

2023 ESG REPORT

ENVIRONMENTAL SOCIAL
AND GOVERNANCE

INTCO RECYCLING  RENEWING THE WORLD



CONTENTS

About this Report	03	Company Overview	08
Message from the Chairman	04	ESG Management	11
ESG Highlights Performance	05	2023 KPI Tables	68
ESG Ranking	06	GRI Standards Index	71

INNOVATIVE INTELLIGENT MANUFACTURING, SHAPING AN INFINITE FUTURE

01	Leaning Research to Reshape New Materials	15
	Pursuing Excellent Quality	23

GREEN AND SAFE, BUILDING A PURIFIED AND SPLENDID ENVIRONMENT

02	Developing Green Environment	28
	Strengthening Safety Management	37

DETERMINED EFFORT, BUILDING AN EXCELLENT WORKPLACE

03	Empowering Employee Development	42
	Conveying Employee Care	45

WORKING TOGETHER, BUILDING A PROSPEROUS SOCIETY

04	Promoting a Responsible Supply Chain	51
	Promoting Industry Development	53
	Building a Harmonious Community	55

COMPLIANCE GOVERNANCE, MAKING A SOLID FOUNDATION

05	Improving the Governance Structure	61
	Ensuring Commercial Compliance	62
	Comprehensive risk management	64
	Information Security Management	65

ABOUT THIS REPORT



INTRODUCTION

This report is the second environmental, social and governance report (referred to as "this Report" or the "ESG Report") issued by INTCO Recycling Resources Co., Ltd (referred to as "INTCO Recycling", "we" or "the Company"), which aims to truthfully disclose the institutional construction and work performance of INTCO Recycling in 2023 in terms of environmental, social and governance (referred to as "ESG") matters, as well as its responsibility fulfillment practices for important stakeholders such as shareholders, customers, partners, employees, environment, and communities. This report focuses on the ESG management and achievements about the Company from January 1st to December 31st 2023 (referred to as the "reporting period"). Unless otherwise specified, information references data dating back or beyond the reporting period.



BASIS OF REPORTING

This Report is in accordance with the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) (referred to as the GRI Standards), and the *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial) (Draft for Comment)*.



REPORTING SCOPE

Unless otherwise stated, the scope of this Report is aligned with that of the annual financial report.



DATA SOURCES AND RELIABILITY STATEMENT

This Report has not sought external verification. And the data and cases of this Report are mainly from the Company's statistical reports and relevant documents. The Company's board of directors commits that this Report contains no false records, misleading statements, and takes responsibility for the truthfulness, accuracy, and completeness of the contents.



CONFIRMATION AND APPROVAL

After confirmation by management, this Report was approved by the Board of Directors on April 15, 2024.



REPORT ACCESS AND CONTACT

This Report is distributed in the form of an electronic document. Readers can visit the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (<https://www.intco.com.cn>). If you have any comments or suggestions on the Company's environmental, social and governance disclosures and performance, please contact us in the following ways:

E-mail: Board@intco.com.cn

Tel: 0533-6097778

MESSAGE FROM THE CHAIRMAN

Strivers' INTCO



Chairman
Frank Liu

In 2023, I have chosen the theme of the INTCO Annual Meeting as "Strivers' INTCO". Internally, I have repeatedly shared with our partners that the future is full of challenges, and we must face them head-on and strive together to have a chance to break through the encirclement and overcome difficulties. None of this can be achieved without the efforts of every INTCO partner! In the field of ESG governance, I still take "Strivers' INTCO" as the opening words of our journey, and I am willing to share this with you!

For INTCO Recycling, the ESG philosophy has been integrated into our long-term development strategy. Since the establishment, we have always adhered to the concept of "sustainable development" and actively practiced the values of "loving, being kind, and seeking truth" around our three main businesses of recycling, regeneration, and utilization. We have worked hand in hand with stakeholders to create sustainable value for society.

In terms of corporate governance, we have established a sound modern governance system, strengthened board diversity, standardized business ethics construction, solidified risk management and control processes, and built a systematic, scientific, and efficient modern corporate governance mechanism to ensure our sustained and healthy development.

In terms of product innovation, we have deeply developed the recycling of various types of plastics such as PS, PET, and PE. Driven by independent innovation and combined with intelligent and digital upgrades. We have continuously improved our lean management system to achieve a high-value transformation journey for recyclable plastics, serving human needs with the crystallization of human wisdom.

In terms of green and safe production, we deeply understand the profound impact of climate change and safe production on society and the environment. We continuously improve the management system, builds a green operating model, strengthens resource usage and emission management, and is committed to reducing our carbon footprint emissions, internalizing green and safe production into its core values.

In terms of talent development and community contribution, we aim to create a high-performance talent-dense organization, improve our management system, and establish a world-class manufacturing enterprise as our goal for organizational development. In addition, we are actively involved in public welfare undertakings and actively fulfill our corporate social responsibilities through the INTCO Foundation, spreading love to society through our actions.

Look forward to the future, as INTCO Recycling steps into the systematic growth stage of "INTCO 3.0", we will continue to leverage our advantages in the entire industrial chain of resource recycling and reuse, conform to the global trend of sustainable development, continuously improve the ESG management level, and make contributions to achieving carbon neutrality and sustainable development of the earth through technological innovation, partnership collaboration, and talent team building!

*With the Human Wisdom
Serving the Environmental Needs of Human!*



ESG HIGHLIGHTS PERFORMANCE

Environmental



Renewable Resources Use

51.5 %

Renewable Energy Use

2.48 million kWh

Energy Intensity

0.37 MWh/
ten thousand yuan

Intensity of Own-operation
GHG Emissions

0.18 tons CO₂e/
ten thousand yuan

Social



Environmental Education Bases

2

Volunteer Activities

294

Employee Participants

2,238

Employee Training Investment

341.3 ten thousand
yuan

Total Training Time

206,352 hours

Charity Donations

102.5 ten thousand
yuan

Customer Satisfaction Score

98.7 points

Governance



Strategy and ESG
Committee Meetings

2

Percentage of Female Directors

40 %

Share of Women in
Top Management Positions

66.67 %

Business Ethics and Anti-corruption
Training Coverage

100 %

ESG RANKING

S&P Global

S&P Global ESG Score

52 Points, Ranking in the Top **9%** of the Industry



IFC

Blue Loan



Sustainable Fitch

Awarded **Excellent**



CDP Climate Change Rating

Awarded **B-**, Reaching the "Management" Level

Bloomberg

Bloomberg

Selected for the Bloomberg ESG Scores

Wind ESG



Wind ESG

Score **A**, ranking in the top **2%** of the industry

ecovadis

EcoVadis



CCXI ESG

Rating Awarded **A-**, the Rating Outlook was Stable



CAPCO ESG

Best Practices Case Award



China Securities Journal

Golden Bull Science and Innovation Award



Bloomberg Green Gold ESG 50

Honored as the Project of the Year



Z-Carbon

Pioneer Gold Award



Cailian Association

Zhiyuan Award



International Green Zero

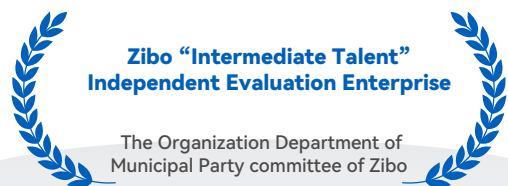
Carbon Festival ESG Model Company



E-board

the Best ESG Practice Award

HONORS



COMPANY OVERVIEW

20+ Years

3 Business Units

6 R&D Bases

3,500+ Employees

Business in 120+ countries

12,000+ Customers



Environmental Contribution

Since establishment, INTCO Recycling has reduced carbon emissions by about 3.4 million tons, saved about 5.1 million tons of crude oil resources and about 33 million trees, contributing its value and power to achieve carbon neutrality and about development of the earth.



Cumulative Savings

340 Million Tons
CO₂

510 Million Tons
Oil

3,300 Million Tons
Trees



+150,000
Tons/Year
r-PS r-PET



-300,000
Tons/Year
CO₂



-450,000
Tons/Year
Oil



+1.6 Million
Boxes/Year
PS Mouldings



-2.7 Million
Trees/Year
Trees Were Protected

Corporate Culture

INTCO Recycling has been practicing the values of "Love Goodness Truth" to multi-responsibility, and continuously promoting the development of the plastic recycling economy with the power of scientific and technological innovation



Values

Love Goodness Truth



Mission

Focus on the Recycling Resources, for the Sustainable Development of the Earth



Vision

Becoming The Global Leader In High-tech Manufacturing Through Recycled Materials



Spirit

Honesty & Integrity, Diligence & Hardworking, Professionalism, Teamwork, Customer First



Objective

With the Human Wisdom Serving the Human Needs



Improvement and Innovation

Every Suggestion will be Cherished; Every Improvement will be Awarded.

Corporate Values

The Duty to Our Employees

Maximize the Individual Potential of Each Employee

- Recruiting and Promoting the Right People
- Coaching and Encouraging the Professional Development of Individual Capabilities
- Provide Continuing Performance Evaluation
- Encourage Employee Innovation and Change

The Duty to Our Team

Create a Positive Working Environment

- Encourage Teamwork
- Recognizing and Rewarding Excellence
- Providing Competitive Pay and Benefits
- Fostering Continuous Two-Way Communication

The Duty to Our Customers

Satisfy Our Customers

- Understanding the Customer's Vision and Strategies
- Continuing Improvement of Products, Service, and Value
- Anticipating and Meeting Customer Needs
- Building Effective Customer and Supplier Alliances

The Duty to Our Enterprise

Growing Our Business

- Increasing Long Term Profitability
- Expanding Business and Customer Base
- Reinvesting in New Products, Services, and Support

The Duty to Society Practicing Ethical Behavior

- Performing Our Duties with Honesty and Integrity
- Embracing Mutual Trust and Respect
- Promoting Workforce Diversity and Culture Sensitivity
- Protecting and Caring for the Needs of the Community and the Environment

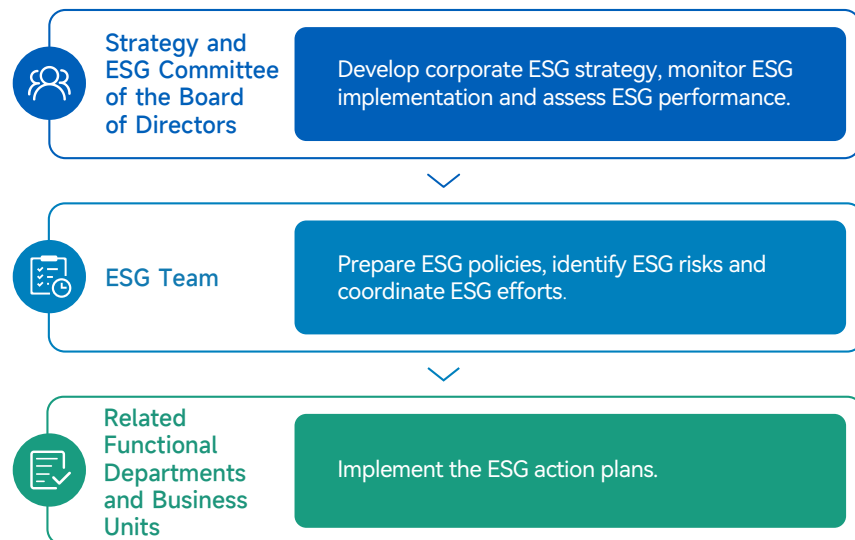


ESG MANAGEMENT

INTCO Recycling believes that business success should not only a sustainable business model, but also environmental and social sustainability to achieve harmonious development. With the vision of " becoming a global leader in high-tech recycled resource manufacturing ", the Company takes the initiative to practice the ESG concept while developing itself, leading business innovation, promoting industry progress and serving social development.

ESG Governance Framework








The Company has established the Strategy and ESG Committee of the Board of Directors and formulated the *Implementation Rules of the Strategy and ESG Committee of the Board of Directors*, with the Chairman as director of the Committee, and under which there is an ESG team composed of relevant internal departments to support the decision making and implementation of the ESG strategy.



Sharing of ESG Management Optimization Path by External Experts

Stakeholder Engagement

To promptly understand the expectations and demands of various stakeholders on the Company's operation and development, the Company has established a normalized and diversified communication mechanism to ensure that the demands of all parties are fully understood and effectively responded to. The Company integrates these demands and expectations into operations and decision-making to achieve a win-win situation. During the reporting period, the Company has sorted out and identified the following key stakeholders who have significant influence on the Company's decision-making and operational management.

Stakeholders	 Government and Regulatory Agencies	 Shareholders and Investors	 Clients / Consumers	 Employees	 Partners (Suppliers and Other Partners)	 Community	 Media
Expectations and Demands	<ul style="list-style-type: none"> · Compliance Operation · Drive Social Employment · Product Quality and Safety 	<ul style="list-style-type: none"> · Reduce Business Operational Risk · Regulate Corporate Governance · Capital Appreciation · Protect Rights and Interests of Investors · Promote Technology Innovation 	<ul style="list-style-type: none"> · Ensure Product and Service Quality · Customer Relationship Management 	<ul style="list-style-type: none"> · Protect Basic Rights · Provide a Good Career Path · Provide a Healthy, Safe and Comfortable Work Environment · Compensation and Benefits 	<ul style="list-style-type: none"> · Conduct Fair Trade · Promote Industry Progress 	<ul style="list-style-type: none"> · Support Community Construction · Participate in Community Charity Activities · Support Disaster Relief 	<ul style="list-style-type: none"> · Daily Communication · Information Disclosure · Provide Specialized Interviews and Other Communication
Our Response	<ul style="list-style-type: none"> · Comply with Laws and Regulations · Implement Regulatory Requirements · Assist Local Economic Development · Improve Product Quality 	<ul style="list-style-type: none"> · Enhance Risk Control · Improve Corporate Profitability · Improve the Corporate Governance System · Disclose Information According to the Law · Protect Rights and Interests of Small and Medium-sized Investors 	<ul style="list-style-type: none"> · Provide High-quality Products and Services · Strictly Fulfill the Contract Obligations 	<ul style="list-style-type: none"> · Protect Basic Rights · Provide a Good Career Path · Provide a Healthy, Safe and Comfortable Work Environment · Compensation and Benefits 	<ul style="list-style-type: none"> · Establish and Follow Open and Transparent Procurement Principles and Cooperation Mechanisms · Pursue Mutually Beneficial Cooperation · Responsible Sourcing · Participation in Formulating the Industry Standards 	<ul style="list-style-type: none"> · Participate in Voluntary Activities · Responding to Rural Revitalization · Supporting Education and Elderly Care 	<ul style="list-style-type: none"> · Information Disclosure · Media Interviews and Communication
Communication Channels	<ul style="list-style-type: none"> · Research Reception · Daily Conference · Thematic Meetings · Information Reporting 	<ul style="list-style-type: none"> · Shareholder Meetings · Earnings Release · Press Releases, Information Disclosures · Roadshows and Reverse Roadshows 	<ul style="list-style-type: none"> · Customer Satisfaction Survey · Customer Communication and Visit · Online Communication (APP, Official Website, 400 Consumer Service Hotline, etc.) 	<ul style="list-style-type: none"> · Staff Congress · Employee Communications · Employee Training and Career Development Planning · Employee Care Activities 	<ul style="list-style-type: none"> · Participate in Industry and Business Associations · Industry Exhibition · Open and Transparent Bidding Process · Industry Chain Partner Training and Management 	<ul style="list-style-type: none"> · Charity Activities · Voluntary Service 	<ul style="list-style-type: none"> · Press Releases · Media Interviews

Materiality Assessment

The management of the Company, through benchmarking analysis and internal and external stakeholder communication, combined with its own strategic development direction and stakeholder demands, and based on the principle of dual materiality, identified and assessed 18 material issues that have significant impacts on the society and the environment. This Report will provide information disclosure and resources to various material issues.

