective Discussion Meeting on Business Ethics Risk Control Embedded in Operational Risk Control

For key areas and critical positions, we identify corresponding business ethics risks, like the potential for interest transfer or collusion with suppliers among personnel related to the supply chain business unit. We have developed an "Integrity Risk Control Handbook," clarifying corresponding control measures and implementing dynamic tracking management of business ethics risks to normalize the investigation of such risks. Regular risk investigations are conducted, control measures are timely revised, and the integrity risk control mechanism is improved. We effectively prevent and resolve integrity risks through precise daily supervision, special supervision, and strengthening grassroots supervision.

During the reporting period, we deepened the use of the "1+X" supervision mechanism, strengthening collaboration among related functional departments, conducting special supervisory inspections like asset leasing management, business hospitality management, seal usage management for 29 sessions, demanding immediate rectification of discovered issues, urging the perfection of related regulations and systems. The Risk Control and Compliance Department organized health technology sector subsidiaries to self-inspect and self-correct potential commercial bribery behaviors and guided relevant practitioners to sign the "Integrity Commitment Letter."



On-site Inspection of the Hainan ITG Smart Logistics Park Project



Carrying out "One Special Supervision and Inspection per Quarter"



Sustainability-Related Governance Mechanisms

- **Anti-Commercial Bribery and Anti-Unfair Competition**

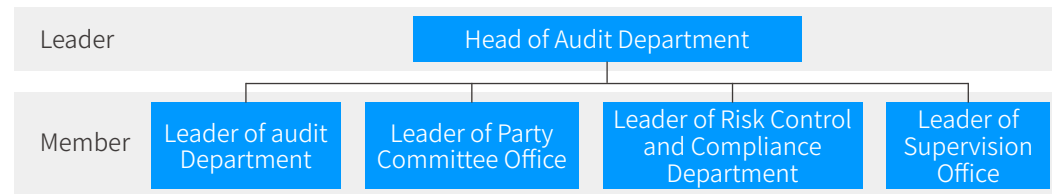


## The Accountability Mechanism for Violations in Business and Investment Operations

For actions violating business ethics and integrity standards, we have developed the "Management System for Accountability of Violations in Business and Investment Operations" and "Guidelines for Investigating Clues of Violations in Business and Investment Operations," establishing a long-term accountability mechanism.

We set up a working group for accountability for violations in business and investment operations under the leadership of the party committee, which led by a leader from the Audit Department and with members from the Audit Department, Party Committee Office, Risk Control and Compliance Department, Supervision Office, etc.

### Leadership Group for Accountability Investigation and Prosecution of Unauthorized Business Operations and Investments



The Audit Department is the specialized department responsible for the accountability work of violations in business and investment operations, undertaking the accountability work according to the procedure for investigating clues of issues. Upon receiving related complaints, we will initiate an investigation into the violations in business and investment operations; we may also conduct investigations on our own. The task force for checking issue clues will be composed of the specialized institution, relevant functional departments, subsidiary operating units, and personnel from related intermediary organizations, responsible for the actual conduct of the verification work and ultimately forming a verification work report. The task force will propose suggestions for accountability and make processing decisions after review by the appropriate leadership bodies according to cadre management authority. The methods of accountability include criticism and notification, job adjustment or suspension, termination of employment, and deduction of performance pay, among others. The task force will also supervise the accountability for violations in business and investment operations to eliminate all forms of dereliction of duty and negligence.



## Business Ethics Education and Training

We value business ethics education and training. By creating the "Pure Wind Casting Chain" business ethics culture brand, and disseminating positive messages about integrity through various forms of education and propaganda, we enhance employees' awareness of laws and integrity, and advance the construction of corporate integrity culture.

In this reporting period, we formulated the "Integrity Culture Publicity and Education Month Work Plan," organizing "Reading for Integrity, Stories of Integrity, Warnings for Clarity, Letters Home about Integrity, Creative Expressions of Integrity, Media Advocacy for Integrity" six major series of activities. We continuously deepened case-based warnings, holding "Learning from Cases to Strengthen Defenses" warning education exhibitions around "the six disciplines" showing typical cases of state-owned enterprises investigated in recent years, and over 1,000 participants attended the exhibitions. We organized integrity party classes like "Party Discipline and State Laws Around Us" and "Deepening the Governance of Corruption in State-owned Enterprises, Firmly Eliminating the Breeding Ground for Corruption," enhancing the specificity and effectiveness of warning education. During the reporting period, no incidents of business ethics violations occurred due to corruption or bribery.



over **1,000** participants attended the exhibitions

**Governance**

Sustainability-Related Governance Mechanisms

- **Anti-Commercial Bribery and Anti-Unfair Competition**

## Intellectual Property Rights Protection

We respect intellectual property rights, striving to protect our Intellectual Property Rights from infringement while also respecting the Intellectual Property Rights of others, committing not to engage in any commercial activities that infringe upon others' IP rights. We attach great importance to the protection of intellectual property rights and have established a clearly defined organizational structure for Intellectual Property Rights management to effectively implement the IPR management tasks.