Materiality Identification and Assessment Process

Through analysis of regulatory agencies requirements, peer benchmarking, policy analysis, and considering the concerns in the capital market, materiality issues were identified and formed a list of the ESG

Identification of ESG Potential Materiality Issues

Conducted internal interviews of the Company and questionnaires survey on ESG materiality issues to shareholders and investors, employees, partners, government and regulatory agencies, community, media, to understand the concerns of stakeholders

Stakeholder Engagement

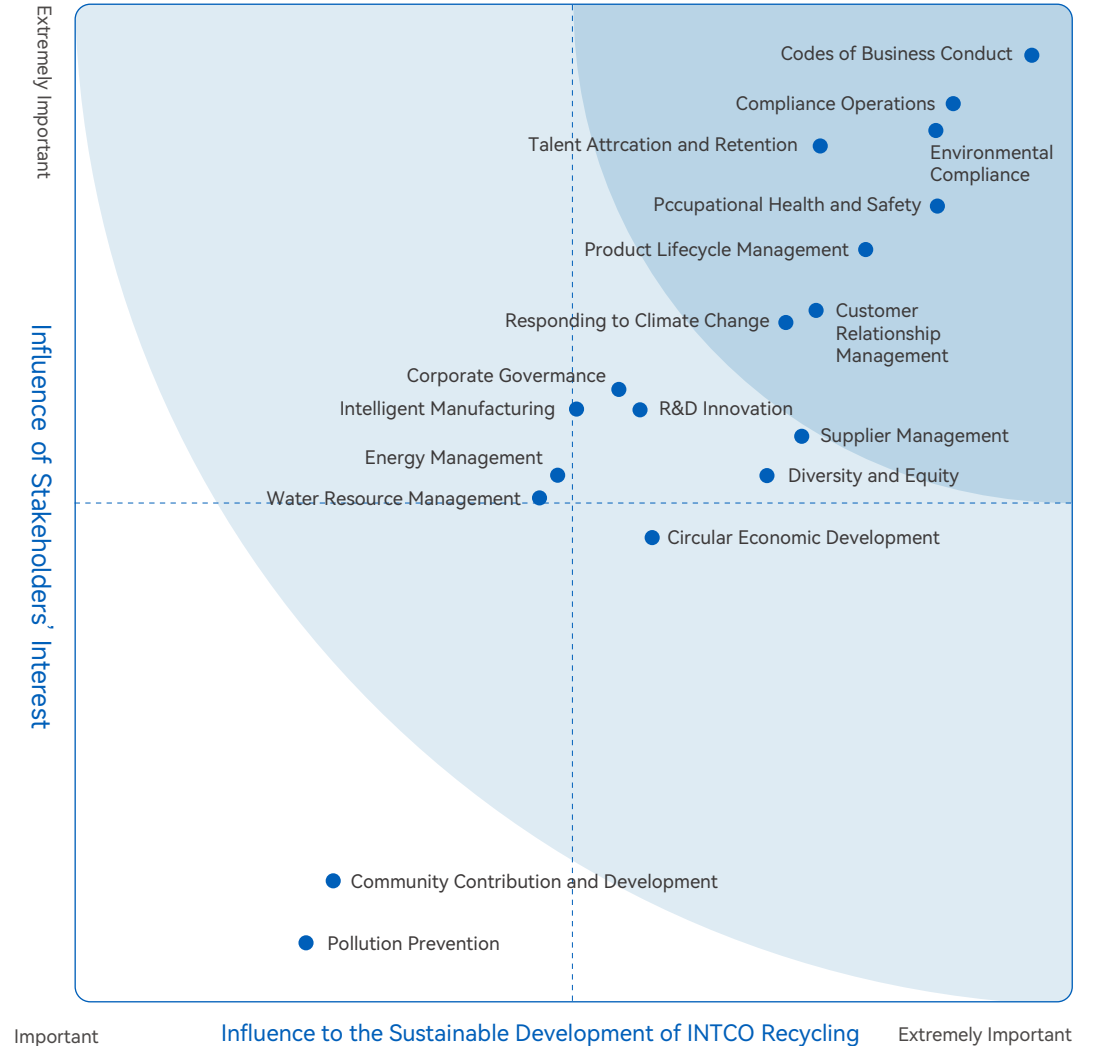
All materiality issues were assessed and ranked in terms of importance to the Company and importance to stakeholders and formed a materiality issue matrix of the Company

Prioritization of Materiality Issues

The results of the materiality matrix were submitted to management to confirm the materiality of the identified issues and their impact. We will faithfully reflect the Company's performance on the relevant topics in our report

Confirmation of Materiality Issues

ESG Materiality Matrix of INTCO Recycling



INNOVATIVE INTELLIGENT MANUFACTURING, SHAPING AN INFINITE FUTURE

Our Actions:

- Innovative circular economy models.
- Establishment of a sound and complete product quality supervision system standards.
- Upgrading enterprise equipment and information automation to anchor new quality productive forces.
- Focusing on client and customer experience to manage and improve customer feedback.

Corresponding to the SDGs



LEANING RESEARCH TO RESHAPE NEW MATERIALS

PS Wall Panel
GHG Emission Reduction: **~84%**

PS Photo Frame
GHG Emission Reduction: **~84%**

PS Art Frame
GHG Emission Reduction: **~84%**

PS Mirror Frame
GHG Emission Reduction: **~84%**

PE Wall Panel
GHG Emission Reduction: **~70%**

PET Acoustic Panel
GHG Emission Reduction: **~60%**

PS Skirting Board
GHG Emission Reduction: **~84%**

PE DIY Tile
GHG Emission Reduction: **~70%**

PS Photo Frame
GHG Emission Reduction: **~84%**

One-stop solutions for interior & exterior decorative Materials and home decors.

These figures are based on the use of recycled materials compared to virgin materials

Core Technology Advantages

By virtue of the advantages of the entire industrial chain of plastics recycling, the Company continues to plough deeply into the three major fields of plastics recycling, regenerating and reusing, and expands horizontally the multi-wheel drive of PS, PET and PE, successfully realizing the perfect grafting of plastics recycling and the application of fashionable consumer products.



Sorting, Washing, Modification and Granulation



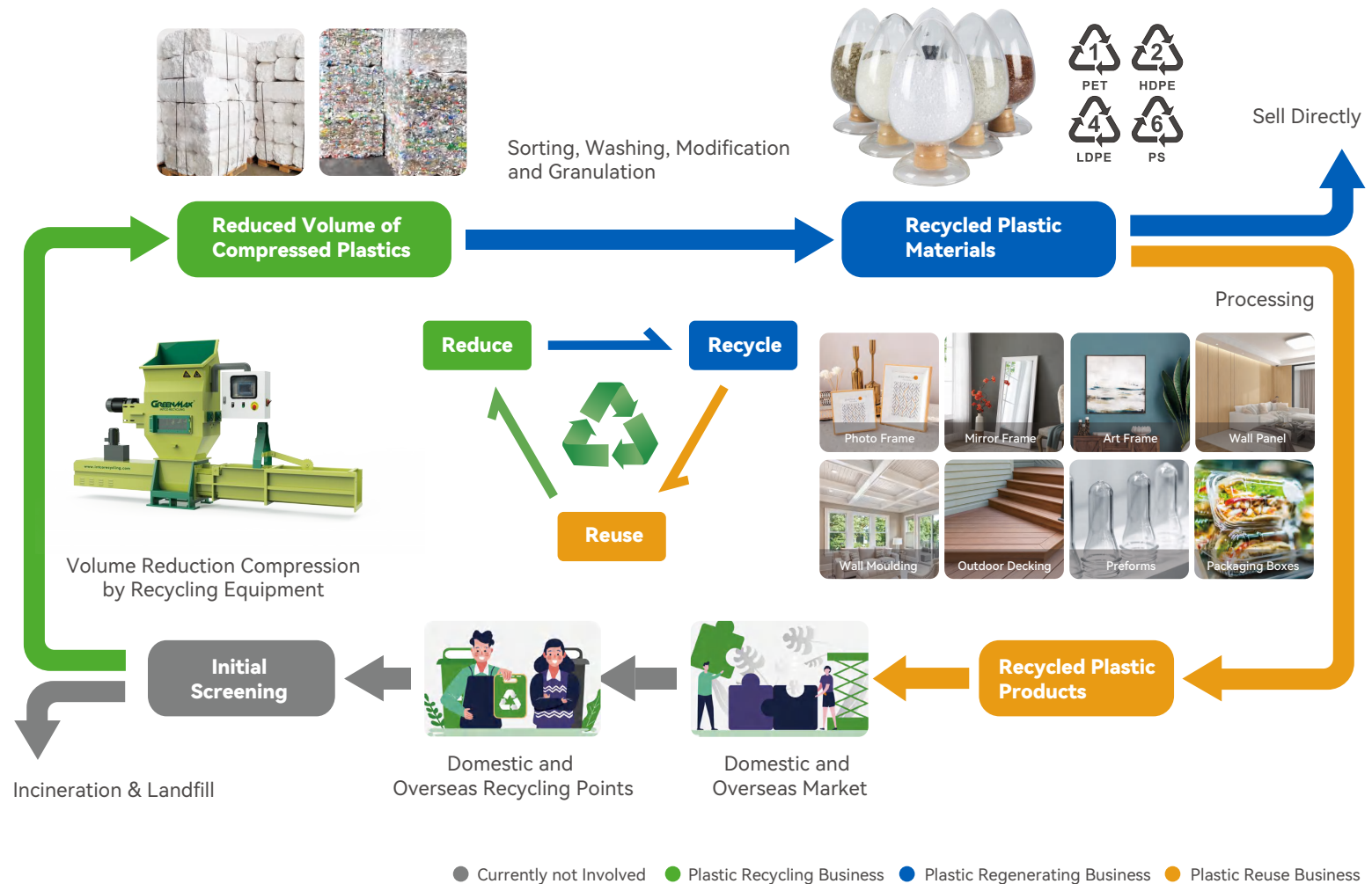
Sell Directly

PS	Total Amount of Recycled	39,821 tons
	Landfill Avoidance	64,873 tons
	Reduce Carbon Emission	126,233 tons CO ₂ e

PET	Total Amount of Recycled	24,635 tons
	Landfill Avoidance	44,680 tons
	Reduce Carbon Emission	32,518 tons CO ₂ e

PE	Total Amount of Recycled	8,570 tons
	Landfill Avoidance	33,478 tons
	Reduce Carbon Emission	11,398 tons CO ₂ e

Note:	<p>1. The amount of recycled plastic waste is collected by the Company from around the world and recycled for granulation.</p> <p>2. The amount of landfill avoided is the Company's recycled granulation and trade procurement of recycled plastic particles or semi-finished products.</p> <p>3. Calculation sources: TUV certification, American Plastics Recycling Association (APR)</p>	



Innovate and Optimize Products

Recycle ▶

In the contemporary pursuit of sustainable development, GreenMax upholds its commitment to environmental protection and significantly increased its influence in the plastics recycling industry through technological innovation and continuous improvement.

Intelligent Operating System



- The Company successfully upgraded the operating system of GreenMax's core product from version 3.0 to version 4.0.
- This not only highlights INTCO's deep experience in the field of plastic recycling, but also significantly improves the intelligence and flexibility of the system by embedding advanced adaptive parameter adjustment functions.
- Combined with PLC and HMI touch screen technology of Siemens and the use of newly developed Internet of things technology (IoT) technology, GreenMax can achieve continuously monitoring of equipment operation status and provide customers with early warning services in case of emergency, ensuring the stability and continuity of the production process.

Innovating Products



M Series Hot Melt Machine

Since its launch in 2015, it has provided solutions for the recovery of EPS, EPE, EPP, etc., and has achieved a leading position in the North American and Australian markets, demonstrating GreenMax's outstanding ability in technological innovation and market expansion.

Compressibility **90:1**

H Series Hydraulic Press

GreenMax's high-capacity H-C300 model launched in 2022 and the small and medium-sized hydraulic press (H-C100/C200) developed in 2023 further enhance the Company's influence in the Australian and North American markets, provide customers with more packaging plastic recycling solutions.

Compressibility **70:1**



EPE Recycling Models

GreenMax launched its first high-capacity EPE recycling model in 2023, designed to meet the special needs of the high-tech industry. It has successfully served dozens of customers and assisted 10 million pounds of EPE packaging plastic, significantly improving the recycling rate of local waste EPE.



Regeneration ▶

Recycled plastics are purchased and used plastics are made into high-quality recycled plastic particles using recycled pelletizing technology.

🔍 Different grades of pellets

r-PS Pellets



The r-PS pellets, benchmarked against the EU ROHS standards, are controlled for heavy metals, polybrominated compounds, and phthalate substances to ensure the environmental attributes of the products. At the same time, combined with key indicator parameters such as melt flow index, limiting oxygen index, moisture content, particle size and tensile strength, are accurately connect downstream customers and enhance product added value.

r-PET Pellets



The r-PET pellets are effectively differentiated by grade based on intrinsic viscosity data, and are classified into food grade, fiber grade and industrial grade by combining key indicator parameters such as melting point, crystallinity, moisture content, acetaldehyde content, titanium content and others.

r-PE Pellets



The r-PE pellets are produced through the following process flow. Removing metal impurities, crushing, rinsing, floating, sorting, drying, melting, plasticizing, high-precision filtration, devolatilization and exhaustiom, pelletizing, removing the low molecular weight of degradable plastics, modification etc.

💡 Innovation Point

Traceability Information System

From front-end waste recycling to internal production and manufacturing, the recycled pellets can be traced, controlled and tracked through the entire process. The Company's laboratories and downstream application departments built an internal database together to effectively expand and accurately docking downstream application market.

Modification of Recycled Plastics

The R&D team effectively improves the material's performance indexes such as tensile, bending, impact resistance, heat resistance, corrosion resistance, weather resistance and so on by filling, reinforcing, blending and other physical modification methods for thermoplastics such as PS, PE, PP, etc.



Reuse ▶

With advanced plastic multi-layer co-extrusion process, the recycled plastic particles are made into recycled plastic products to achieve the same level or even upgraded utilization.

Innovation Point

Large-sized PS Decorative Materials



Through embossing, thermal transfer printing and other processes, we gradually expand the conventional small size wall panel to 30, 60, 120 and other large product sizes. Larger panels give more space for process design, meet the end-consumer artistic pursuits better and install more efficient and convenient, the overall cost can be reduced by 15-20%.

Recycled PET Acoustic Panel



The Company applies recycled PET to polyester fiber sound-absorbing cotton innovatively, which is combined with MDF coating strip to make the product more decorative with sound absorption function. In the second half of 2023, we developed DIY acoustic panels to meet the differentiated needs of consumers, which were popular with European and American consumers.

Recycled HDPE Wood Mosaic Floor



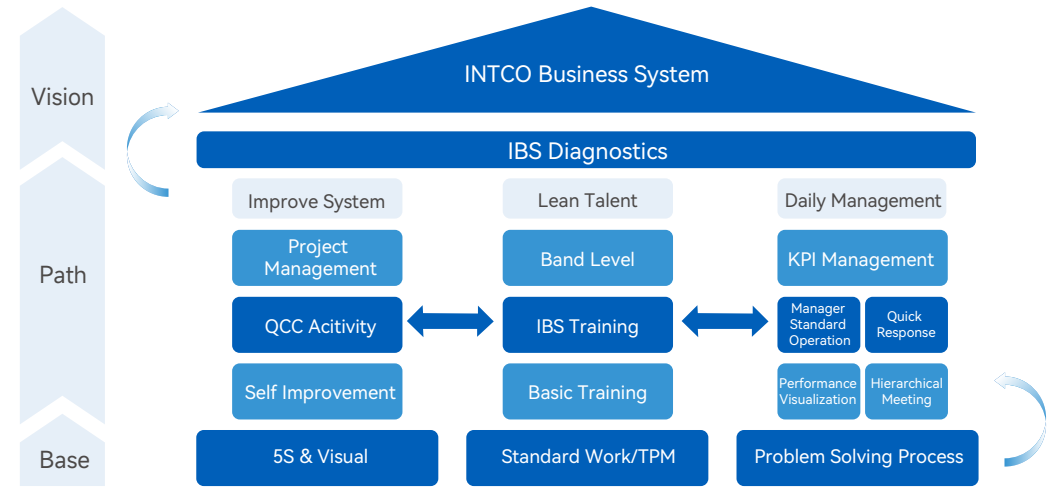
The Company innovated the combination of recycled wood plastic slats and injection lock base to expand the application direction of recycled HDPE, so that it not only has excellent durability and weather resistance, but also has a unique splicing design, which makes the installation fast and easy, and can meet the outdoor landscape, leisure area, commercial space and multiple application scenarios.

Leaning Management System

In order to promote the Company's innovation, we continuously stimulate the staff's innovation impetus and develop their innovation potential through the internal lean management mechanism, advocate the participation of all staff, take the initiative to identify and solve problems, so as to enhance our core competitiveness, and achieve sustainable development better.

Innovative Measures to Energize the Organization ▶

The Company continues to promote lean operation, empower employees, enhance ability of improvement and innovation, and promote common progress of the enterprise and employees. Lean training camps and lean improvement week activities are carried out to let all employees to deeply understand the concepts and methods of lean production and master advanced production technology and management experience. Horse-racing incentive mechanism, with the factory operation index as traction, realizes the horizontal competition between the same department and the same position, to fully stimulate the potential of your employees.



Improvement and Innovation Proposals

5,382

Generate Benefits

30 million



Equipment Automation to Build Smart Factories

The Company improves production efficiency and reduces labor costs, by actively importing smart devices, in order to manipulate the production process more accurately and improve the quality of products. With a more efficient and intelligent production system, we can inject impetus for the development of high-quality enterprise.

Full Automatic Intelligent Operation — Reduce Cost, Improve Efficiency and Promote Production

The Company developed and imported a fully automatic intelligent operating system, which saves the labour force required for machine operation and greatly improves the production efficiency, escorting the efficient production.

Full Automatic Metering and Feeding System

Improve Process

plc+ touch screen control automatic feeding and weighing

Benefits

30% increase in productivity



Automatic Feeding System



Improve Process

Integrated operation of automatic feeding, palletizing and breakage

Benefits

Increase productivity by about **30%** and reduce staff by 1 person/unit.

Automatic Loading System

Improve Process

Manual loading → Automatic loading

Benefits

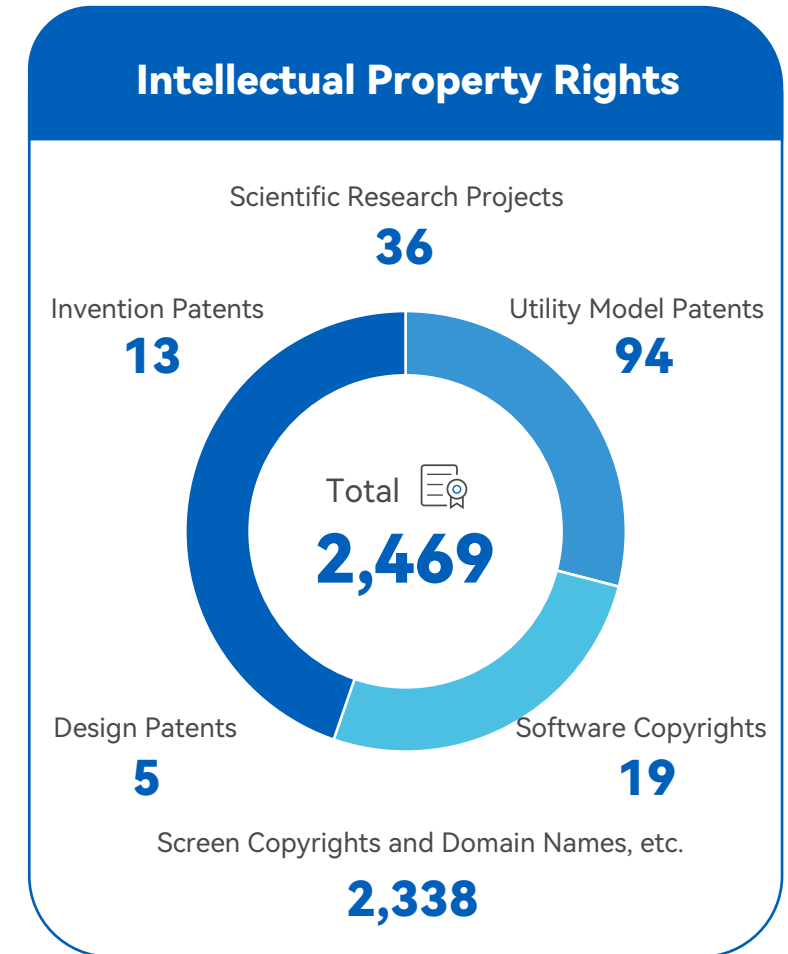
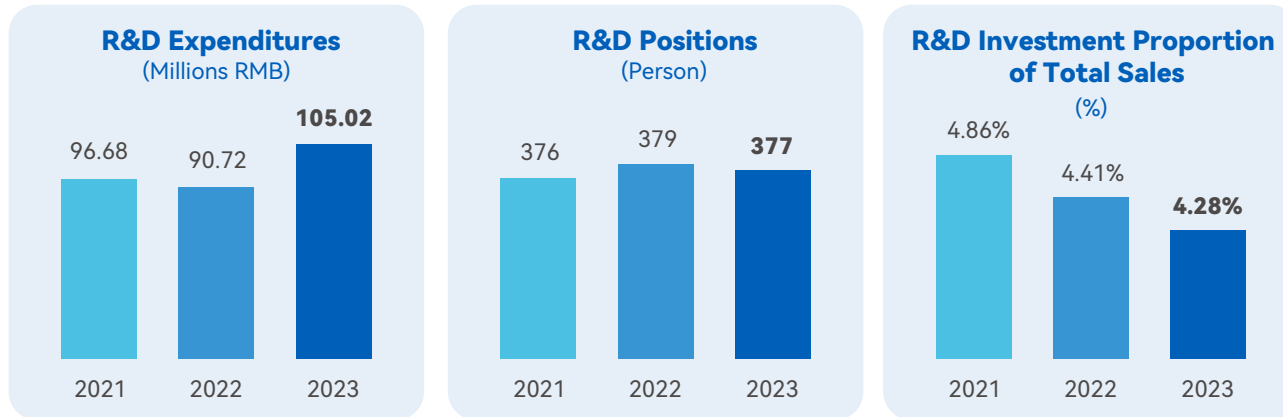
Increase productivity by about

50%, reduce staff by 1 person/unit



R&D Management Mechanism ▶

The Company compiled the R&D Project Management System Manual to clarify the management process of R&D projects and provide good environment for R&D, so as to continuously break through the technical bottlenecks, and to realize the goal of technological transformation.



PURSuing EXCELLENT QUALITY

The Company adheres to the "Prior Quality, Important Prevention" management policy and the "Customer-oriented Focus" management concept, strictly controls the quality of products and services, creates high-quality products and ultimate services, thus providing a solid foundation for the long-term development of the Company.

Strengthening Quality Management

The Company complies with the Law of the People's Republic of China on Product Quality and the Foreign Trade Law of the People's Republic of China. Apart from compiling a Quality Manual following the requirements of the ISO 9001 2015 Quality Management System and other laws and regulations, we developed detailed implementation standards such as Identification and Traceability Control Procedure, Product Safety Management Control Procedure and Nonconforming Product Control Procedure. We use them as guiding and regulatory documents for quality management system activities.

The Company has detailed the quality control measures and processes step by step, built a quality management system, and implemented top-down quality management responsibilities under the overall coordination of the general manager. Management representatives have been appointed to supervise and communicate internally and externally.



In order to strengthen the quality management ability of products and services, the Company carried out a series of quality management system certification work. By the end of the reporting period, the Company's production bases and products obtained multiple certifications, including ISO 9001 quality management certification and GRS certification. The relevant certifications are as follows:

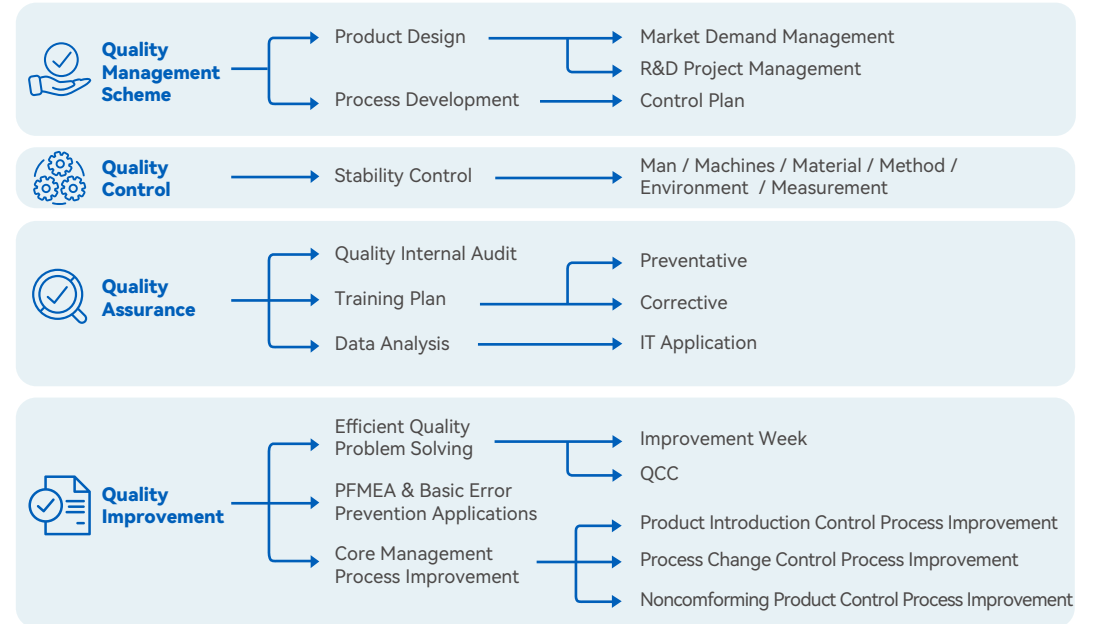
1. FDA : Food and Drug Administration
2. EFSA : European Food Safety Authority
3. GRS : Global Recycled Standard
4. CE : EUROPEAN COMMUNITY
5. FSC : Forest Stewardship Council
6. REACH : Registration, Evaluation, Authorization and Restriction of Chemicals
7. EUTR : European Union Timber Regulation

Cultural Construction to Enhance the Quality Awareness ▶

In 2023, the Company revised the quality policy as "Prior Quality, Important Prevention", and added "Zero Defect - Doing the Right Thing for the First Time" and "the Cost of Not Meeting the Requirements" to the quality policy documents. We conducted advocacy and training for all staff and determined the zero-defect improvement paths at the physical level, the theoretical level and the human level.

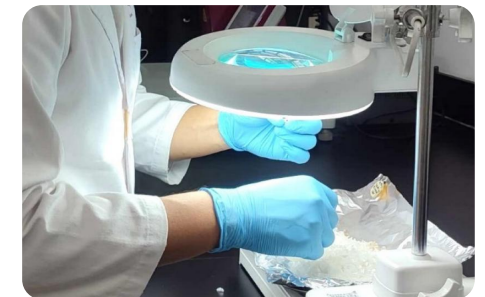


Quality Management System



Refined Management to Achieve Quality Control of the Whole Process ▶

The Company has formatted the standardized inspection and measurement of products, covering raw materials, production process and delivery, and strictly implement product monitoring and measurement. During the reporting period, the Company did not have any recall events due to product delivery quality.



Ensuring High-quality Service

The Company attaches great importance to customer experience and feedback, establishes an accurate and effective customer service management system and regularly communicates with customers by video calls, on-site visits, etc. We meet customer's one-stop product solution needs and comprehensively improve customer experience and satisfaction.



Responsible Marketing ▶

As a responsible enterprise, the Company follows the true and accurate principle of product marketing and conducts responsible marketing activities from multiple aspects such as product packaging, publicity, and after-sales. We strictly abide by relevant laws and regulations, such as the *Advertising Law of the People's Republic of China* and the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*. We strengthen the review of marketing and publicity copy to prevent excessive publicity and consumer fraud.

Meanwhile, the Company makes full use of digital technology to enable marketing efforts, thus identifying potential customers, achieving customer conversion, and retaining loyal customers. In terms of the overseas marketing in 2023, the Company strengthened brand building and focused on showing consumers the product selling points, qualifications and certifications through media and websites. We successfully established a reliable brand image and won customer trust, promoting the sustainable development of the Company.



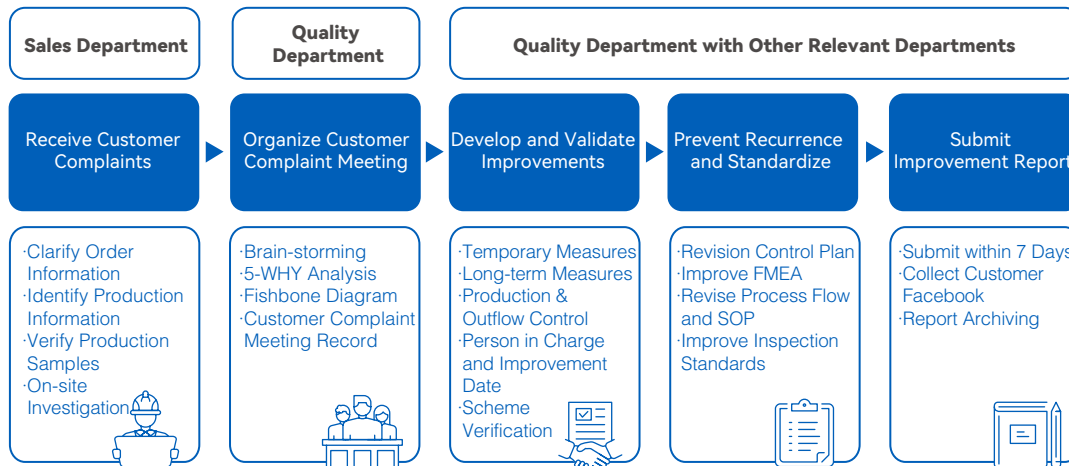
Customer Complaint Management ▶

The Company actively improves quality management according to the suggestions feedbacked by customers, timely communicates with customers about solutions. By coping with quality problems and implementing the product control, the Company has achieved continuous improvement of quality management capabilities and product quality.

Adhering to the working principle of "Responding to All Complaints", the Company formulated the *Customer Complaint Control Procedures*, which specified the complaint handling process and time limit in detail and defined the Quality Department as the overall management department to supervise and analyse the handling of customer complaints. Based on the cooperation of various functional departments, the entire complaint assignment, processing, follow-up, and filing process is completed to ensure that customer demands are completed through the complaint management module of Feishu. The Company pays attention to customer suggestions, comments, and complaints to ensure adequate response to customer demands and guarantee customer rights and interests. During the reporting period, the customer complaint closure rate reached 100%.

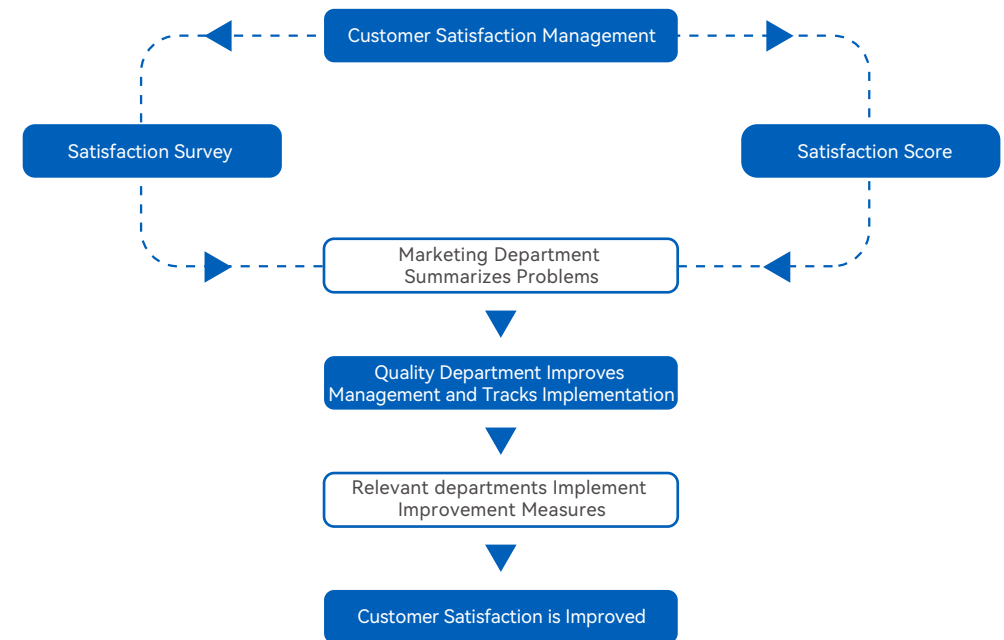


Feishu Customer Complaint Management



The Company established *Customer Satisfaction Control Procedures*. We conduct customer satisfaction survey every year and feedback customer concerns and problems to relevant departments for timely processing.

Customer Satisfaction Survey Management



During the Reporting Period	100% Customer Complaint Closure Rate	98.7 Satisfaction Score
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GREEN AND SAFE, BUILDING A PURIFIED AND SPLENDID ENVIRONMENT

OUR ACTIONS

- Establishing a sound environmental management system
- Actively addressing climate change
- Promoting the use of green energy
- Implementing occupational health and safety management for employees



CORRESPONDING TO THE SDGS




DEVELOPING GREEN ENVIRONMENT

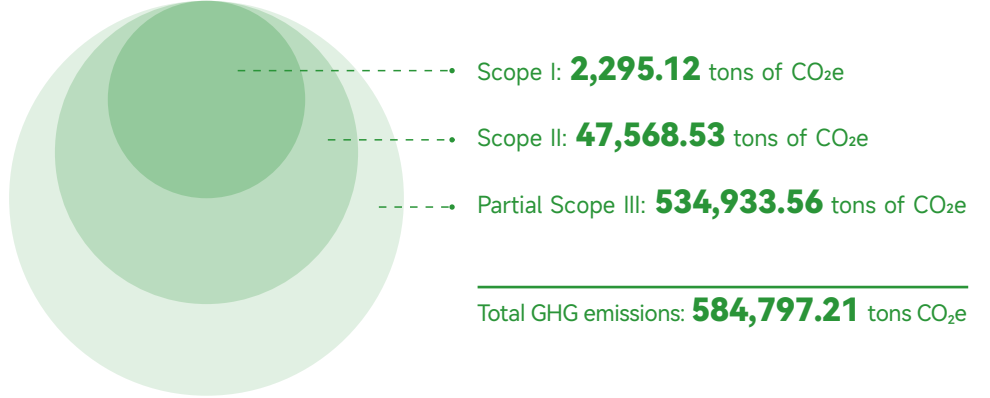
The Company attaches great importance to environmental management, continuously improves environmental management and energy efficiency, optimizes the environmental management system, implements initiatives to respond to climate change, and ensures that all environmental protection measures are effectively implemented. The Company practices the 3R "Reduce, Recycle, Reuse" principle to realize waste classification and reduction, improve resource utilization efficiency, reduce pollution emissions, and promote sustainable development.