**64**  
new intellectual property rights



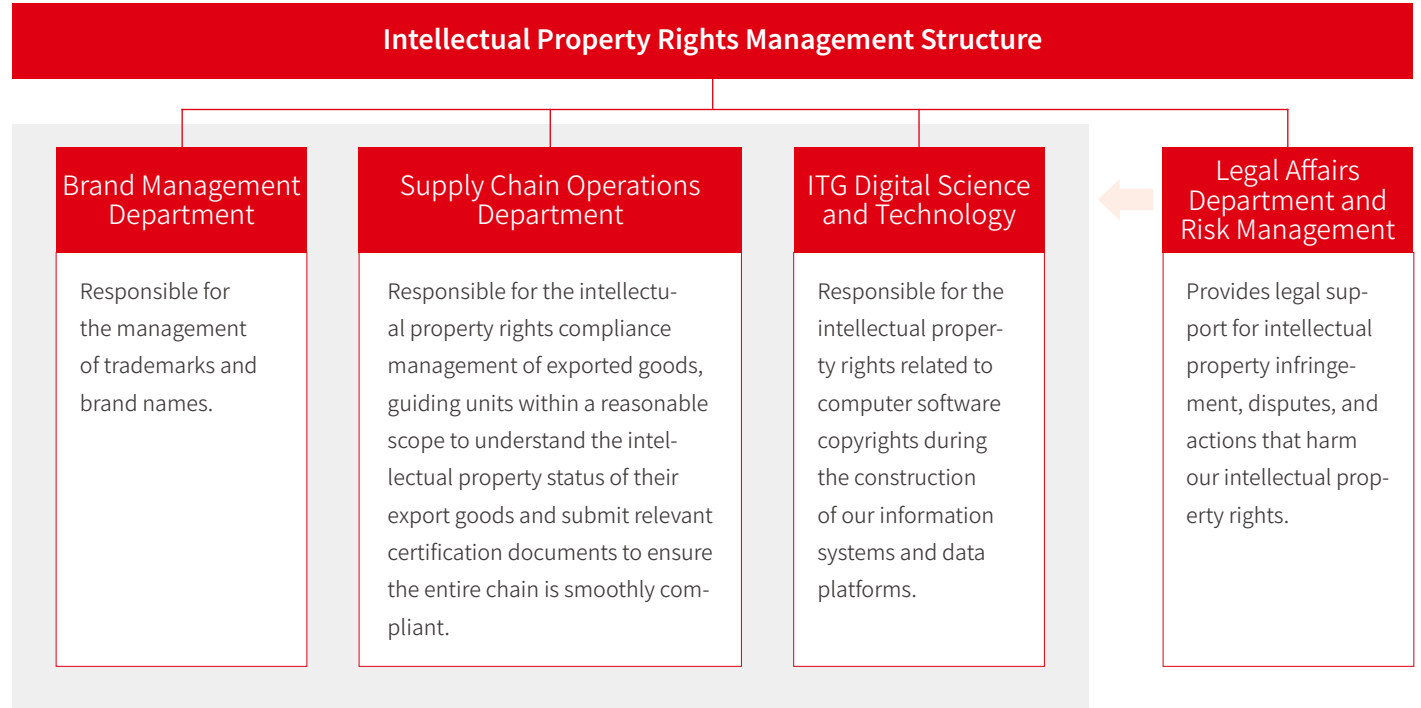
**32**  
new trademark registrations



**29**  
new copyright registrations



**3**  
new patent authorizations



We have developed a "Trademark and Brand Names Management Measures," detailing the responsibilities, management methods, registration and protection, transfer, and authorized use of trademarks and brand names to strengthen their protection. In the supply chain business, inspections related to brand and IPR products are conducted according to the "Supply Chain Business Management Regulations" to prevent potential infringement risks during business expansion. The Brand Management Department periodically conducts self-examinations and corrections of promotional channels to address any IPR infringements. Additionally, internal promotional and educational efforts are made to raise employee awareness about IPR protection.

During this reporting period, we acquired 64 new Intellectual Property Rights, including 32 new trademark registrations, 29 new copyright registrations, and 3 new patent authorizations; no IP infringement incidents occurred throughout the year.

## Tax Compliance

We strictly adhere to the "Enterprise Income Tax Law of the People's Republic of China" and other relevant tax regulations of the country and the regions where we operate, insisting on honesty and fulfilling tax obligations lawfully.

The Finance Department is responsible for tax management and compiles guidelines for daily tax declarations and tax calculations to guide and standardize the tax work of us and our subsidiaries. We follow internal control processes to identify, assess, and manage the tax risks that may arise from operational activities, appropriately measuring, managing, and controlling these risks to continuously improve the level of tax compliance management. At the same time, we stay up-to-date with changes in tax laws and policies to strengthen tax risk prevention and ensure legal and compliant tax operations; we have signed a "Tax Compliance Cooperation Agreement" with local tax authorities, establishing a relationship of trust and an active and transparent communication mechanism.

In 2023, we released internal dissemination articles such as "Frequent Tax-Related Cases in the Four Major Foreign Trade Areas: Understanding the Hidden Risks in Business Models," "The Process and Challenges in Handling Abnormal Vouchers," and "Hot Issues in Export Tax Refund (Exemption)," alerting subsidiaries to prevent and respond to daily tax-related risks.

Furthermore, through tax training, we strengthened employees' awareness of tax-related risks, maintaining the transparency, integrity, and compliance of corporate taxation. In 2023, we invited external institutions to conduct a themed sharing on "Taxation in Mergers and Acquisitions," covering the main tax issues and challenges involved in corporate restructuring, providing guidance for the lawful and regulatory handling of such matters through case analysis. Additionally, a themed tax training "Vast Seas, Compliance Escort" was held, starting from tax concerns in overseas investment projects' investment, financing, and operational structures, conducting framework organization and case sharing, thereby enhancing the overseas tax compliance awareness of relevant employees.

During this reporting period, we paid a total of 2,471,376,100 RMB in taxes, with no tax-related violations occurred.

## Complaint Mechanism and Whistleblower Protection

We welcome stakeholders to report any conduct that violates or may violate our Code of Business Conduct and relevant laws and regulations, supporting and protecting the rights of all stakeholders to make complaints and suggestions. By establishing the "Regulations on the Protection of Petitioners and Informants," we commit to strict adherence to confidentiality obligations and adopt a zero-tolerance policy towards retaliatory actions, thus fully safeguarding the legal rights and interests of complainants. According to the "Rules for Handling Reports and Accusations by Disciplinary Inspection and Supervisory Organizations" and "Regulations on Letters and Visits," we offer various channels such as telephone, email, and face-to-face communication. Our Supervision Office will handle the reports, initiate investigation and processing procedures, and promptly provide feedback on the investigation results and handling status to the complainants.

Per the "Regulations on the Protection of Petitioners and Informants," the Supervision Office will maintain strict confidentiality when accepting and investigating complaints and reports. Complaint materials are classified as confidential; without the consent of the complainant, the identity and information of the complainant and the content of their report cannot be disclosed or leaked. Anonymous reporting is permitted, and aside from the necessities of case investigation, the Supervision Office is not allowed to verify handwriting or conduct document examinations on anonymous complaint materials unauthorized. If cooperation from other departments is needed to provide materials, a "Confidentiality Agreement" must be signed as per the regulations, clearly defining confidentiality obligations.

We strictly prohibit any department or individual from suppressing or obstructing complainants from legally filing complaints and reports under any pretext. forbid any unauthorized investigation into the identity of the complainants, and prohibit any form of retaliation against the complainants, their relatives, or presumed complainants by any means or pretext. Individuals who violate confidentiality obligations or retaliate against complainants will be dealt with severely according to relevant regulations, and their legal responsibilities will be pursued.

**Complaint  
and Report  
Hotline**

| 0592-5898586

**Report  
Address**

| 26th Floor, ITG Center, 4688 Xianyue  
Road, Huli District, Xiamen City

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## Environment

Indicator	Unit	2021	2022	2023
<b>Environmental Investment</b>				
Environmental investment	Ten-thousand RMB	/	/	226.53
Number of environmental violations	Time	/	/	0
Number of environmental emergency drills		/	/	21
<b>GHG Emissions<sup>1</sup></b>				
Scope 1: Direct GHG emissions	tCO <sub>2</sub> e	1,274.64	63,177.34	114,173.40
Scope 2: Indirect GHG emissions		2,192.67	183,283.14	242,920.21
Total GHG emissions		3,467.31	246,460.48	357,093.61
GHG emission intensity	tCO <sub>2</sub> e/hundred-million RMB of operating revenue	0.75	47.22	76.26
<b>Air Pollutants</b>				
Nitrogen oxides (NOx)	Ton	/	/	2.99
Sulfur oxides (SOx)		/	/	1.40
Particulate matter (PM)		/	/	3.15
Non-methane volatile organic compounds (NMVOCs)		/	/	0.13
<b>Wastewater Pollutants</b>				
Volume of wastewater discharge	m <sup>3</sup>	/	/	523,389
<b>Energy Consumption</b>				
Electricity consumption <sup>2</sup>	kWh	3,773,953.58	271,331,451.20	342,095,277.67

Note 1: The primary reasons for the increase in the company's total GHG emissions in 2023 compared to 2022 are as follows: The GHG emissions calculation scope expanded in 2023 due to the acquisition of B.J.ZH.F. Panther Medical Equipment Co., Ltd. during the reporting period. Additionally, the production capacity increased at the Keerun Tire Factory (Rizhao) and Keerun Tire Factory (Dezhou) during the reporting period, resulting in a corresponding increase in energy consumption.