DURING THE REPORTING PERIOD

INTCO Recycling invested **7,185,100 RMB** as environmental protection funds to manage environmental protection.



Greenhouse Gas Emissions during the Reporting Period




Consolidating Environmental Management

The Company abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and other environmental protection laws and regulations. We formulate the Environmental Protection Management Policy, which applies to all the departments of the Company as well as the foreigners and interns. We have also set up an EHS Committee, led by the Company's general manager, with the participation of each division and department manager, to carry out environmental management and collaborate to build a mature environment management system. The Company has maintained a high level of environmental and ecological protection responsibility. In the past four years, we have not paid any significant penalties and fines related to the environment or ecology*.

Note: Significant penalties and fines refer to penalties above \$10,000

Environmental Management System Certification

During the reporting period, Shanghai INTCO and Lu'an INTCO successfully passed the reassessment of ISO 14001 Environmental Management System, which implemented an effective environmental management system to ensure that the Company complied with the requirements of relevant regulations and standards.



Shanghai INTCO
ISO 14001 Certification



Lu'an INTCO
ISO 14001 Certification

Responding to Climate Change

The Company follows the lead of national green and low-carbon strategy, strengthens the ability to adapt to and respond to climate change, reduces greenhouse gas emissions, and continues to practice the "Dual-carbon" path to promote sustainable development.

The Company sets up a strategic ESG committee to identify risks and opportunities related to climate change, optimizes the climate risk management mechanism, identifies physical hazards such as typhoons and seasonal heavy rainfall, and standardizes the emergency response process to ensure prompt and effective control in the event of emergencies, enhancing the Company's overall risk response capability.

Preparing Contingency Plans to Prevent Extreme Weather Risks

Malaysia INTCO formulated a detailed emergency plan for flooding, clarified employees' duties through regular training and drills, explained emergency handling procedures such as equipment protection and materials reservation, and formed a complete response procedure for extreme weather to reduce the safety hazards and economic losses caused by flooding.

Moreover, Malaysia INTCO regularly inspects and maintains the factory's drainage system and establishes links with local governments, rescue organizations, and related departments to obtain timely disaster warnings and rescue support to prevent flooding risks.



Visit from The Malaysian Environmental Protection Agency

Reduce Carbon Emissions ▶

The Company carries out carbon footprint assessment certification, real-time detection and monitoring of energy consumption, transportation, water consumption, waste disposal, and other data to improve and optimize environmentally friendly processes and production procedures, reducing carbon emissions during operations.

Product Carbon Footprint Certification

In 2023, INTCO Recycling completed the PS EcoFrame Carbon Footprint Certification, which deeply and accurately explored the product life cycle, capturing product's carbon emissions at all stages. Based on /ISO 14067:2018 Green house Gases Carbon Footprint of Products Requirements and Guidelines for Quantification, following 100-year time horizon global warming potentials (IPCC 2013 GWP 100a), EcoFrame's carbon footprint was certified as 0.74 kg CO₂e per product unit.

Phase	GHG Emission (kg CO ₂ e/pc)
Raw Material Acquisition	0.18
Raw material Transportation	0.08
Product Manufacturing	0.48
Total	0.74

Optimizing Transport Routes and Promoting Green Transportation

The Company's commitment to reducing the negative environmental impact of logistics activities is not just a corporate responsibility but a contribution to society's green transformation. We achieve this by implementing modern green logistics and warehousing management concepts and practices, fulfilling our obligation to environmental protection, resource conservation, and sustainable development in logistics and transportation. Our efforts are making significant contributions to society's green transformation, a cause we are deeply invested in.

To further reduce carbon emissions from logistics operations, the Company prohibits using vehicles with National IV or lower emissions, increases the proportion of new energy vehicles in the fleet, and adopts recyclable load-carrying devices. In addition, the Company installs shuttle racks and adjusts loading container locations to shorten the logistics path and improve transportation efficiency.



Lu'an INTCO AEO Certificate



The Company optimized the transportation mode, changing the original road transport to sea-rail transport and using desulphurization tower ships that can effectively remove sulfides from ship emissions, reducing the pollution of the atmospheric environment.

The fuel consumption of road transport is about 38 liters per container of goods. The energy consumption of sea-rail transport is 40% of that of road transport mode, saving 23 liters of fuel consumption per container of goods.

In addition, the Company pays close attention to Scope 3 emissions in the value chain. Through third-party website inquiries, we count and monitor the total amount of carbon emissions generated by service providers in maritime transport, thereby realizing the precise control of carbon emissions and promoting the construction of green logistics.

During the reporting period
2,555 containers were transported by sea rail at the Shandong, Shanghai, and Lu'an factories, reducing carbon emissions by approximately **140.52** tons.

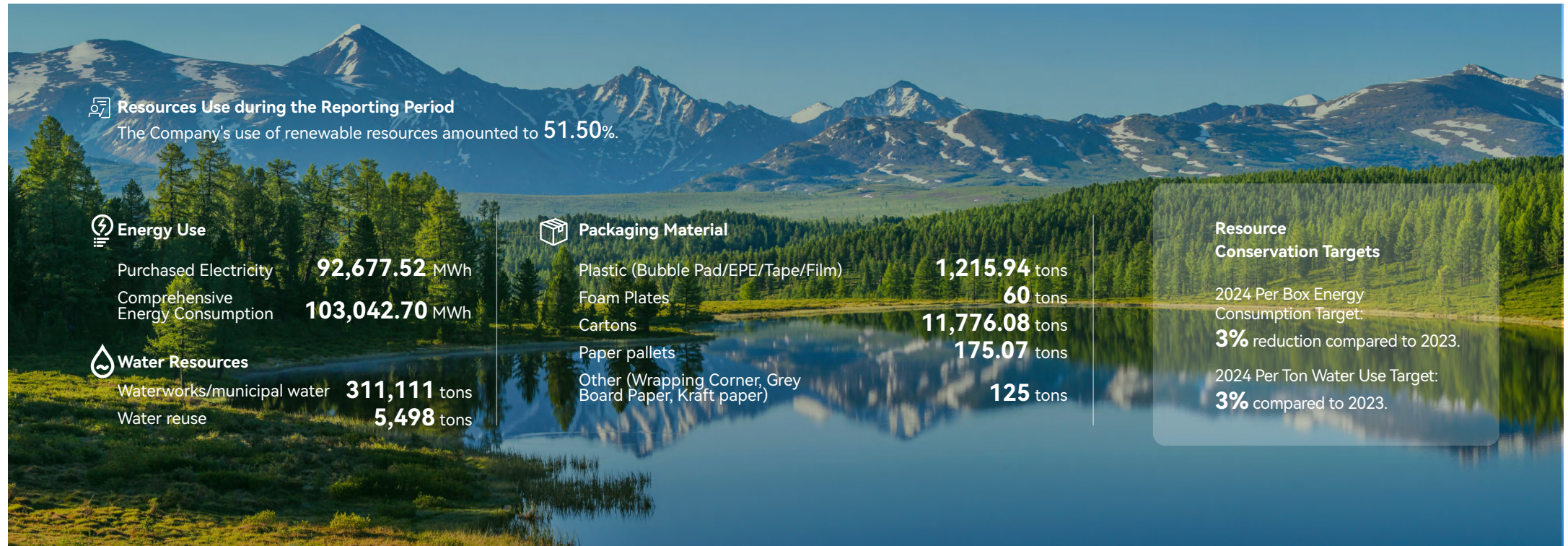


Conserving Use of Resources

The Company complies with relevant national policies and regulations, formulates standardized internal resource management process, establishes energy use targets, and implements refined energy and resource management to improve overall operational efficiency.

The Company strictly controls the power, water, compressed air, and integrated vacuum data of equipment, forming detailed monthly reports to provide comprehensive feedback on energy and resource utilization. In addition, the Company sets a pre-set value for daily energy consumption. When the actual consumption exceeds the pre-set value, the system will immediately push an alarm so that the relevant employees can intervene and take measures on time to ensure that the energy and resource consumption of the production process is well controlled within a reasonable range.

The Company actively explores low-carbon packaging, optimizes the design of packaging cartons for products, reduces the number of carton layers, and adopts tray packaging for products that cannot be eliminated from carton packaging, minimizing the use of cartons. Meanwhile, the Company approves recyclable EPE cushioning package material to replace the original EPS material, extend the life cycle of packaging products, and reduce the consumption of packaging materials.



Green Production ▶

The Company systematically carries out the green concept and actively adopts technological transformation to continuously improve energy efficiency and realize high-efficiency, high-quality, and low-carbon operations.

✂ Upgrading Craft Equipment to Promote Efficient Development

We introduced 11 high-speed PS online plastic sealing equipment and 6 PVC online coating equipment in line with new-generation energy-saving standards. The PS online plastic sealing effectively provided online extrusion and plastic sealing for the PS construction products without the need for separate offline turnover, shortening the delivery time of the products in a single line by more than three days. The PVC online coating equipment unified coating standards, achieving a zero defective rate of the products and effectively reducing the energy consumption of single-line equipment by more than 22%.



Plastic Sealing Equipment



PVC Online Coating Equipment

🔧 Optimizing Process Technology to Manager Energy Consumption Precisely

Malaysia INTCO introduced a highly automated hot washing system with automatic dosing, replenishment, and heating functions in the PET washing line. The system enhances the quality of r-PET net flakes to food-grade standards, which significantly reduces energy consumption in the washing process.



The water consumption per ton is reduced by **13.71%**, and the electricity consumption per ton is reduced by **16.30%**.

Hot Washing System

Green Office ▶

🗑️ Setting up Bottle-brick Recycling Station to Promote Green Concept

Bottle-brick recycling stations had been set up in Malaysian factories to motivate employees to participate in recycling activities for discarded water bottles. We worked together to reduce waste, create a sustainable work environment, and convey a positive sustainable corporate culture.



📅 During the reporting period

The Company conducted **18** green office training, totaling **5,926** attendances, covering **100%** of all employees, with an average per capita training duration of **2.73** hours.

🌐 Implementing Information Technology Transformation and Green Office Practices

We were committed to improving the organization's efficiency. Therefore, we applied the Feishu enterprise collaboration platform and supporting components. With the application of Feishu, we achieved effective project management, document sharing and collaboration, and paperless OA system working mode. At the same time, we achieved transparency and high-efficiency workflow, practicing the regeneration of ingenuity and commitment to green and digital offices.

We have strengthened the cultivation of green concepts among our employees and encouraged them to take action to protect the earth. We put up posters and signs to promote water, electricity, and energy conservation, set up ESG and environmental product promotion corners in the office reception area, and use business cards made of recycled paper. We also customize INTCO's eco-bags with recyclable materials such as linen, carrying out the green concept. In addition, we conducted employee training to promote environmental protection.

🌐 INTCO Eco-peripheral products



Green Warehousing ▶

We have promoted the application of information technology, fully upgraded Material Requirement Planning (MRP) and Transportation Management System (TMS), and utilized logistics crate calculation software. At the same time, we have introduced RPA (Robotic Process Automation) robot technology to realize the efficient operation of autonomous customs clearance. We optimized our warehouse management processes and realized efficient and environmentally friendly management within all the information technology initiatives taken.

Developing Information Technology Management to Improve Warehouse Efficiency

The Company implemented efficient, accurate, real-time information warehouse management to raise operational efficiency and reduce operating costs. We have independently developed the "tonnage" and "data information" and other management programs and introduced industrial-grade PDA scanners and warehousing operations.



Green Building ▶

The Company actively responds to the critical initiatives of global sustainable development and response to climate change, promotes sustainable building, and helps the sustainable development of the Company. We use an automatic temperature control system to adjust the valve energy according to the indoor temperature to reduce the waste of energy consumption. We also manage the lighting equipment through centralized control to lower the consumption of electricity and incorporate the design of balancing valves to control the flow of water to avoid excessive water accurately. Furthermore, we design a natural exhaust system to provide a more comfortable environment for our employees. In addition, we insist on entirely using the Company's environmentally friendly recycled materials when selecting decorative materials, such as PS 3D wall panels and recycled polyester acoustic panels, to promote green building practices.




Acoustic Panels, used in INTCO Lecture Hall




PS 3D Wall Panels, used in INTCO Meeting Room

During the reporting period

2,524 square meters of recycled plastic building materials were used at the Company's bases.

 Applying Green Energy Strategy to Promote Low-carbon Transition and Development

The Company actively applies renewable energy by laying solar photovoltaic roofs in its plants to become independent of traditional energy sources.

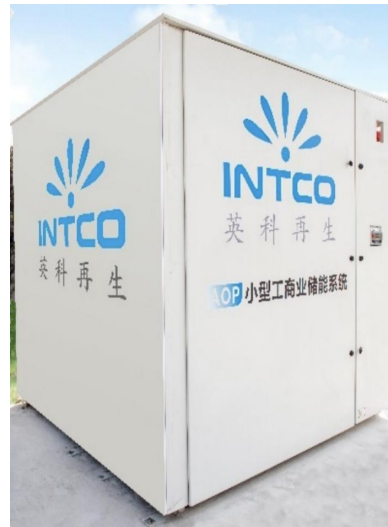
 **During the reporting period**

The Company's 4.0MW photovoltaic solar project operated stably, with an annual power generation capacity of approximately **4.32** million kWh, accounting for **60.4%** of self-consumption and **39.6%** of reverse transmission power.

Furthermore, we introduced an energy storage system with an installed capacity of 510kwh and an annual discharge capacity of about 270,000 kWh. The system not only effectively balances the power load but also significantly reduces greenhouse gas emissions, making a great contribution to the enterprise's green development.



Photovoltaic



Energy Storage

Reducing Environmental Pollution

The Company regulates the emission and disposal of waste gas, wastewater, and waste generated during operations. Moreover, we establish a sound emission management system, committing to reducing the environmental impact of emissions.

Exhaust Emission ►

The Company has formulated the *Operating Procedures of Waste Gas Absorption Policy* to regulate the operation of waste gas absorption facilities and waste gas treatment systems in each workshop. We optimize the treatment equipment and process flow and monitor the environmental protection equipment regularly to ensure that the waste gas emission meets the national standards and the ecological assessment and emission permit requirements.

To productively reduce VOC emissions from the source, we transformed electrostatic spraying equipment in the paint spraying workshop. The transformation successfully transferred the coating line from "oil-based paint" to "water-based paint," effectively avoiding the release of benzene, toluene, xylene, formaldehyde, and other harmful gases.

 **During the reporting period**

Total NOx emissions	0 tons
Total SOx emissions	0 tons
Total VOCs emissions	7.02 tons

Waste Emissions ▶

The Company follows the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste* and other national laws and regulations. We formulate internal management guidelines to standardize the management process of various types of waste generated during operation. For general industrial solid waste, the Company has formulated an efficient recycling mechanism to reuse most solid waste fully. We transported the part we could not directly utilize to the designated stockpile for centralized treatment. The Company entrusts third-party institutions with treatment qualifications for hazardous waste to carry out professional treatment. Moreover, we actively replace raw materials from the source to reduce the generation of hazardous wastes and minimize the potential impacts of waste on the environment. We take distinct actions to reduce the possible effects on the environment.



Wastewater Discharge ▶

The Company's wastewater mainly comes from domestic sewage from the cafeteria, apartments, and office areas. We install oil-water separators to effectively prevent oil and grease from flowing into the sewage system and reduce the burden of sewage treatment. We adopt cooling water recycling in the production process to improve the reuse rate of water resources.

Waste Heat Recovery from Air Compressors

We utilize the waste heat from the air compressor to dry the sludge generated from the PET cleaning project, which reduces the amount of sludge discharged by about 20% and lowers the treatment cost by about 54%.