Note 2 and Note 3: The increase in electricity and steam consumption in 2023 compared to 2022 is mainly attributed to the capacity expansion of the Keerun Tire factories in Rizhao and Dezhou during the reporting period.

Indicator	Unit	2021	2022	2023
Electricity consumption intensity	kWh/hundred-million RMB of operating revenue	812.03	51,987.37	73,058.74
Steam consumption <sup>3</sup>	Ton	/	74,541.45	139,112.81
Liquefied gas consumption		/	4.27	11.12
Thermal coal consumption	m <sup>3</sup>	/	8,012.84	10,007.03
Natural gas consumption		/	/	1,169,092.15
Gasoline consumption		/	/	433,068.61
Diesel (mobile sources) consumption	Litre	437,563.47	8,346,273.39	8,153,634.16
Diesel (stationary sources) consumption		/	/	3,170.00
Marine fuel for shipping	Ton	/	/	28,432.67
<b>Water Resources</b>				
Water withdrawal	m <sup>3</sup>	/	/	917,616.8
Water consumption		51,899.85	/	394,227.80
Water consumption density	m <sup>3</sup> /hundred-million RMB of operating revenue	11.17	/	84.19
<b>Waste</b>				
<b>Hazardous Waste</b>				
Hazardous waste generation	Ton	/	/	62.81
Transfer and disposal volume of hazardous waste		0.30	/	59.64
<b>General Waste</b>				
Domestic waste generated	Ton	439.24	/	2,755.04
Domestic waste recycled		57.05	/	37.42
<b>Packaging Materials</b>				
Plastic products consumption	Ton	/	/	63.45
Paper products consumption		/	/	7.50

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**Employment**

Indicator	Unit	2021	2022	2023
<b>Employees Composition</b>				
Total employees	Person	5,504	6,936	6,947
<b>Employees Composition by Gender</b>				
Male	Person	3,393	4,134	4,305
Female		2,111	2,802	2,642
<b>Employees Composition by Age</b>				
Under 30	Person	1,672	2,387	2,058
30-50		3,320	3,994	4,303
Over 50		512	555	586
<b>Employees Composition by Education</b>				
Master's degree and above	Person	500	667	725
Bachelor's degree		2,289	2,960	3,101
Others		2,715	3,309	3,121
<b>Employees Composition by Nationality</b>				
China	Person	/	/	6,583
Others		/	/	364
<b>Employees Composition by Function</b>				
Sales	Person	3,677	2,813	2,876
Technical		145	172	369
Finance		317	409	430
Administrative		1,365	752	800
Production		/	2,790	2,472
Female production		/	/	712
Female sales		/	/	1,141
Female technical		/	/	74
Female finance		/	/	300
Female administrative		/	/	415
Number of employees in Science, Technology, Engineering, and Mathematics (STEM) positions		/	/	286

Indicator	Unit	2021	2022	2023
Number of females in Science, Technology, Engineering, and Mathematics (STEM) positions	Person	/	/	56
Percentage of females in Science, Technology, Engineering, and Mathematics (STEM) positions	%	/	/	19.58
<b>Employment in Local Province</b>				
Number of local employees	Person	/	/	4,414
Proportion of local employees	%	/	/	63.54
Number of local female employees	Person	/	/	1,729
Proportion of local female employees	%	/	/	65.44
Number of local senior management personnel	Person	/	/	5
Proportion of local senior management personnel	%	/	/	100.00
Number of local female senior management personnel	Person	/	/	2
Proportion of local female senior management personnel	%	/	/	100.00
<b>Employment of People with Disabilities</b>				
Number of employees with disabilities	Person	/	5	12
Proportion of employees with disabilities	%	/	0.12	0.17
<b>Gender Distribution in Management<sup>4</sup></b>				
Male management	Person	109	110	310
Female management		33	32	138
Percentage of female managers	%	23.24	22.54	30.80
Senior management	Person	/	/	5
Including: Female senior management		/	/	2
Percentage of female senior management	%	/	/	40.00
Junior management	Person	/	/	288

Notes4: Management refers to mid-level and above managers at the company headquarters, as well as senior management personnel in each subsidiary company.

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Indicator	Unit	2021	2022	2023
Including: Female junior management	Person	/	/	103
Percentage of female junior management	%	/	/	35.76
Percentage of female management in revenue-generating departments		/	/	28.50
<b>Nationality Distribution in Management</b>				
China	Person	/	/	446
Others		/	/	2
<b>Employment Contract</b>				
Employees with signed labor contract	Person	5,504	6,936	6,947
Labor contract signing rate	%	100.00	100.00	100.00
<b>Employee Turnover</b>				
Number of employees at the beginning of the year	Person	5,256	5,504	6,936
Number of new hires during the year		1,172	1,633	1,657
Number of departures		924	602	643
Including: Departures of employees under 30		/	/	267
Departures of employees aged 30 to 50		/	/	358
Departures of employees over 50		/	/	18
Including: Departures of Chinese employees		/	/	642
Departures of Non-Chinese employees		/	/	1
Including: Departures of Female employees	Person	/	/	241
Departures of Male employees		/	/	402
Annual turnover rate	%	14.37	8.43	7.48

Indicator	Unit	2021	2022	2023
<b>Employee Training</b>				
Total investment in employee training throughout the year	Ten-thousand RMB	220.50	644.00	678.60
Total number of employees trained	Person	/	5,933	6,095
Average training cost per employee	Ten-thousand RMB	/	/	0.10
Number of female employees trained	Person	/	/	2,436
Number of male employees trained		/	/	3,659
Percentage of female employees trained	%	/	39.14	92.20
Employee training coverage rate		/	85.54	87.74
Total training hours for employees	Hour	/	73,446	114,430.86
Average training hours per employee		/	10.59	16.47
<b>Employee Training Breakdown by Type</b>				
Total online training hours	Hour	/	/	86,895.23
<b>Employee Performance</b>				
Percentage of employees undergoing regular performance and career development assessments	%	/	/	100.00
<b>Compensation and Benefits</b>				
Male entry level salary	RMB	/	/	2,600
Female entry level salary		/	/	2,600
Government-mandated local minimum wage for males		/	/	2,030
Government-mandated local minimum wage for females		/	/	2,030