Electrochemical Water Treatment Equipment

The Company incorporated electrochemical water treatment equipment into the workshop's cooling circulating water system to remove the incrustation and heat exchange equipment generated by the circulating water system. The equipment guaranteed that the system effectively dissolved the dirt that had become solid in the water circulating pipeline and reduced the amount of sewage water and environmental pollution.

During the reporting period

BOD	0 tons
COD	0 tons
Ammonia	0 tons

STRENGTHENING SAFETY MANAGEMENT

The Company puts employees' occupational health and safety first and strictly abides by the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Law of the People's Republic of China on Safety in Production*. The Company builds an occupational health and safety management system, which promotes the popularization of awareness and skills in occupational health and safety to cover all employees, offering a solid guarantee for the health and safety of our employees.

Safety Management Mechanisms

The Company has set up the Occupational Health and Safety Management Committee as the group with the highest recognition and decision-making for implementing occupational health and safety policies. The Company's general manager takes the position of the top leader and appoints safety officer representatives from various departments to carry out daily occupational health and safety inspections and provide timely feedback and rectification of problems found on site.

The Company has formulated the *Production Safety Commitment Institutional Policy* covering all employees' implementation of safety responsibilities, ensuring the Company's safe production.

During the reporting period

50% of the Company's operating sites passed ISO 45001 and other occupational health and safety management systems and production safety standardization certifications.



Production Safety Objectives ▶

The Company sets annual objectives based on the *Safety Policy Objectives* to ensure the precise orientation of the work. We break down and implement the objectives to each level, conduct safety construction on a plant-by-plant basis, and continuously promote new achievements in occupational health and safety management.



Note: Significant direct economic loss production and safety accidents refer to production and safety accidents with a one-time direct economic loss exceeding one million dollars.



Occupational Health and Safety Initiatives

The Company prepares internal management systems, standardizes the emergency plan process for hazardous accidents, and sets up an Emergency Rescue Group to carry out appropriate rescue work based on the type and degree of hazards of production safety accidents and occupational disease hazards. Meanwhile, the Company conducts a risk assessment of occupational health and safety, investigates according to the degree of hidden danger, refines the risk at each management level, equips with countermeasures and regulations, and raises the safety management level. During the reporting period, the Company conducted weekly inspections of hidden dangers of the forklift. Furthermore, we performed comprehensive medical check-ups for 336 newly recruited and departed employees. We also provide medical examinations for employees exposed to occupational disease factors to prevent production safety and occupational health risks.

In addition, the Company requires foreign construction workers to sign the *Notice to Foreigners*, *Construction Safety Management Agreement*, *Safety Management Agreement for Foreigners*, and *Individual Physical Health Commitment* to clearly state the safety responsibilities and obligations of both parties, cultivate construction workers' safety awareness, and ensure safe production.

Safety Culture Training

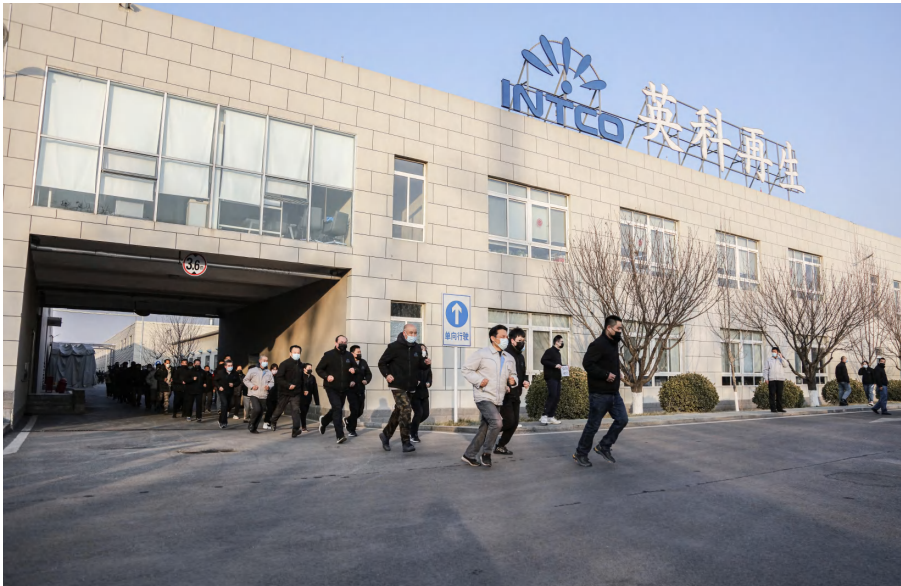
The Company actively promotes occupational health and safety training, propagates the concept of work safety in daily morning meetings, and conducts regular exercises to improve employees' occupational health and safety protection ability.

The Company conducted special training for new employees and foreign construction workers to clarify production risks and operation norms and ensure a safe production process.



During the reporting period

The Company conducted **117** occupational health and safety training sessions, covering **7,077** people and **330.26** hours of training.



The Company carried out drills for fire accidents, mechanical injuries, dust explosion prevention, high temperature, and typhoon emergencies to strengthen employees' vigilance against emergencies.



 Organizing "Safety Month" to Consolidate the Safety Concept

The Company has carried out the "Safety Month" and "Fire Prevention Month" activities, successively enhancing the staff's ability to deal with emergencies and providing a safe and stable production environment.

The Company carried out the "Safety Month" activity with the theme of "Everyone Knows and Everyone Does." We launched the emergency plan for fire accidents and disposal on-site drills. Furthermore, we organized the "Holding the Concept of Safety" speech contest, investigated potential safety hazards, strictly managed and executed special operations, implemented our responsibility for production safety, and promoted a safety culture.



DETERMINED EFFORT, BUILDING AN EXCELLENT WORKPLACE

OUR ACTIONS

- Enhancing employee motivation by protecting their compensation and benefits
- Broadening staff development channels to encourage more talents to become professional leaders.
- Recruiting global talent and creating a diverse work environment
- Organizing various employee activities to enhance employee happiness.

CORRESPONDING TO THE SDGS



EMPOWERING EMPLOYEE DEVELOPMENT

The Company helps every employee fully contribute to the Company's value and realize their career development. Therefore, the Company optimizes the employee compensation and welfare system and develops career development paths and training mechanisms. Furthermore, we provide diversified learning opportunities and resources to help employees explore their potential.

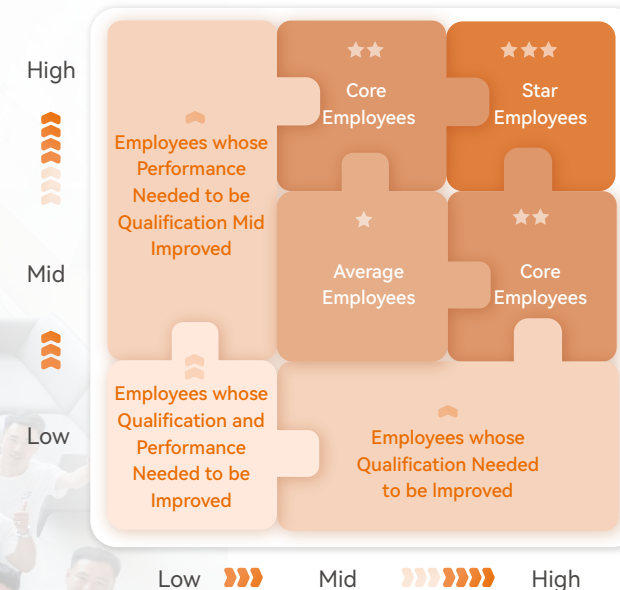
Employee Remuneration and Benefits

The Company has formulated the *Salary Management Policy* to provide employees with salary levels that match industry standards. To evaluate employees' performances, we conduct regular monthly KPI performance evaluations, semi-annual 360 performance evaluations, and annual IBS performance evaluations for all employees to stimulate their work motivation and creativity. We utilize the OKR evaluation system. To further enhance the efficiency of performance management, we conduct bottom-up, layer-by-layer calibration, and horizontal cross-team comparison in the form of performance calibration meetings to ensure the fairness and accuracy of the evaluation and to provide strong support for employees' career development.

The Company introduces "the Talent Review", which evaluates and positions talents in the performance and competency dimensions in a nine-box matrix to improve the match between employees and positions.

Optimizing the Evaluation System to Promote Synergistic Development

The Company has deeply integrated ESG concepts into the performance appraisal system at the supervisor level and elevated the assessment weights of quality, safety, and environmental protection. We explicitly stipulate the one-vote veto system for supervisors who have suffered from safety and environmental protection accidents. At the same time, to ensure the assessment's fairness and effectiveness, the supervisors will work closely with the safety and environmental protection departments to jointly study, formulate, and implement the corresponding incentives and assessment measures and jointly promote the Company's sustainable development.



The Company purchases commercial insurance for employees and provides diversified benefits such as equity incentives, improvement, and innovation rewards. To enhance employee motivation, the Company designs retired staff rewards and in-service old staff rewards. In addition, the Company provides flexible working hours, creating an autonomous and free working environment.

We always pay excellent attention to the needs of female employees. We equip mother and baby rooms for working mothers. Based on the national statutory leave, for the birth of a child, two days of paid vacation per year; for a second child, five days of paid vacation per year; for a third child, six days of paid vacation per year.

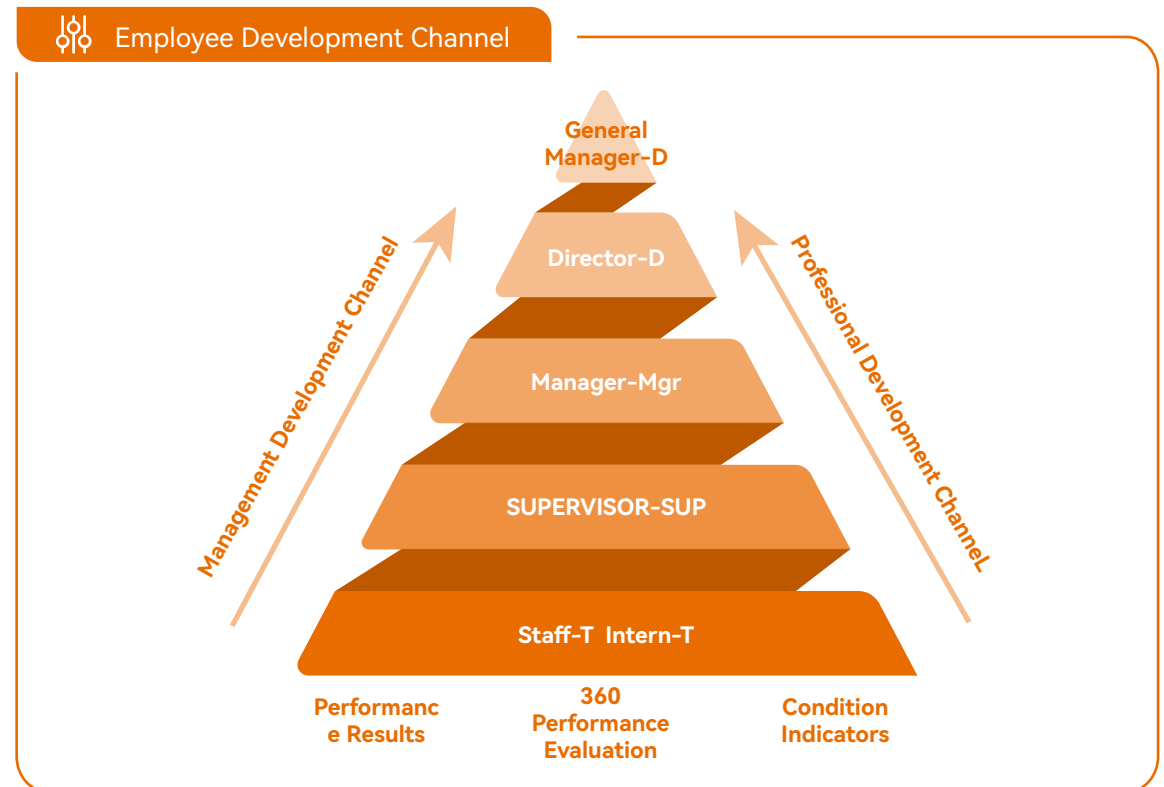


Employee Rest Area

Employee Development Channels

The Company standardizes the promotion and assessment procedures for employees, providing clear promotion channels and standards and ensuring the fairness and transparency in the promotion process. To give a broader growth platform for employees with outstanding management and technical performance, the Company has also set up a dual career development channel.

During the reporting period, the Company organized a comprehensive re-competition for management positions, adopting the mechanism of joint voting by employees and judges to conduct a thorough and objective assessment of the contestants. In addition, the Company added an internal competition link to broaden the talent selection channels further and stimulate the enthusiasm of employees to participate.



Employee Training System

The Company supports and attaches importance to the development of the talent team. We enhance our employees' comprehensive quality and professional ability through diversified training content and forms to provide a solid talent guarantee for overall development. During the reporting period, the Company was equipped with a corresponding feedback mechanism and result evaluation. The Company also set the indicator of the achievement rate of training to continuously motivate employees to improve their professionalism and skill level in their careers.

The Company has set up a training system and an online learning platform, called "INTCO Academy," to improve employees' leadership, professional skills and general knowledge, and enhance their competence in the workplace.

 During the reporting period

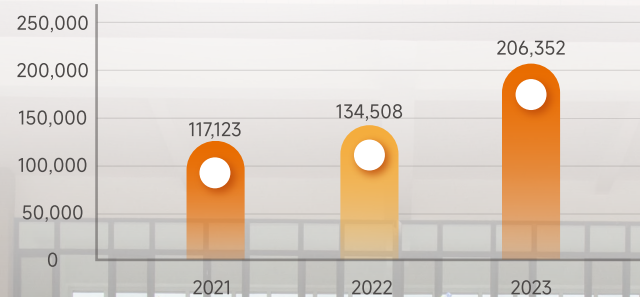
Employee Training Investment

341.26 ten thousand

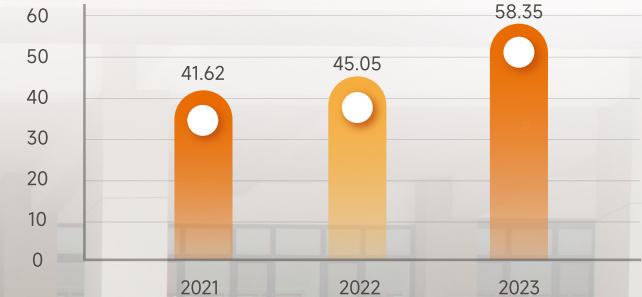
Employee Training Coverage

100%

Total Hours of Employee Training



Average Training Hours Per Employee



CONVEYING EMPLOYEE CARE

The Company adheres to the concept of "Prioritizing human capital", protects the rights and interests of employees, pays attention to the needs of employees, cares about their lives, and conveys the care of INTCO to create a positive and warm working environment for employees, enhance their sense of belonging and happiness, and promote the sustainable development of the enterprise.

Protecting Employees' Rights and Interests ▶

The Company regards employees' rights and interests as the basis for building an excellent workplace, protects human rights, equalizes recruitment and employment, to create an equal, healthy and inclusive work environment for employees. During the reporting period, we conducted satisfaction surveys on all employees, including work atmosphere, happiness and job satisfaction. Among them, The company regards employee rights as the foundation for building an excellent workplace, protects human rights, promotes equal recruitment and employment, and creates an equal, healthy, and inclusive work environment for employees. During the reporting period, we conducted a satisfaction survey on all employees, including work atmosphere, happiness, and job satisfaction.



Human Rights Policy ▶

The Company strictly abides by the *International Labor Organization Convention (ILO Convention)* and continuously completes its internal systems, and formulates systems applicable to its management, suppliers, security personnel and other partners, such as the *Management Control Procedures for Prohibition of Forced Labor*, *Management Procedures for Labor Protection of Female Employees*, *Anti-Discrimination Management Control Procedures*, and *Anti-Harassment Control Procedures*, which explicitly prohibit human trafficking, forced labor, child labor, violence and harassment. In addition, recruitment and employment policies explicitly guarantee that employees will not be discriminated against or treated differently because of gender, age, nationality, race, religious beliefs, family and health status and so on. Meanwhile, we are also committed to freedom of association and collective bargaining rights. At the end of the reporting period, the Company's collective agreement coverage rate reached 100%, and there were no human rights violations such as child labor or forced labor.

The Company adopts a zero-tolerance attitude towards discrimination and harassment. We formulated the *Employee Handbook* to clarify the rules of punishment and disposal methods, improve supervision mechanisms, and effectively strengthen the protection of the legitimate rights and interests of employees. In daily training, we strengthen the awareness of all employees, and set up reporting mailboxes, telephone hotlines throughout the Company to encourage employees to report relevant matters. After receiving relevant reports, we also formulated a clear level-by-level reporting process and response procedures to properly deal with relevant incidents and publicly disclose the number of reports, inappropriate behaviors, and handling measures. We established a comprehensive protection system for whistleblowers as well. In addition, we pay attention to the human rights policies of our suppliers and partners, conduct human rights assessments of our employees and important suppliers. During the reporting period, the Company did not receive any reports of employee discrimination or harassment.

Employee Recruitment and Employment ▶

In the process of recruitment and employment, the Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations of the place where operates, and revises and improves internal Employee Handbook, Administrative Management System and other rules and regulations constantly. Meanwhile, we practice the recruitment philosophy of "hiring and promoting the right employees". The Company attracts talents and builds up the talent team through campus recruitment, social recruitment, internal promotion and other diversified recruitment channels.

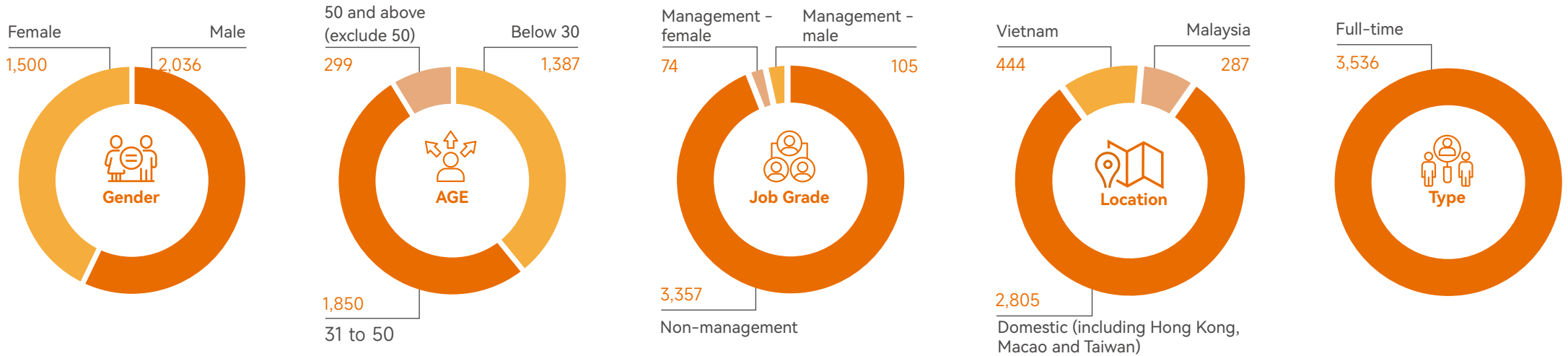
In the field of talent cultivation, staff can participate in talent cultivation after being certified as Gold Medal Interviewers., 93 employees have passed the relevant certification at the end of the reporting period.

Cumulative Internal Promotion **161**

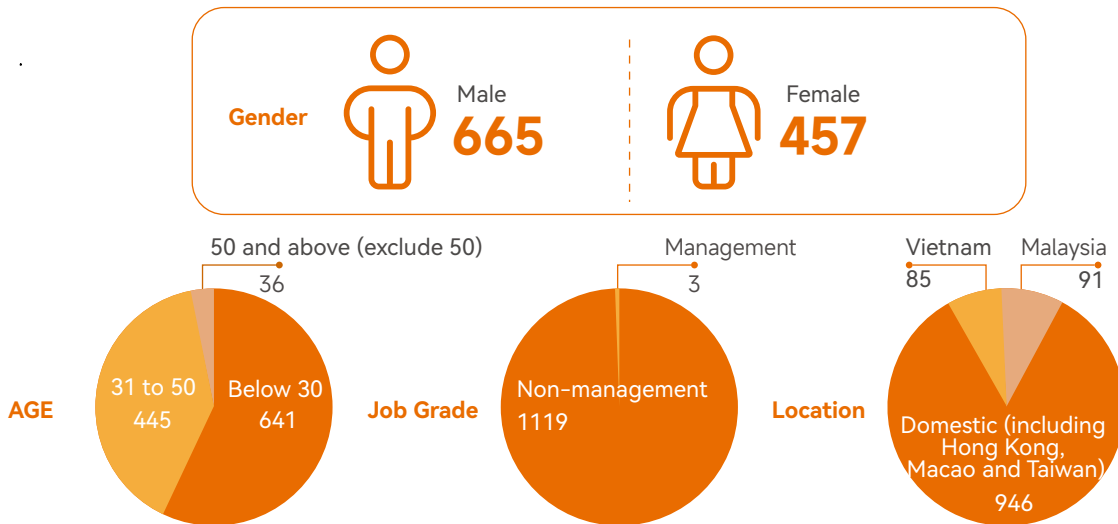
New Appointment and Promotion **61**



2023 Total number of employees



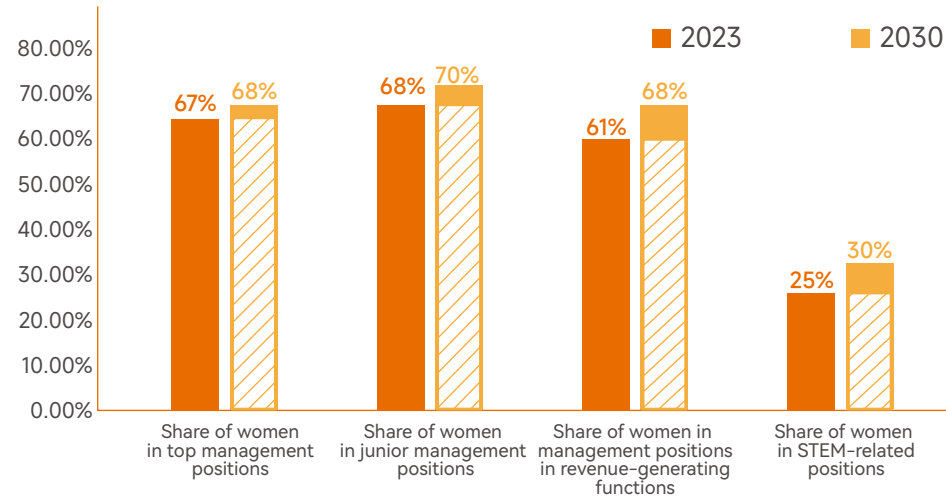
2023 Number of new employees



Employee Turnover in 2023

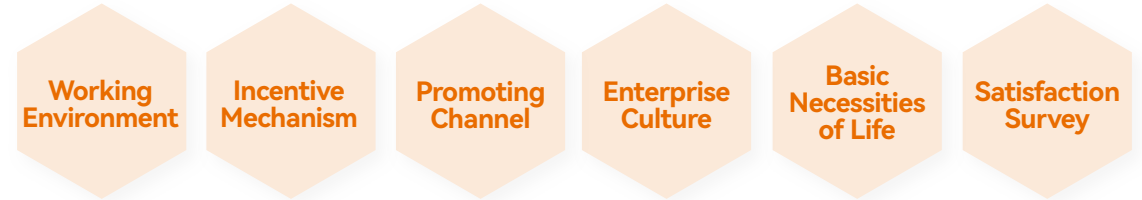
Total Employee Turnover	21.47 %	Voluntary Employee Turnover	21.47 %
Category			%
Gender	Male		22.03
	Female		20.69
Age	Below 30		29.59
	31 to 50		15.16
	50 and above (exclude 50)		15.52
Job Grade	Management		8.79
	Non-management		21.98
Location	Domestic (including Hong Kong, Macao and Taiwan)		23.33
	Vietnam		16.67
	Malaysia		11.72

Sparkling "Her" Power ▶



Employee Communication ▶

The Company enhances communication with employees continuously and listens to their voices through employee labor unions, employee mailboxes, and employee seminars.



Enriching Employees' Life

In order to enhance happiness and sense of belonging of the employees, and convey the care of the enterprise, the Company actively carries out various activities and pays attention to the daily life of employees, make them feel the warmth of the Company and enhance the sense of corporate culture identity.

Health Lectures



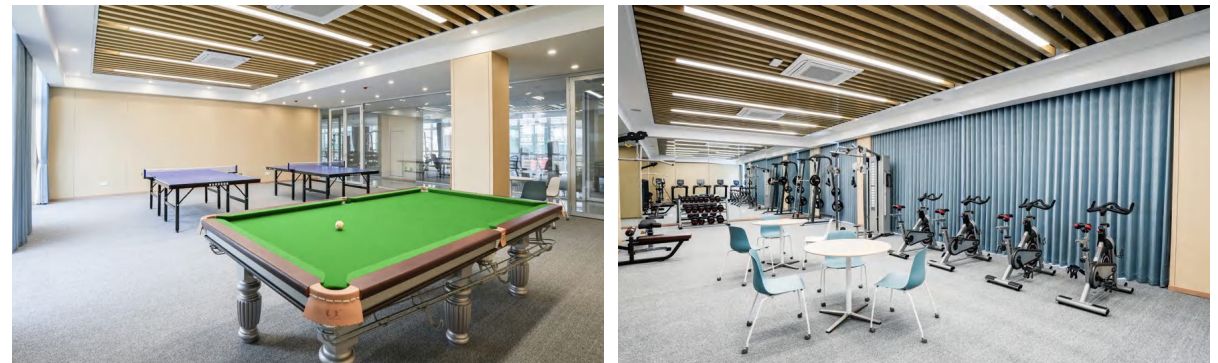
Employee Care ▶

The Company pays attention to the physical and mental health of its employees and delivers employees care by providing them with a better working and living environment and organizing health lectures.

Cozy Dormitory



Cozy Dormitory



Leisure Places

Employee Activities ▶

In order to enrich the employees' life, the Company organized a variety of activities to enhance the cohesion of employees and improve their cooperation ability. Meanwhile, these activities can stimulate employees' enthusiasm for work, and inject new vitality into the development of the Company.



Annual Meeting of Intco



June, the Dragon Boat Festival



June, Children's Day "INTCO happy" children "trip" activities

Volunteer Activities

- Learn from Lei Feng volunteer activities.
- Community 5S cleaning activities
- Arbor Day planting activities
- June 5th, Environment Day activities



Team-building Activities

- Team-building activity at red leaf persimmon rock
- June 17th, Zhujiajiao one-day trip
- August 22nd, INTCO Young first anniversary
- August-September, Thailand overseas tour.
- Malaysian employees organized Semporna tour.
- Held Tug-of-War



WORKING TOGETHER, BUILDING A PROSPEROUS SOCIETY



OUR ACTIONS

- Establish a sound supplier selection, access, and assessment mechanism to build a responsible supply chain.
- Pay attention to supplier performance and actively empower suppliers to achieve sustainable development of the supply chain.
- Promote the establishment of industry standards and the joint progress of the industry.
- Carry out charitable activities and participate in community construction.

CORRESPONDING TO THE SDGS



PROMOTING A RESPONSIBLE SUPPLY CHAIN

In order to establish a sustainable and responsible supply chain, the Company strictly complies with relevant laws and regulations on supply chain management, actively improves its supplier management strategy, and carries out specialized control over all aspects of the supply chain.

Regulating Supplier Management

The Company carries out standardized management for suppliers and formulates the *Supplier Code of Conduct*, which sets out clear requirements on suppliers' performance in human rights and labor, environment, business ethics, etc. We integrated these contents into the supplier access assessment and regular evaluation process, with the Strategy and ESG Committee serving as the supreme decision-making and supervisory body. In the selection of suppliers, suppliers with outstanding ESG performance are prioritized as partners. Meanwhile, we provided relevant training for supplier manager and procurement personnel to increase their understanding of the contents of supplier ESG management.

In the process of screening key suppliers, the Company not only takes into account of the supplier's scale, business relevance and procurement amount, but also takes ESG factors such as the supplier's environmental management performance, occupational health and safety, business ethics and compliance as plus points to identify key suppliers with comprehensive consideration. In addition, we also pay attention to the specific risks of the countries and industries and conduct rigorous investigations of suppliers that apply for Admission. If there are any significant risks, we will avoid cooperating with them, until rectifying the risks, so as to enhance the supply chain resilience. During the reporting period, the "Enterprise Risk Monitoring" section was added to the Company's online information office platform to monitor the scores of suppliers in terms of their business status, qualifications and commercial compliance.

📄 **During the reporting period**

Total number of suppliers **1,166**

Total number of overseas suppliers **325**

Total number of suppliers **841**

Total number of overseas suppliers **325**

INTCO Recycling Supplier Access Process



Total number of tier 1 suppliers

1,166

Total number of significant suppliers in Tier-1

86

Percentage of total spend on significant suppliers in Tier 1

33.88%

Total number of significant suppliers in non-tier 1

3,265

Total number of significant suppliers (tier-1 and non-tier 1)

243

Note: Tier 1 suppliers are suppliers that directly supply goods, materials or services (including intellectual property (IP) / patents) to us.

Non-tier 1 suppliers are suppliers that provide their products and services through tier 1 suppliers to us.

Assessing Supplier Performance

The Company combines daily project assessment with regular assessment to evaluate suppliers, and the procurement staff carries out on-site assessment of suppliers, records the assessment results in the supplier management system clearly. Target suppliers with problems identified in the assessment, the Company suspends cooperation with them and issues *Corrective and Preventive Measures*, assists them in the formulation of corrective measures and provides relevant guidance, tracks the completion of the corrective measures as well. We resume cooperation with them after completing the corrective measures on schedule and cancel cooperation with them if they fail to meet the company's minimum ESG requirements on time.

During the reporting period, we carried out desk or on-site assessments of 468 suppliers, of which 9.40% were significant suppliers. Meanwhile, we identified 11 suppliers with risks or potential risks, all of which have been rectified, but 7 suppliers failed to meet the rectification requirements on time, so we terminated our cooperation with them. The Company supported 11 suppliers in the implementation of corrective action, which covered 100% of suppliers with significant actual/potential negative impact on our business. In addition, the Company actively cooperates with suppliers and provides capacity building programs for suppliers.

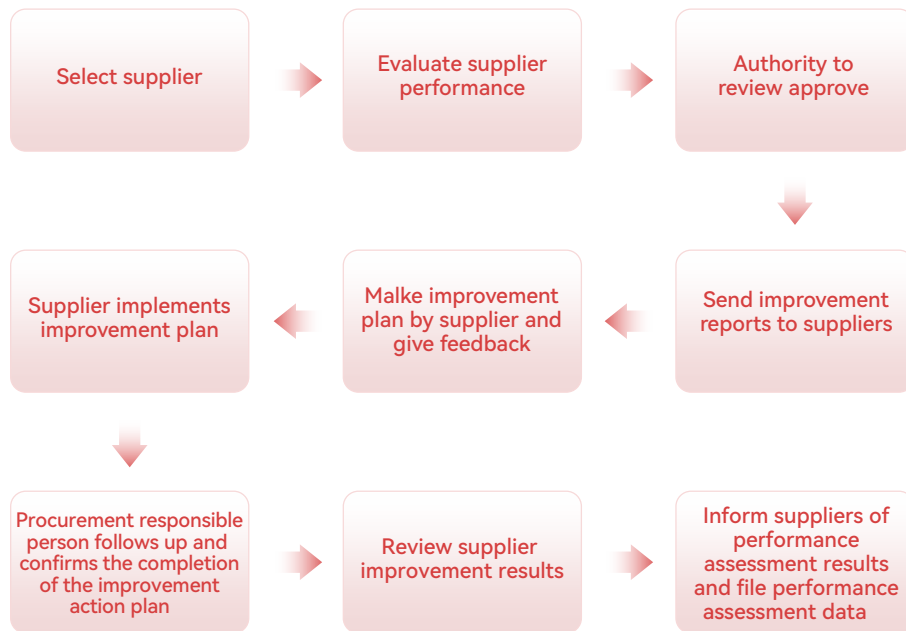
In 2023

The company

provides **405** suppliers with capacity building programs.

Covering **100%** of significant suppliers

Supplier Performance evaluation and improvement process



Collaborative Empowerment



In 2023, INTCO PET recycling team traveled all over the world, from front-end scavengers to professional bottle brick processing points, INTCO has always practiced the principle of people-oriented and harmonious coexistence, empowering local suppliers to deal with local plastic recycling more efficiently and economically.

PROMOTING INDUSTRY DEVELOPMENT

Healthy industry ecology promotes the long-term and sustainable development of enterprises. The Company closely follows the industry development trend and market demand, participates in domestic and foreign industry exchange activities, builds an expanded exchange platform, actively carries out enterprise cooperation, co-builds and shares standards and results, works with multiple parties to promote industry development and technological progress.

The fees paid for the membership in the industry associations are **145,000** yuan in 2023.

Participating in 44 Exhibition and Grasping Industry Dynamics

The Company participated in industry exhibitions including DOMOTEX, AMBIENTE, CHINAPLAS, and N-EXPO, sharing industry frontier information, developing overseas market awareness, and enhancing brand influence on the global stage.