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Indicator	Unit	2021	2022	2023
Ratio of male entry level salary to local male minimum wage	%	/	380.95	128.08
Ratio of female entry level salary to local female minimum wage		/	380.95	128.08
Average monthly basic salary for male senior management	RMB	/	/	40,000
Average monthly basic salary for female senior management		/	/	40,000
Average annual compensation for male senior management		/	/	1,450,900
Average annual compensation for female senior management		/	/	1,016,200
Average monthly basic salary for male management		/	/	17,195.00
Average monthly basic salary for female management		/	/	17,195.00
Average monthly basic salary for non-management male employees		/	/	6,455.00
Average monthly basic salary for non-management female employees		/	/	6,455.00
Mean wage gap		/	/	0
Median wage gap		/	/	0
Mean bonus gap		/	/	0
Median bonus gap		/	/	0
<b>Freedom of Association and Collective Bargaining</b>				
Total number of employees covered/protected by collective agreements	Person	/	/	3,150
Percentage of employees covered/protected by collective agreements	%	/	/	45.34

Indicator	Unit	2021	2022	2023
<b>Employee Care and Welfare</b>				
Defined benefit plans and other retirement plans	Ten-thousand RMB	/	/	2,140.67
Company contribution percentage to defined benefit plans and other retirement plans	%	/	/	3
Total duration of paid parental leave requested by employees	Day	/	/	1,696.67
Including: Total duration of paid parental leave requested by employees (as primary caregivers)		/	/	957.75
Total duration of paid parental leave requested by employees (as non-primary caregivers)		/	/	738.92
Duration of paid family or caregiving leave excluding maternity leave		/	/	1,402.50
<b>Human Rights Impact Assessment</b>				
Minimum notice period for operational changes	Day	/	/	30
<b>Security Practice</b>				
Number of security personnel who have received training on human rights policies or procedures	Person	/	/	230
Total number of security personnel employed by the company		/	/	17
Total number of third-party security personnel		/	/	213
Percentage of security personnel who have received training on human rights policies or procedures	%	/	/	100.00

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**Occupational Health and Safety**

Indicator	Unit	2021	2022	2023
<b>Work Safety Input</b>				
Total annual investment in occupational health and safety	Ten-thousand RMB	/	/	3,803.15
<b>Performance of Occupational Safety Training</b>				
Total number of participants in occupational safety training	Participant	/	/	24,881
Number of safety emergency drills	Time	/	/	223
Number of participants in safety emergency drills	Participant	/	/	3,951
Number of offline safety training sessions	Session	/	/	504
Number of online safety courses	Course	/	/	39
<b>Occupational Health and Safety Performance</b>				
Number of workers covered by the occupational health and safety management system	Person	/	/	7,161
Number of occupational injuries		/	/	1
Number of occupational fatalities		/	/	0
Occupational fatality rate	%	/	/	0
Total duration of work-related injury losses	Day	/	/	55
Total number of occupational injury incidents	Case	/	/	1
Total recordable injury frequency rate (TRIFR) - employees	/	/	/	0.08
Lost time injury frequency rate (LTIFR) - employees		/	/	4.41

**Market**

Indicator	Unit	2021	2022	2023
<b>Resolution of Complaints</b>				
Total number of product or service-related complaints	Case	/	30	33
Total number of resolved product or service-related complaints		/	30	33
Timeliness rate of responses to product or service-related complaints	%	/	100.00	100.00
<b>Information Security and Privacy Protection</b>				
Information security incidents	Case	/	0	0
Number of customers affected by data breaches	Person	/	/	0
Number of employees affected by data breaches		/	/	0
Incidents of customer privacy infringement	Case	/	/	0
<b>Research and Development Investment</b>				
Total investment in science and technology research and development	Ten-thousand RMB	/	490	5,154.23
<b>Intellectual Property Rights</b>				
Number of new patent applications	Case	/	2	0
Number of new patents granted		0	/	3
Number of new copyright applications		/	/	8
Number of new copyrights registered		6	21	29
Number of new trademark applications		/	/	29
Number of new trademarks registered		86	112	32
Total new intellectual property rights acquired in the year		92	135	64



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**Market**

Indicator	Unit	2021	2022	2023
<b>Supplier</b>				
Total number of suppliers	Unit	/	47,525	48,232
Number of suppliers in the province where the company is located		/	7,966	7,054
Number of suppliers in Mainland China		/	38,375	37,992
Number of suppliers outside Mainland China		/	/	10,240
Total number of suppliers reviewed by the company in the year		/	8,617	13,513
Total number of new suppliers admitted after reviewed by the company in the year		/	6,673	10,802

**Community**

Indicator	Unit	2021	2022	2023
<b>Community Engagement</b>				
Amount of external donations	Ten-thousand RMB	943.20	151.00	153.00
Number of volunteer service	Time	/	/	87
Total number of volunteer participants	Participant	/	962	420
Total hours of volunteer service	Hour	4,614	6,735	1,605

**Corporate Governance**

Indicator	Unit	2021	2022	2023
<b>Business Ethics</b>				
<b>Communication and Training on Anti-corruption Policies</b>				
Percentage of directors, supervisors, and senior management who have been briefed on anti-corruption policies and procedures	%	/	/	100.00
Percentage of employees briefed on anti-corruption policies and procedures		/	/	100.00
Percentage of directors, supervisors, and senior management who have received anti-corruption training		/	/	100.00
Percentage of employees who have received anti-corruption training		/	/	100.00
<b>Violations of Business Ethics</b>				
Incidents of Commercial Bribery and Corruption	Case	/	/	0
Conflicts of Interest Incidents		/	/	0
Money Laundering and Insider Trading Incidents		/	/	0
Incidents resulting in litigation or significant administrative penalties due to unfair competition or monopolistic practices		/	/	0

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GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Message from the Chairman Integrate Industry to Connect and Create Value to Share	
	2-2 Entities included in the organization's sustainability reporting	About This Report	
	2-3 Reporting period, frequency and contact point	About This Report	
	2-4 Restatements of information	Not Covered In This Report	This report does not involve information restatement
	2-5 External assurance	Not Covered In This Report	This report has not undergone third-party verification
	2-6 Activities, value chain and other business relationships	Message from the Chairman Integrate Industry to Connect and Create Value to Share	
	2-7 Employees	Human Rights Protection Data Overview	
	2-8 Workers who are not employees	Not Covered In This Report	The Company does not collect relevant data during this report period
	2-9 Governance structure and composition	Governance Structure	
	2-10 Nomination and selection of the highest governance body	Governance Structure	
	2-11 Chair of the highest governance body	Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure Risk Control and Compliance	
	2-13 Delegation of responsibility for managing impacts	Governance Structure Risk Control and Compliance All-Staff Involved Occupational Health and Safety Management	

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GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Governance Structure	
	2-15 Conflicts of interest	Governance Structure	
	2-16 Communication of critical concerns	Communications with Stakeholders	
	2-17 Collective knowledge of the highest governance body	Governance Structure	
	2-18 Evaluation of the performance of the highest governance body	Not Covered In This Report	Not implemented during the reporting period
	2-19 Remuneration policies	Governance Structure	
	2-20 Process to determine remuneration	Governance Structure	
	2-21 Annual total compensation ratio	Data Overview	
	2-22 Statement on sustainable development strategy	Message from the Chairman Net Zero Strategy	
	2-23 Policy commitments	Climate Response Pollution Control and Ecosystem Protection Resource Utilization and Circular Economy Human Rights Protection All-Staff Involved Occupational Health and Safety Management Responsible Sourcing Protection of Customer Rights Rural Revitalization and Social Contribution Anti-Commercial Bribery and Anti-Unfair Competition	
2-24 Embedding policy commitments	Climate Response Pollution Control and Ecosystem Protection Resource Utilization and Circular Economy Human Rights Protection All-Staff Involved Occupational Health and Safety Management Responsible Sourcing Protection of Customer Rights Rural Revitalization and Social Contribution Risk Control and Compliance Anti-Commercial Bribery and Anti-Unfair Competition		

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GRI Standards	Disclosures	Location	Omission
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Climate Response Pollution Control and Ecosystem Protection Resource Utilization and Circular Economy Human Rights Protection All-Staff Involved Occupational Health and Safety Management Supply Chain Risk Management Responsible Sourcing Protection of Customer Rights Rural Revitalization and Social Contribution Risk Control and Compliance Anti-Commercial Bribery and Anti-Unfair Competition	
	2-26 Mechanisms for seeking advice and raising concerns	Human Rights Protection Supply Chain Risk Management Responsible Sourcing Protection of Customer Rights Rural Revitalization and Social Contribution Investor Relations Communications with Stakeholders Complaint Mechanism and Whistleblower Protection	
	2-27 Compliance with laws and regulations	Pollution Control and Ecosystem Protection Human Rights Protection All-Staff Involved Occupational Health and Safety Management Protection of Customer Rights Responsible Marketing Governance Structure Investor Relations Risk Control and Compliance Anti-Commercial Bribery and Anti-Unfair Competition	
	2-28 Membership associations	Promote Industry Development	
	2-29 Approach to stakeholder engagement	Communications with Stakeholders	
	2-30 Collective bargaining agreements	Human Rights Protection Smooth Career Development Pathways Data Overview	

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GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Management of material topics	Material Issues Assessment Communications with Stakeholders	
	3-2 List of material topics	Material Issues Assessment	
<b>Economic performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Sustainable Development Risk Management Risk Control and Compliance Governance Structure Communications with Stakeholders	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Governance Structure	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainable Development Risk Management	
	201-3 Defined benefit plan obligations and other retirement plans	Data Overview	
	201-4 Financial assistance received from government	2023 Social Impact	
<b>Market presence</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Smooth Career Development Pathways	
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Data Overview	
	202-2 Proportion of senior management hired from the local community	Data Overview	
<b>Indirect economic impact</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Rural Revitalization and Social Contribution	

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GRI Standards	Disclosures	Location	Omission
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported		Rural Revitalization and Social Contribution
	203-2 Significant indirect economic impacts		Rural Revitalization and Social Contribution
<b>Procurement practices</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		Responsible Sourcing
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers		Support Rural Revitalization Strategies with Industrial Resource Advantages
<b>Anti-corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		Anti-Corruption and Anti-Commercial Bribery
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption		Anti-Corruption and Anti-Commercial Bribery
	205-2 Communication and training about anti-corruption policies and procedures		Anti-Corruption and Anti-Commercial Bribery Data Overview
	205-3 Confirmed incidents of corruption and actions taken		Anti-Commercial Bribery and Anti-Unfair Competition Data Overview
<b>Anti-competitive behavior</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		Anti-Monopoly and Anti-Unfair Competition
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Anti-Commercial Bribery and Anti-Unfair Competition Data Overview
<b>Tax</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		Tax Compliance
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax		Tax Compliance

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GRI Standards	Disclosures	Location	Omission
<b>GRI 207: Tax 2019</b>	207-2 Tax governance, control, and risk management	Tax Compliance	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Compliance	
	207-4 Country-by-country reporting	Not Covered In This Report	The Company does not collect relevant data during this report period
<b>Materials</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Climate Response Pollution Control and Ecosystem Protection Resource Utilization and Circular Economy	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Pollutants Emissions Control Resource Utilization and Circular Economy Data Overview	
	301-2 Recycled input materials used	Resource Utilization and Circular Economy	
	301-3 Reclaimed products and their packaging materials	Resource Utilization and Circular Economy Data Overview	
<b>Energy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Climate Response	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	GHG Emissions Control Data Overview	
	302-2 Energy consumption outside of the organization	Not Covered In This Report	
	302-3 Energy intensity	2023 Environmental Impact Data Overview	
	302-4 Reduction of energy consumption	Energy Conservation and Emissions Reduction Action	
	302-5 Reductions in energy requirements of products and services	Energy Conservation and Emissions Reduction Action	
<b>Water and effluents</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pollution Control and Ecosystem Protection	

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GRI Standards	Disclosures	Location	Omission
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Resources Conservation	
	303-2 Management of water discharge-related impacts	Pollutants Emissions Control	
	303-3 Water withdrawal	Data Overview	
	303-4 Water discharge	Data Overview	
	303-5 Water consumption	Data Overview	
<b>Biodiversity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pollution Control and Ecosystem Protection	
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Covered In This Report	
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Protection	
	304-3 Habitats protected or restored	Not Covered In This Report	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Covered In This Report	
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Climate Response Pollution Control and Ecosystem Protection	
<b>GRI 305: 2016GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	GHG Emissions Control Data Overview	
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions Control Data Overview	
	305-3 Other indirect (Scope 3) GHG emissions	Not Covered In This Report	
	305-4 GHG emissions intensity	2023 Environmental Impact GHG Emissions Control Data Overview	



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GRI Standards	Disclosures	Location	Omission
<b>GRI 305: 2016GRI 305: Emissions 2016</b>	305-5 Reduction of GHG emissions	Energy Conservation and Emissions Reduction Action	
	305-6 Emissions of ozone-depleting substances (ODS)	Not Covered In This Report	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data Overview	
<b>Waste</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pollution Control and Ecosystem Protection	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Pollutants Emissions Control	
	306-2 Management of significant waste-related impacts	Pollutants Emissions Control	
	306-3 Waste generated	Data Overview	
	306-4 Waste diverted from disposal	Data Overview	
	306-5 Waste directed to disposal	Data Overview	
<b>Supplier environmental assessment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Responsible Sourcing	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Responsible Sourcing	
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Sourcing	
<b>Employee</b>			
<b>GRI 3: 2021GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection Smooth Career Development Pathways	

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GRI Standards	Disclosures	Location	Omission
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Data Overview	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Smooth Career Development Pathways	
	401-3 Parental leave	Data Overview	
<b>Labor management relations</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection	
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Data Overview	
<b>Occupational Health and Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	All-Staff Involved Occupational Health and Safety Management	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	All-Staff Involved Occupational Health and Safety Management	
	403-2 Hazard identification, risk assessment, and incident investigation	All-Staff Involved Occupational Health and Safety Management	
	403-3 Occupational health services	All-Staff Involved Occupational Health and Safety Management	
	403-4 Worker participation, consultation, and communication on occupational health and safety	All-Staff Involved Occupational Health and Safety Management	
	403-5 Worker training on occupational health and safety	All-Staff Involved Occupational Health and Safety Management	
	403-6 Promotion of worker health	All-Staff Involved Occupational Health and Safety Management	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	All-Staff Involved Occupational Health and Safety Management	