Cooperating with Outstanding Enterprises to Achieve Win-win Results

The Company provided product life cycle solutions for an American retail giant based in North Carolina. We compressed the waste foam generated by the customer's sales end through a cold pressure reduction machine. The compressed foam was transported to the Malaysian plant for granulating and finally made into recycled finished frames.



In the past five years, the Company solved **1,100** thousand pounds of waste and made **740,000** pieces of exquisite home consumer goods which are sold in various countries and regions around the

School-enterprise Cooperation Building a New Benchmark for Industry Cooperation

NTCO Recycling collaborated with universities overseas such as Tunku Abdul Rahman University and Xiamen University (Malaysia), as well as domestic universities such as China University of Petroleum and Anhui University. The Company promoted cooperation among industry, academia, and research, and established the Employment Internship Practice Base with universities and research institutes. The Company promoted the research on physical foaming of recycled PS, which significantly improved performance indicators such as frame density and nail holding force.



China University of Petroleum Employment and Practice Base



Anhui University Employment and Practice Base



School-enterprise cooperation with Tunku Abdul Rahman University

BUILDING A HARMONIOUS COMMUNITY

The Company closely links its own development with social progress, the Company provide support and assistance for developing social communities and make efforts in environmental protection and public welfare. We fulfil social responsibilities through activities such as love assistance, rural revitalization, and charity donations, abide by the core values, and contribute to the sustainable development of society.



DURING THE REPORTING PERIOD

a total of **294** voluntary activities were organized, with **2238** employees participating and a total duration of **732** hours.

Establishing Public Welfare Foundation

Since the establishment of Establishment of Shanghai INTCO Public Welfare Foundation in November 2022, the Company conducted multiple projects, including “Group Public Benefit Event”, “Framing a Better Life” and “Rural Revitalization – Cooperation between Shanghai and Yunnan”, to achieve assistance to the elderly, disabled and poor. We actively promote the harmonious development of social communities by making efforts in poverty alleviation, community harmony, education poverty alleviation, epidemic relief, etc.

 **During the reporting period**
The Company and the foundation donated a total of **1.0251** million yuan.

 In **October 2023**, “Firefly Project” and “Group Public Benefit Event” were conducted.

 In **June 2023**, “Framing a Better Life” Project was carried out.

 In **April 2023**, the “Cooperation between Shanghai and Yunnan” was conducted.

 In **November 2022**, the Shanghai INTCO Public Welfare Foundation was established.

Public Welfare Activities Conducted by INTCO | Since the Establishment of Shanghai INTCO Public Welfare Foundation



Building a Better Life and Benefiting Diverse Masses



INTCO Foundation carried out the “Framing a Better Life” Project with “Picking up Light” Team, which focused on harmonious communities and conveyed warmth, love, and positive energy. The project used frames to capture beautiful moments for everyone who needed them.



Charity Donation | Aid Gansu Earthquake Affected Areas

INTCO Public Welfare Foundation urgently sent supplies, 103,000 yuan worth of daily necessities and food, to the earthquake stricken areas in Gansu, contributing "INTCO Power" to post disaster rescue and reconstruction.



Donation Activity in Zhelin Town, Shanghai



Funding Nanjian County to Improve Local Medical Conditions

Firefly Project | Engaging in rural education

In 2023, Anhui Jinzhai Red Cuckoo Choir supported by INTCO carried out singing training and learning for one year and ranked second in the country.



In 2023, INTCO Recycling collaborated with Zibo education system and donated 500,000 educational funds to improve rural education.



INTCO Recycling paid attention to the employment and development of persons with disabilities. In addition to the creating internal positions for the disabled, the Company entrusted the handmade products in the production process to the disabled through the cooperation with the local disabled federation "Rukang Home", expanding the employment skills of the disabled.



Developing Environmental Protection Activities

The Company actively propagates the environmental protection concept of resource regeneration and recycling by online promotion, posters and participation in environmental protection activities, and carries out public welfare activities such as community 5S and Blue Vest, guiding the public to participate in environmental protection and enhance environmental awareness.

📅 During the reporting period

the Company was awarded the title of "Shanghai Environmental Education Base".

🌱 World Environment Day | Participating in environmental protection activities with INTCO Recycling

INTCO Recycling participated in the "World Environment Day" theme publicity activities to popularize ecological and environmental protection knowledge for the public and promote the concept of green production and healthy life. We called on the public to participate in environmental protection and maintain a green and harmonious living environment with INTCO.



♥ Sustainability Promotion | Enhancing Environmental Awareness with INTCO Recycling

Through its own influence and channels, INTCO Recycling actively transmits the concept of environmental protection and sustainable development to the general population at the social level. The Company realizes the exposure and promotion of the sustainable development concept through the we-media matrix and external media reports, effectively stimulating the public's awareness of environmental protection.



INTCO 英科再生
股票代码 688087

欢迎来到英科
神奇之旅
一起踏上泡沫塑料的奇妙旅程

- 1 垃圾填埋
从全球400+回收点来到这里
- 2 破碎和清洗回收设备
原料经破碎和清洗后进入传送带
- 3 造粒和造膜
颗粒经造粒和造膜后，经吹膜减少废弃物的1700190
- 4 再生颗粒
通过造粒设备，颗粒加工成再生颗粒，纯度高达99%的高品质颗粒
- 5 再生颗粒应用
再生颗粒广泛应用于：家电、建材、包装、汽车、农业、医疗、工业、消费品
- 6 100% 绿色回收
100% 绿色回收，再生颗粒再次投入生产，实现闭环回收

英科再生 万物再生
400-993-5158 www.intco.com.cn

INTCO 英科再生
股票代码 688087

— 2024.3.23
农历二月十四

地球一小时
EARTH HOUR

关上灯 点亮希望
为地球发声 与万物共生

2024年3月23日晚8:30

英科再生 万物再生
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INTCO 英科再生
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世界森林日
WORLD FOREST DAY

地球呼唤绿色·人类渴望森林

「英科再生」成立至今已累积
减少约2500万棵树木被砍伐

英科再生 万物再生
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INTCO 英科再生
股票代码 688087

世界海洋日
为可持续海洋创新

06
08
保你
护我
海洋行

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04 / 22
珍爱地球
节约资源

世界地球日
— World Earth Day —

在英科再生每天都是地球日

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COMPLIANCE GOVERNANCE , MAKING A SOLID FOUNDATION

CORRESPONDING TO THE SDGs

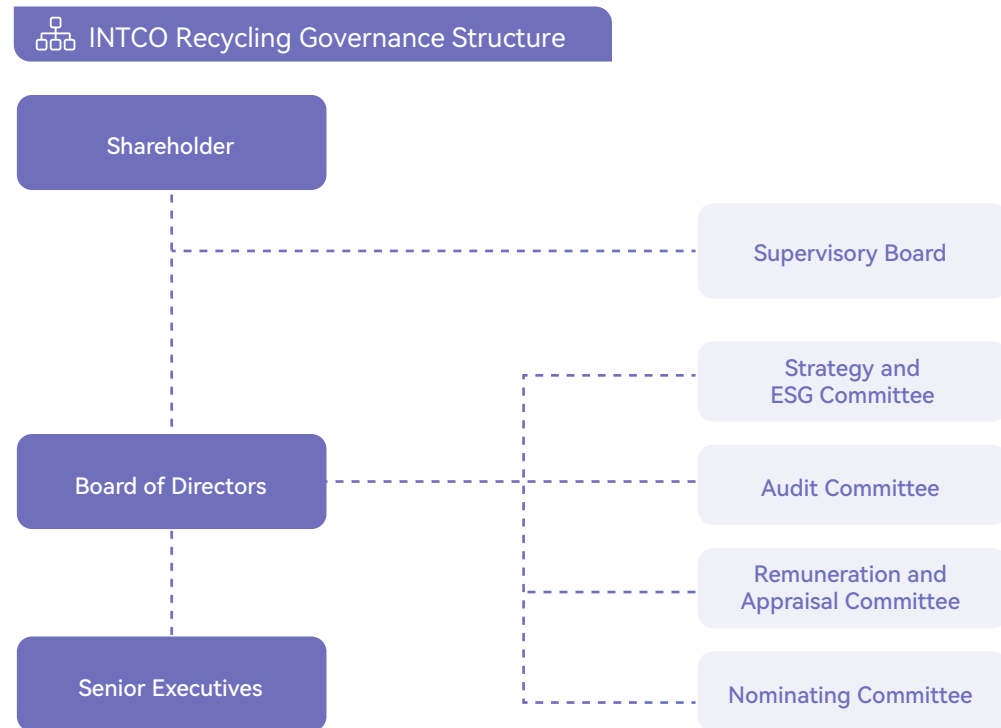
OUR ACTIONS

- Enhance the effectiveness and diversity of governance structures to strengthen corporate governance.
- Improve business ethics and risk management to ensure compliant operations.



IMPROVING THE GOVERNANCE STRUCTURE

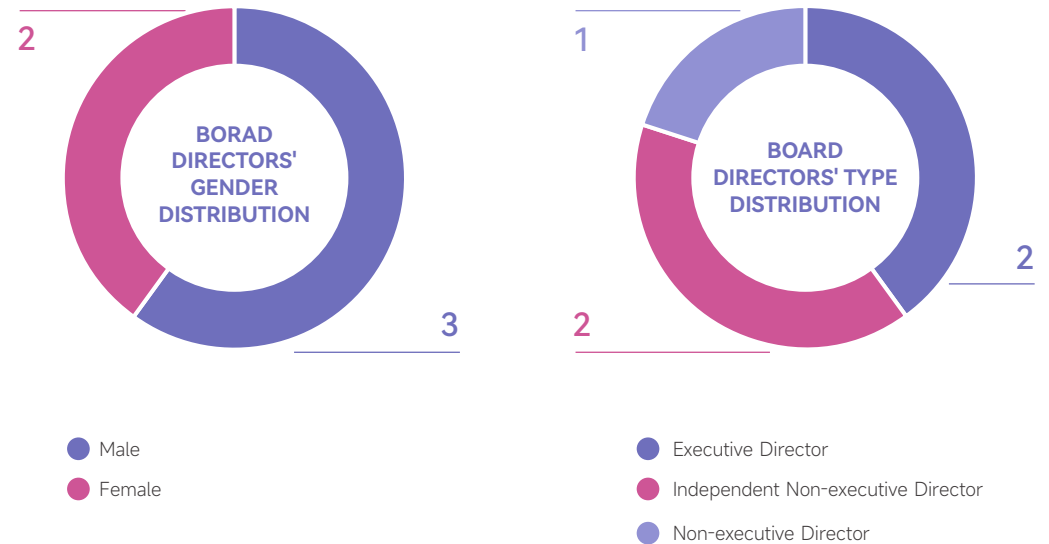
The standardization level of the Board of Directors directly affects the operational efficiency of a company. The Company strictly follows laws and regulations such as the *Company Law* and the *Articles of Association* as well as policy documents, to promote the modernization of its corporate governance system and capabilities. The board of directors established four specialized committees: the Strategy and ESG Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. These committees ensure the quality and decision-making by the Board of Directors.



Board Diversity

The Company believes that a diversified governance system can stimulate internal vitality and help the Company make decisions that better serve the interests of all stakeholders. When selecting candidates for directors, the Company not only considers their experience, skills, professional knowledge, and personal integrity, but also pays attention to comprehensive evaluation from a diversified perspective, including but not limited to gender, nationality, ethnicity, race, religion, and cultural background. In 2023, the Company elected its fourth Board of Directors, consisting of five members, including two independent directors and 40% of the board members are women.

Board Overview



ENSURING COMMERCIAL COMPLIANCE

Integrity is an integral part of INTCO Recycling's corporate culture. The Company continuously improves business ethics management mechanisms, strictly prohibits acts such as bribery, corruption, and unfair competition that violate business ethics and conduct code, and severely forbids employees from participating in activities that harm the interests of the Company, or its customers. At the same time, the Company establishes a sound reporting mechanism, conducts business ethics compliance training, and enhances employees' awareness of compliance.

In 2023, the Company did not experience any incidents related to corruption and bribery, conflicts of interest, discrimination or harassment, customer privacy data, money laundering, or insider trading.




Business Ethics Management Mechanisms

The Company thoroughly implements national laws and regulations such as the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China* to establish a sound business ethics and anti-corruption management system, which is under the overall supervision of the Audit Committee of the Board of Directors of the Company, and formulates a Code of Conduct to regulate the compliance of the business behaviors of all staff members, suppliers and other partners. Additionally, the Company conducts internal audits and risk assessments on business ethics across all operational sites, and integrates the performance of business ethics incidents with employee performance, continuously strengthening internal business ethics management. While the Company's anti-corruption and bribery policy applies to charitable donations and political donation activities.

Furthermore, to prevent violations of business ethics and supplier corruption in the procurement process, the Company requires suppliers to sign a "Supplier Anti-Bribery Commitment" in contracts, strictly adhering to the Company's business ethics policies. During the reporting period, all major suppliers have signed the "Supplier Anti-Bribery Commitment".



Whistleblowing Mechanism and Whistleblower

A transparent whistleblowing mechanism is an important part of the Company's internal control and compliance management. The Company has formulated and publicized the *Code of Conduct*, *Anti-Bribery Management System*, *Whistleblower Protection Policy*, etc., which systematically stipulates the responsibilities and reporting mechanism of departments and the Company, clarifies the reporting procedures, encourages the employees and stakeholders to report any violation of business ethics or non-compliance behaviors of the Company through the reporting hotline, e-mail, ethics and compliance hotline card, etc. At the same time, the Company strictly keeps the whistleblower information confidential to prevent malicious accusations and protects the whistleblower from retaliation so as to build a working atmosphere of integrity, righteousness and fairness within the Company.



Enhancing Awareness of Business Ethics

The Company conducts various forms of integrity awareness activities and training for all employees every year and plans to make the *Business Ethics Commitment* cover all employees. In addition, the Company places integrity awareness signs in the workshop and holds weekly meetings to emphasize the business risk points in the operation process, so as to continuously strengthen employees' awareness of compliance and business ethics.



During the reporting period

The Company conducted business ethics training

3 times with about **300** participants



Conducting integrity training and anti-corruption awareness-raising activities



COMPREHENSIVE RISK MANAGEMENT

In order to effectively prevent various risk events in business management, INTCO Recycling strengthened internal comprehensive risk management and control system, improved risk management and control mechanisms and processes, and established a sound risk management organizational structure. The Company carries out the identification, assessment and daily tracking of relevant risks around the whole process of operation and management every year, and adopts corresponding risk management and control measures, so as to effectively prevent various types of risk events in the operation and management.

Risk Management Structure

The Company established a risk governance structure, clarified the division of responsibilities at all levels, and ensured that the risk management and internal control system operates in a sound and proper manner.



Risk Management Process

The Company revised the risk management system, optimized the internal control system, strengthened risk identification, enhanced process efficiency, continuously explored ways to improve the level of risk prediction and analysis and risk resolution and disposal capabilities. The Company also promoted the organic integration of risk management with business decision-making and operation management, and facilitated the effective implementation of risk management and control processes in business and management systems.



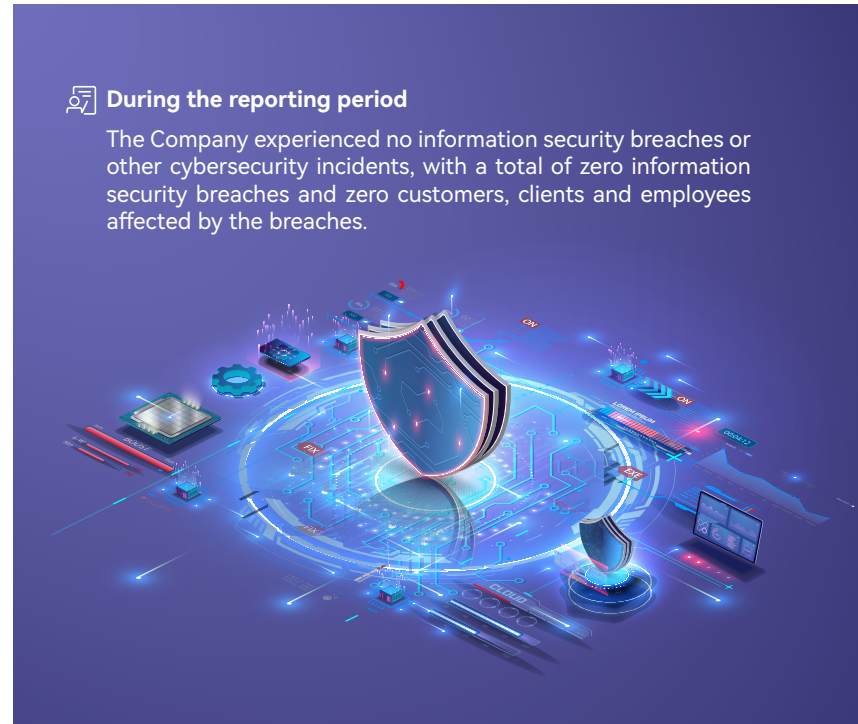
Risk Awareness Promotion

The Company is committed to creating a risk management culture and training all employees in risk management principles to enhance their overall awareness of risk management and control and risk identification. In addition, in order to enhance the Board of Directors' ability to assess and respond to risks, the Company regularly engages external organizations to conduct risk management training for all directors of the Company.