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GRI Standards	Disclosures	Location	Omission
<b>GRI 403: Occupational Health and Safety 2018</b>	403-8 Workers covered by an occupational health and safety management system	All-Staff Involved Occupational Health and Safety Management	
	403-9 Work-related injuries	All-Staff Involved Occupational Health and Safety Management Data Overview	
	403-10 Work-related ill health	All-Staff Involved Occupational Health and Safety Management	
<b>Training and education</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Smooth Career Development Pathways	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Smooth Career Development Pathways Data Overview	
	404-2 Programs for upgrading employee skills and transition assistance programs	Smooth Career Development Pathways	
	404-3 Percentage of employees receiving regular performance and career development reviews	Smooth Career Development Pathways Data Overview	
<b>Diversity and equal opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection Smooth Career Development Pathways	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Human Rights Protection Data Overview	
	405-2 Ratio of basic salary and remuneration of women to men	Data Overview	
<b>Non-discrimination</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection Smooth Career Development Pathways	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Human Rights Protection	
<b>Freedom of association and collective bargaining</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection Smooth Career Development Pathways	

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GRI Standards	Disclosures	Location	Omission
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Protection Responsible Sourcing	
<b>Child labor</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection	
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights Protection Supply Chain Risk Management Responsible Sourcing	
<b>Forced or compulsory labor</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights Protection Supply Chain Risk Management	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Protection Supply Chain Risk Management Responsible Sourcing	
<b>Security practices</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Data Overview	
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Data Overview	
<b>Right of indigenous peoples</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Rural Revitalization and Social Contribution	
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	Rural Revitalization and Social Contribution	
<b>Local communities</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Rural Revitalization and Social Contribution	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Rural Revitalization and Social Contribution	

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GRI Standards	Disclosures	Location	Omission
	413-2 Operations with significant actual and potential negative impacts on local communities	Not Covered In This Report	The company is not involved in related matters
<b>Supplier social assessment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Supply Chain Risk Management Responsible Sourcing	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Supply Chain Risk Management Responsible Sourcing Data Overview	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Risk Management Responsible Sourcing	
<b>Public policy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Not Covered In This Report	The company is not involved in related matters
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Not Covered In This Report	The company is not involved in related matters
<b>Customer health and safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Protection of Customer Rights	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Protection of Customer Rights	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Protection of Customer Rights Data Overview	
<b>Marketing and labeling</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Responsible Marketing	
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	Responsible Marketing	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Responsible Marketing	
	417-3 Incidents of non-compliance concerning marketing communications	Responsible Marketing	
<b>Customer privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Protection of Customer Rights	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of Customer Rights Data Overview	

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# ISDS Index

## IFRS S1

Core Elements	Disclosure Recommendations	Disclosure Placement
<b>Governance</b>	a) The governance body(s) (which can include aboard, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Governance Structure Risk Control and Compliance
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Risk Control and Compliance
<b>Strategy</b>	a) The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Sustainable Development Risk Management
	b) The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Sustainable Development Risk Management
	c) How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Sustainable Development Risk Management
	d) The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Not covered in the report
	e) The resilience of the entity's strategy and its business model to those sustainability-related risks	Sustainable Development Risk Management
<b>Risk Management</b>	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Sustainable Development Risk Management Risk Control and Compliance
	b) The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.	Not covered in the report
	c) The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainable Development Risk Management Risk Control and Compliance

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Core Elements	Disclosure Recommendations	Disclosure Placement
	a) Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Environment Society Governance
<b>Metrics and targets</b>	b) Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.	Environment Society Governance
	c) Any targets the entity has set it is required to meet by law or regulation.	Environment Society Governance

**IFRS S2**

Core Elements	Disclosure Recommendations	Disclosure Placement
<b>Governance</b>	a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Governance Structure Risk Control and Compliance
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Risk Control and Compliance
<b>Strategy</b>	a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Sustainable Development Risk Management
	b) The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain climate-related risks and opportunities are concentrated.	Sustainable Development Risk Management
	c) Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Sustainable Development Risk Management

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Core Elements	Disclosure Recommendations	Disclosure Placement
Strategy	d) The quantitative and qualitative effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Not covered in the report
	e) The entity's assessment of its climate resilience, including the entity's assessment for its strategy and business model, the significant areas of uncertainty considered in the entity's assessment of its climate resilience and the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Sustainable Development Risk Management
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Sustainable Development Risk Management Risk Control and Compliance
	b) The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Not covered in the report
Metrics and targets	c) The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainable Development Risk Management Risk Control and Compliance
	a) The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.	Sustainable Development Risk Management GHG Emissions Control Governance Structure
	b) Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	GHG Emissions Control
	c) The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.	Environment Society Governance



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SASB Topics	Accounting Metrics	Location
<b>Energy Management in Retail &amp; Distribution</b>	CG-MR-130a.1: (1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable energy	GHG Emissions Control Data Overview
	CG-MR-230a.1: Discussion of management approach to identifying and addressing data security risks	Protection of Customer Rights
<b>Data Security</b>	CG-MR-230a.2: (1) Number of data security breaches (2) Percentage involving customers' personally identifiable information (PII) (3) Number of customers affected	Protection of Customer Rights
	CG-MR-310a.1: (1) Average hourly wage (2) Percentage of in-store employees earning minimum wage, by region	Not covered in the report
<b>Fair Labor Practices</b>	CG-MR-310a.2: Employee turnover rate for in-store employees (1) Voluntary (2) Involuntary	Data Overview
	Amount of legal and regulatory fines and settlements associated with labor law violations	Human Rights Protection

SASB Topics	Accounting Metrics	Location
<b>Workforce Diversity &amp; Inclusion</b>	CG-MR-330a.1: Percentage of gender and racial/ethnic group representation for (1) Management (2) All other employees	Human Rights Protection Data Overview
	CG-MR-330a.2: Amount of legal and regulatory fines and settlements associated with employment discrimination	Human Rights Protection
	CG-MR-410a.1: Revenue from products third-party certified to environmental and/or social sustainability standards	Not covered in the report standards
	CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in products	Pollution Control and Ecosystem Protection
<b>Product sourcing, Packaging, and Marketing</b>	CG-MR-410a.3: Description of strategies to reduce the environmental impact of packaging	Pollutants Emissions Control
	CG-MR-000.A: (1) Number of retail locations (2) Number of distribution centers	Not applicable
	CG-MR-000.B: Total area of (m <sup>2</sup> ): (1) Retail space (2) Distribution centers	Not applicable

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## Environment

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
<b>E.1 resource Consump- tion</b>	E.1.1 Water Resources	E.1.1.1 Fresh-water consumption	Data Overview
		E.1.1.2 Circulating water consumption	Not Covered In This Report
		E.1.1.3 The proportion of circulating water consumption	Not Covered In This Report
		E.1.1.4 Water resource consumption intensity	2023 Environmental Impact Data Overview
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	Not Covered In This Report
		E.1.2.2 Consumption of toxic and hazardous materials	Not Covered In This Report
		E.1.2.3 Material consumption intensity	Not Covered In This Report
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	GHG Emissions Control Data Overview
		E.1.3.2 Non-fossil energy consumption	GHG Emissions Control Data Overview
		E.1.3.3 The proportion of non-fossil energy consumption	GHG Emissions Control Data Overview
		E.1.3.4 The total energy consumption	GHG Emissions Control Data Overview
		E.1.3.5 The energy consumption intensity	2023 Environmental Impact
	E.1.4 Packaging materials	E.1.4.1 The amount of packaging materials used	Data Overview
		E.1.4.2 Light-weighting and reduction of packaging materials	Data Overview
<b>E.2 Pollution Control</b>	E.2.1 Wastewater	E.2.1.1 The compliance status of wastewater discharge	Pollutants Emissions Control
		E.2.1.2 Wastewater management and emission reduction measures	Pollutants Emissions Control
		E.2.1.3 Volume of wastewater discharge	Data Overview
		E.2.1.4 The discharge volume of wastewater pollutants	Data Overview
		E.2.1.5 Concentration of pollutants discharged in wastewater	Data Overview
	E.2.2 Exhaust Air	E.2.2.1 Compliance status of exhaust gas emissions	Pollutants Emissions Control
		E.2.2.2 Volume of air pollutants emitted	Data Overview
		E.2.2.3 Concentration of air pollutants emitted	Data Overview
	E.2.3 Solid Waste	E.2.3.1 Compliance with legal regulations on solid waste disposal	Pollutants Emissions Control
		E.2.3.2 Management of general industrial solid waste	Pollutants Emissions Control
		E.2.3.3 Disposal volume of general industrial solid waste	Data Overview
	E.2.3.4 Management of hazardous waste	Pollutants Emissions Control	
	E.2.3.5 Volume of hazardous waste disposed	Data Overview	

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Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
<b>E.3 Climate change</b>	E.3.1 GHG Emissions	E.3.1.1 Sources and types of GHG	GHG Emissions Control
		E.3.1.2 Management of GHG Emissions	Net Zero Strategy GHG Emissions Control Energy Conservation and Emissions Reduction Action Pollutants Emissions Control
		E.3.1.3 Scope 1 emissions	GHG Emissions Control Data Overview
		E.3.1.4 Scope 2 emissions	GHG Emissions Control Data Overview
		E.3.1.5 Scope 3 emissions	Not Covered In This Report
		E.3.1.6 GHG emission intensity	2023 Environmental Impact GHG Emissions Control Data Overview
	E.3.2 Emission Reduction Management	E.3.2.1 Management of GHG emission reduction	Net Zero Strategy GHG Emissions Control Energy Conservation and Emissions Reduction Action Pollutants Emissions Control
		E.3.2.2 GHG emission reduction	GHG Emissions Control Data Overview
	E.3.3 Environmental Rights Trading	E.3.3.1 Participation in the carbon emissions trading market	Not Covered In This Report
		E.3.3.2 Participation in the energy rights, water rights, and pollution rights trading markets	Not Covered In This Report
		E.3.3.3 Participation in green electricity trading	Not Covered In This Report
	E.3.4 Climate-related Risk Management	E.3.4.1 Climate-related Risk Management	Sustainable Development Risk Management
<b>E.4 Biodiversity</b>	E.4.1 Impact of production, services, and products on biodiversity	E.4.1.1 Impacts of production, services, and products on biodiversity	Biodiversity Protection "Forest-Pulp-Paper" Industry
	E.5.1 Setting Low-Carbon Development Goals and Strategic Measures	E.5.1.1 Setting low-carbon development goals and strategic measures	Net Zero Strategy
<b>E.5 Measures for resource and environmental management systems</b>	E.5.2 Resource management measures	E.5.2.1 Water resource management	Water Resources Conservation
		E.5.2.2 Material utilization management	"Forest-Pulp-Paper" Industry Trade of Recycled Steel Materials
	E.5.3 Energy-saving and carbon reduction monitoring, statistical reporting, and assessment system	E.5.2.3 Energy utilization and energy efficiency management	GHG Emissions Control Energy Conservation and Emissions Reduction Action
		E.5.3.1 Energy-saving and carbon reduction monitoring, statistical reporting, and assessment system	GHG Emissions Control Energy Conservation and Emissions Reduction Action

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<b>E.5 Measures for resource and environmental management systems</b>	E.5.4 Green environmental actions and measures	E.5.4.1 Clean production	Pollutants Emissions Control
		E.5.4.2 Green technology upgrading and recycling	"Forest-Pulp-Paper" Industry Trade of Recycled Steel Materials
		E.5.4.3 Green building renovation	Not Covered In This Report
		E.5.4.4 Green office and operations	Energy Conservation and Emissions Reduction Action Pollutants Emissions Control "Forest-Pulp-Paper" Industry Trade of Recycled Steel Materials
		E.5.4.5 Green procurement and green supply chain management	"Forest-Pulp-Paper" Industry Smarter and Advanced Supply Chain Services Responsible Sourcing
		E.5.4.6 Public activities for environmental protection	Pollutants Emissions Control
	E.5.5 Green Low-Carbon Certification	E.5.5.1 Environmental management system certification	Not Covered In This Report
		E.5.5.2 Green and Low-Carbon Enterprise Certification	Not Covered In This Report
		E.5.5.3 Green and low-carbon product and service certification	Energy Conservation and Emissions Reduction Action
	E.5.6 Legal compliance in environmental matters	E.5.6.1 Emergency response plan for environmental incidents	All-Staff Involved Occupational Health and Safety Management
		E.5.6.2 Environmental violations	2023 Environmental Impact

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Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
<b>S1 Employee rights</b>	S1.1 Employee recruitment and employment	S1.1.1 Corporate recruitment policy and implementation	Human Rights Protection
		S1.1.2 Employee structure	Human Rights Protection Data Overview
		S1.1.3 Avoiding child labor and forced labor	Human Rights Protection
	S1.2 Employee compensation and benefits	S1.2.1 Compensation philosophy and policy	Smooth Career Development Pathways
		S1.2.2 Working hours and rest and leave	Human Rights Protection Smooth Career Development Pathways All-Staff Involved Occupational Health and Safety Management
		S1.2.3 Compensation and benefits guarantee	Smooth Career Development Pathways
		S1.2.4 Employee democratic management	Human Rights Protection Data Overview
	S1.3 Employee health and safety	S1.3.1 Employee occupational health and safety management	All-Staff Involved Occupational Health and Safety Management

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Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
<b>S1 Employee rights</b>	S1.3 Employee health and safety	S1.3.2 Employee safety risk prevention	All-Staff Involved Occupational Health and Safety Management
		S1.3.3 Response to safety incidents and work-related injuries	All-Staff Involved Occupational Health and Safety Management
		S1.3.4 Employee care and assistance	Human Rights Protection All-Staff Involved Occupational Health and Safety Management
	S1.4 Employee development and training	S1.4.1 Employee motivation and promotion policy	Smooth Career Development Pathways
		S1.4.2 Employee education and training	Smooth Career Development Pathways
		S1.4.3 Employee career planning and job change support	Smooth Career Development Pathways
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction survey	Human Rights Protection Data Overview
		S1.5.2 Labor disputes	Human Rights Protection
		S1.5.3 Employee turnover	Data Overview
	<b>S2 Product and service management</b>	S2.1 Product safety and quality	S2.1.1 Production standard management policies and measures
S2.1.2 Quality management			Protection of Customer Rights
S2.1.3 Product recall and withdrawal			Not Covered In This Report
S2.1.4 Negative incidents related to products or services			Protection of Customer Rights
S2.2 Customer service and rights		S2.2.1 Customer satisfaction	Protection of Customer Rights
		S2.2.2 Customer complaints and handling	Protection of Customer Rights Data Overview
		S2.2.3 Customer information and privacy protection	Protection of Customer Rights Data Overview
S2.3 Innovation development		S2.3.1 R&D and innovation management system	Smarter and Advanced Supply Chain Services
		S2.3.2 R&D investment	Smarter and Advanced Supply Chain Services
		S2.3.3 Innovation achievements	Smarter and Advanced Supply Chain Services
	S2.3.4 Intellectual property protection	Smarter and Advanced Supply Chain Services	
<b>S3 Supply Chain Safety and Management</b>	S3.1 Supplier Management	S3.1.1 Supplier selection and management	Responsible Sourcing
		S3.1.2 Number and distribution of suppliers	Data Overview
	S3.2 Supply Chain Management	S3.2.1 Supply chain management policies and measures	Supply Chain Risk Management Responsible Sourcing
		S3.2.2 Supply chain security assurance and emergency plan	Supply Chain Risk Management
		S3.2.3 Major risks and impacts (supply chain)	Supply Chain Risk Management
<b>S4 Social contribution</b>	S4.1 Tax payment situation	S4.1.1 Tax payment	2023 Social Impact

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<b>S4</b> <b>Social contribution</b>	S4.2 Community co-building	S4.2.1 Policies and measures for participating in local community construction	Rural Revitalization and Social Contribution
		S4.2.2 Contribution and impact on the local community	Rural Revitalization and Social Contribution
	S4.3 Social welfare activities	S4.3.1 Policies and measures for participating in social welfare activities	Promote Health and Education, Support Urban Sustainable Development
		S4.3.2 Investment and effectiveness in participating in social welfare activities	Promote Health and Education, Support Urban Sustainable Development Data Overview
		S4.3.3 Construction of an accessible environment	Not Covered In This Report
	S4.4 National strategy response	S4.4.1 Industrial transformation	Energy Conservation and Emissions Reduction Action Innovation-driven Development, Suppliers and Clients Support Rural Revitalization Strategies with Industrial Resource Advantages
		S4.4.2 Rural revitalization and regional collaborative development	Support Rural Revitalization Strategies with Industrial Resource Advantages
		S4.4.3 Belt and Road initiative and overseas responsibility fulfillment	Promote Health and Education, Support Urban Sustainable Development
		S4.4.4 Industry characteristics and other social responsibility fulfillment	Innovation-driven Development, Suppliers and Clients Rural Revitalization and Social Contribution

**Governance**

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
<b>G1</b> <b>Governance strategy and organizational structure</b>	G1.1 Governance strategy and processes	G1.1.1 Governance strategy formulation	Governance Structure
		G1.1.2 Governance strategy supervision process	Governance Structure
		G1.1.3 Governance strategy approval and review process	Governance Structure
		G1.1.4 Leadership in Party-building	The Party Development Endeavors
	G1.2 Organizational structure and functions	G1.2.1 Ownership responsibilities	Governance Structure Risk Control and Compliance
		G1.2.2 Board of directors, board of supervisors, and management structure and functions	Governance Structure
		G1.2.3 Appointment procedures and composition of the board of directors, board of supervisors, and management	Governance Structure
	G1.3 Compensation management	G1.3.1 Compensation plan for directors and supervisors	Governance Structure
		G1.3.2 Transparency of the board's compensation	Not Covered In This Report
		G1.3.3 Reasonableness of management compensation	Governance Structure All-Staff Involved Occupational Health and Safety Management

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<b>G2</b> <b>Standardized governance</b>	G2.1 Internal control	G2.1.1 Internal audit	Risk Control and Compliance
		G2.1.2 Internal control structure, mechanisms, and procedures	Risk Control and Compliance Complaint Mechanism and Whistleblower Protection
	G2.2 Integrity construction	G2.2.1 Integrity construction systems and standards	Anti-Corruption and Anti-Commercial Bribery Complaint Mechanism and Whistleblower Protection
		G2.2.2 Effectiveness of integrity construction measures	Anti-Corruption and Anti-Commercial Bribery
	G2.3 Fair competition	G2.3.1 Fair competition system and standards	Anti-Monopoly and Anti-Unfair Competition Complaint Mechanism and Whistleblower Protection
		G2.3.2 Effectiveness of fair competition measures	Anti-Monopoly and Anti-Unfair Competition
<b>G3</b> <b>Investor relations management and shareholder rights</b>	G3.1 Investor relations management	G3.1.1 Investor relations management strategy	Investor Relations
		G3.1.2 Investor communication	Investor Relations
		G3.1.3 Construction of investor relations management department	Investor Relations
	G3.2 Shareholder rights	G3.2.1 Shareholders' (general) meeting	Governance Structure
		G3.2.2 Shareholder communication	Investor Relations Communications with Stakeholders
		G3.2.3 Shareholder's right to know and participate in decision-making	Governance Structure Investor Relations
	G3.3 Creditor rights	G3.3.1 Credit situation	Not Covered In This Report
		G3.3.2 Bond market performance	Not Covered In This Report
<b>G4</b> <b>Information disclosure transparency</b>	G4.1 Information disclosure system	G4.1.1 Financial information disclosure	Investor Relations
		G4.1.2 Non-financial information disclosure	Investor Relations
	G4.2 Quality of information disclosure	G4.2.1 Regular supervision, audit, and evaluation of all disclosed information	Covered in the 2023 Annual Report
<b>G5</b> <b>Compliant operation and risk management</b>	G5.1 Compliant operation	G5.1.1 Compliant operation system	Risk Control and Compliance Anti-Corruption and Anti-Commercial Bribery
		G5.1.2 Construction of the compliance system	Risk Control and Compliance Anti-Corruption and Anti-Commercial Bribery
		G5.1.3 Specific compliance review procedures	Risk Control and Compliance Anti-Corruption and Anti-Commercial Bribery
	G5.2 Risk management	G5.2.1 Risk identification and early warning	Risk Control and Compliance Sustainable Development Risk Management
		G5.2.2 Risk control and tracking	Risk Control and Compliance Sustainable Development Risk Management
		G5.2.3 Risk reporting and management	Risk Control and Compliance Anti-Commercial Bribery and Anti-Unfair Competition Data Overview



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