During the reporting period
 The Company conducted 1 training on risk identification management with about **200** participants

INFORMATION SECURITY MANAGEMENT

The Company pays attention to information security and privacy protection, strictly abides by the *Network Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and other relevant laws and regulations. The Company improves its own information security management mechanism, optimizes the information security management process, and raises the awareness of information security among its employees.

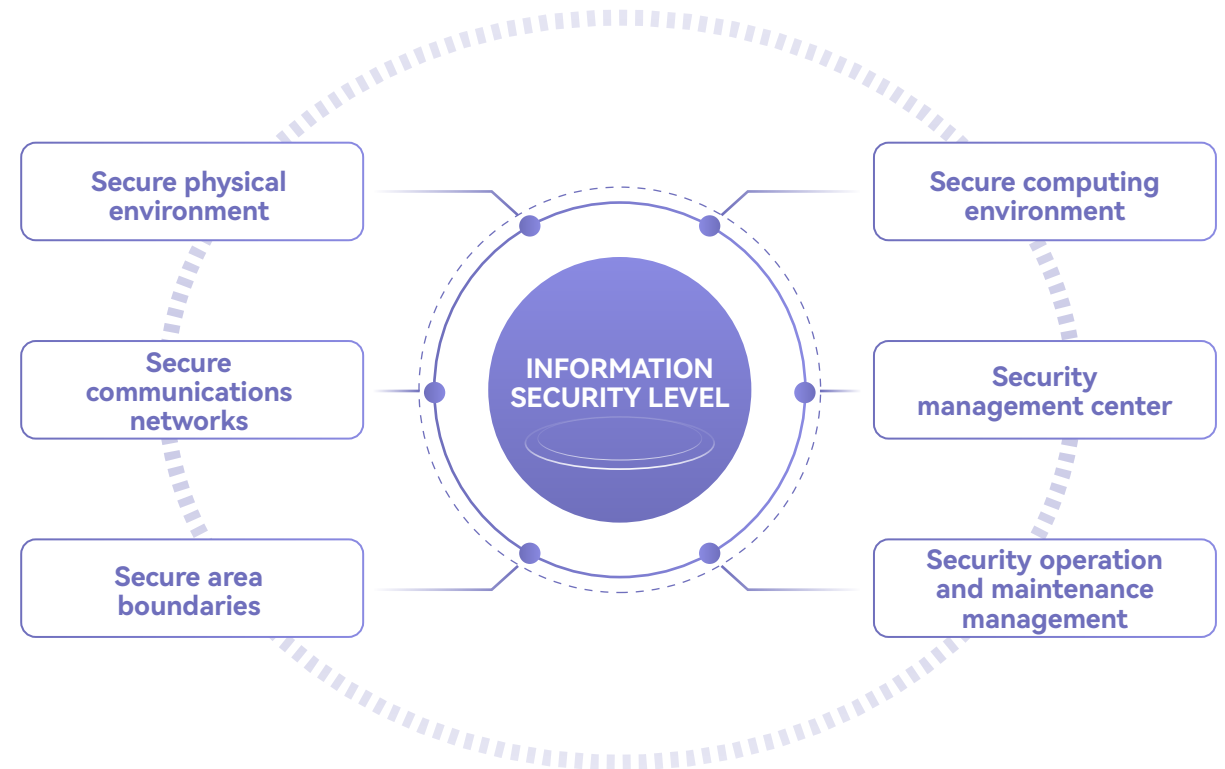


During the reporting period

The Company experienced no information security breaches or other cybersecurity incidents, with a total of zero information security breaches and zero customers, clients and employees affected by the breaches.

Securing Data and Information

The Company continuously improves the information security management organization, formulates and revises internal systems such as *Information Security Management Policy*, *Data Center Backup Management Policy*, *Information System Development Management Policy*, *IT Equipment Maintenance Management Policy* and other internal systems to clarify the information security management norms and to reduce the relevant risks in the operation process. The Company retested the information security management system in accordance with the latest national regulations and certified the information security system based on GB/T 22080. Supervisor Han Xuebin is responsible for overseeing the Company's cybersecurity strategy, building an information security management system covering all aspects of operations by carrying out risk monitoring, responding to security incidents and other initiatives to ensure the safety of the Company's information and data.



Information Security Risk Management ▶

The Company has set up a multi-level and multi-dimensional security risk management system, covering functions such as network firewall, intrusion detection, security intelligence platform, terminal antivirus, user behavior detection, etc. At the same time, information security emergencies are graded according to their level and corresponding resolution procedures are adopted. The Company conducts quarterly domain-wide scanning, especially monitoring and analyzing the information system infrastructure, application programs, network environment, etc., and improves the contingency plan and response procedures for incidents to ensure that the above security system can be carried out in a prompt, efficient and orderly manner.

In addition, the Company publicizes information security reporting methods and encourages employees and external stakeholders to report information security incidents discovered. The Company investigates and handles reported incidents in accordance with relevant policies and processes, and employees involved will be subject to relevant penalties, including termination of employment.



Enhancing the Quality and Efficiency of Information Security Management by Feishu Approval



The Company is committed to enhancing information security. Through the Feishu approval process, which ensures the security of sensitive data while strengthening the monitoring and auditing capabilities of staff operations. The Company not only enhanced the efficiency of internal processes, but also provided a safer and more trustworthy service environment for customers and partners, which further strengthened the Company's leading position in the industry.

Information Security Training ▶

In order to enable employees to fully understand and integrate the Company's information management policies, procedures, best practices, and response process in the event of an information security incident, the Company carries out information security education activities on a regular basis every year, with training covering key areas such as data encryption, access control, personal privacy protection, network security protection and so on to ensure that each employee is able to properly manage and protect sensitive data in their daily work. The content of training covers data encryption, access control, personal privacy protection, network security protection and other key areas.



During the reporting period

The Company conducted **24** relevant trainings.



Focusing on Customer Privacy Protection

The Company attaches importance to the protection of customer information, and in accordance with the *Law of the People's Republic of China on the Protection of Personal Information* to formulate relevant policies, improve the management mechanism. The Company managed the overall information security through access control, the establishment of an internal secure network and architecture, and by strengthening employee training to prevent the occurrence of information leaks.



APPENDIX 1: 2023 KPI TABLES

KPI	2021	2022	2023	Unit
Key Economic Performance				
Revenue	199,005.41	205,605.56	245,507.70	Ten thousand yuan
Net Profit	23,077.09	23,977.58	19,565.37	Ten thousand yuan
Key Environmental Performance				
Energy Use				
Gasoline	103,252	98,011	117,159	Liter
Diesel	106,416	159,181	225,651	Liter
Natural gas	76,776	407,080	743,058	Cubic Meter
Purchased electricity	59,774,785	70,023,245	92,677,515	kWh
Energy Consumption				
Direct energy consumption	2,735.06	6,481.50	10,365.18	MWh
Indirect energy consumption	59,774.79	70,023.24	92,677.52	MWh
Total energy consumption	62,509.84	76,504.74	103,042.70	MWh
Energy intensity	0.31	0.37	0.37	MWh/ten thousand yuan
Greenhouse Gas Emissions				
Direct emissions (Scope 1)	671.51	1442.49	2,295.12	tons of CO ₂ e
Direct GHG emissions intensity	0.003	0.007	0.01	tCO ₂ e/ten thousand yuan
Indirect emissions (Scope 2)	32,149.55	36,517.70	47,568.53	tons of CO ₂ e
Indirect GHG emissions intensity	0.16	0.18	0.17	tCO ₂ e/ten thousand yuan
Partial other indirect GHG missions (Scope 3)	-	-	534,933.56	tons of CO ₂ e
Partial other indirect GHG emissions intensity	-	-	1.93	tCO ₂ e/ten thousand yuan
Total GHG emissions (Scope 1 + Scope 2+Partial Scope 3)*	32,821.05	37,960.19	584,797.21	tons of CO ₂ e
Intensity of own-operation GHG emissions	0.16	0.18	0.18	tCO ₂ e/ten thousand yuan
Water Resources				
Total water withdrawal	156,272	224,287	311,111	Ton
Total water discharge	83,616	150,134	261,436	Ton
Total water consumption	72,656	74,153	44,177	Ton
Waste Water				
BOD	0	0.34	0	Ton
COD	0	1.00	0	Ton

KPI	2021	2022	2023	Unit
NH3-N	0	0	0	Ton
Waste				
Total non-hazardous waste	11,027.63	10,444.76	5,311.08	Ton
Recycling of non-hazardous waste	10,253.42	9,612.65	3,738.53	Ton
Total hazardous waste	55.38	81.98	529.48	Ton
Waste Gas				
Nitrogen oxide emissions	0	0	0	Ton
Sulfur oxide emissions	0	0	0	Ton
VOCs	6.16	3.83	7.02	Ton
Packaging Materials				
Total packaging material	9,526.50	9,077.70	13,352.06	Ton
Total plastic usage (bubble pad/EPE/tape/film)	1,350.50	1,269.70	1,215.94	Ton
Foam plates	273.00	236.00	60.00	Ton
Cartons	7,693.90	7,217.90	11,776.08	Ton
Paper pallets	95.10	189.10	175.07	Ton
Others (corner protector, grey board paper, kraft paper)	114.00	165.00	125.00	Ton
Key Social Performance				
Employment				
Total number of employees	2,814	2,986	3,536	Person
Full-time and part-time employees				
Full-time	2,813	2,985	3,536	Person
Part-time	1	1	0	Person
Employees Composition				
Male	1,601	1,739	2,036	Person
Female	1,213	1,247	1,500	Person
Aged 30 and under	969	1,103	1,378	Person
Aged 31 to 50	1,537	1,585	1,850	Person
Aged 51 and above	308	298	299	Person
Chinese employees	2,614	2,458	2,805	Person
Overseas employees	200	528	731	Person
Management diversity				
Number of senior management-male	255	360	105	Person
Number of senior management-female	79	123	74	Person

KPI	2021	2022	2023	Unit
New Employees Overview				
Total number of new employees	612	622	1,122	Person
Male	335	386	665	Person
Female	277	236	457	Person
Aged 30 and under	267	351	641	Person
Aged 31 to 50	338	267	445	Person
Aged 51 and above	7	4	36	Person
Chinese employees	455	181	946	Person
Overseas employees	157	441	176	Person
Employees Turnover				
Total number of employee turnover	945	630	1,000	Person
Employee turnover rate	25.50	21.09	21.47	%
Male	24.70	21.03	22.03	%
Female	26.12	21.28	20.69	%
Aged 30 and under	33.12	25.99	29.59	%
Aged 31 to 50	19.46	16.20	15.16	%
Aged 51 and above	24.37	23.65	15.52	%
Chinese employees	26.25	22.81	23.33	%
Overseas employees	10.99	11.82	13.78	%
Occupational health and safety				
Number of EHS training sessions	50	109	117	Event
EHS training coverage rate	100	100	100	%
Investment in EHS	1,703.94	923.05	718.51	Ten thousand yuan
Number of work-related accidents	11	15	20	Case
Number of deaths due to work-related incidents	0	0	0	Person
Employee Training				
Total hours of employee training	117,123	134,508	206,352	Hour
Employee training coverage	100	100	100	%
Average training hours per employee	41.62	45.05	58.35	Hour
Supply chain management				
Number of suppliers	1,064	1,214	1,166	Unit
Chinese supplier	1,039	1,075	841	Unit
Overseas supplier	25	139	325	Unit

APPENDIX 2: GRI STANDARDS INDEX

Usage Instruction: INTCO Recycling has reported the information for the period from January 1, 2023 to December 31, 2023 in accordance with the GRI Standards
GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter/Notes	Page
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	Company Overview	07-10
2-2	Entities included in the organization's	About this Report	03
2-3	Reporting period, frequency and contact point sustainability reporting	About this Report	03
2-4	Restatements of information	No restatements of information	
2-5	External assurance	No external assurance	
Activities and workers			
2-6	Activities, value chain and other business relationships	Company Overview Promoting a Responsible Supply Chain	07-10 51-52
2-7	Employees	Conveying Employee Care 2023 KPI Tables	45-49 68-70
2-8	Workers who are not employees	2023 KPI Tables	68-70
Governance			
2-9	Governance structure and composition	Improving the Governance Structure	61
2-10	Nomination and selection of the highest governance body	Improving the Governance Structure	61
2-11	Chair of the highest governance body	Improving the Governance Structure	61
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance Framework	11
2-13	Delegation of responsibility for managing impacts	ESG Governance Framework	11
2-14	Role of the highest governance body in sustainability reporting	About this Report	03
2-15	Conflicts of interest	Ensuring Commercial Compliance	62-63
2-16	Communication of critical concerns	Stakeholder Engagement	12
2-17	Collective knowledge of the highest governance body	ESG Governance Framework	11
2-18	Evaluation of the performance of the highest governance body	ESG Governance Framework	11
2-19	Remuneration policies	Disclosures are omitted due to commercial confidentiality restrictions	
2-20	Process to determine remuneration	Disclosures are omitted due to commercial confidentiality restrictions	
2-21	Annual total compensation ratio	Disclosures are omitted due to commercial confidentiality restrictions	

GRI Standard	Disclosure	Chapter/Notes	Page
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from the Chairman	04
2-23	Policy commitments	Pursuing Excellent Quality Developing Green Environment Strengthening Safety Management Empowering Employee Development Conveying Employee Care Building a Harmonious Community Improving the Governance Structure Ensuring Commercial Compliance Information Security Management	23-26 28-36 37-40 42-44 45-49 55-59 61 62-63 65-67
2-24	Embedding policy commitments	Pursuing Excellent Quality Developing Green Environment Strengthening Safety Management Empowering Employee Development Conveying Employee Care Building a Harmonious Community Improving the Governance Structure Ensuring Commercial Compliance Information Security Management	23-26 28-36 37-40 42-44 45-49 55-59 61 62-63 65-67
2-25	Processes to remediate negative impacts	Pursuing Excellent Quality Strengthening Safety Management Conveying Employee Care Information Security Management	23-26 37-40 45-49 65-67
2-26	Mechanisms for seeking advice and raising concerns	Ensuring Commercial Compliance	62-63
2-27	Compliance with laws and regulations	Ensuring Commercial Compliance	62-63
2-28	Membership of associations	Leading Industry Development	53-54

GRI Standard	Disclosure	Chapter/Notes	Page
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	12
2-30	Collective bargaining agreements	Conveying Employee Care	45-49
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality Assessment	13
3-2	List of material topics	Materiality Assessment	13
Economics			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Materiality Assessment	13
201-1	Direct economic value generated and distributed	Company Overview	08-10
201-2	Financial implications and other risks and opportunities due to climate change	Developing Green Environment	28-36
201-3	Defined benefit plan obligations and other retirement plans	Conveying Employee Care	45-49
201-4	Financial assistance received from government	Disclosures are omitted due to commercial confidentiality restrictions	
GRI 202: Market Presence 2016			
3-3	Management of material topics	Company Overview	08-10
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Disclosures are omitted due to commercial confidentiality restrictions	
202-2	Proportion of senior management hired from the local community	Disclosures are omitted due to commercial confidentiality restrictions	
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Promoting Industry Development Building a Harmonious Community	53-54 55-59
203-1	Infrastructure investments and services supported	Promoting Industry Development Building a Harmonious Community	53-54 55-59
203-2	Significant indirect economic impacts	Promoting Industry Development Building a Harmonious Community	53-54 55-59
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Promoting a Responsible Supply Chain	51-52
204-1	Proportion of spending on local suppliers	Disclosures are omitted due to commercial confidentiality restrictions	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Ensuring Commercial Compliance	62-63
205-1	Operations assessed for risks related to corruption	Ensuring Commercial Compliance	62-63
205-2	Communication and training about anti-corruption policies and procedures	Ensuring Commercial Compliance	62-63
205-3	Confirmed incidents of corruption and actions taken	Ensuring Commercial Compliance	62-63
GRI 206: Anti-competitive Behavior 2016			

GRI Standard	Disclosure	Chapter/Notes	Page
3-3	Management of material topics	Ensuring Commercial Compliance	62-63
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ensuring Commercial Compliance	62-63
Environment			
GRI 301: Materials 2016			
3-3	Management of material topics	Developing Green Environment	28-36
301-1	Weight or volume of materials used	Developing Green Environment 2023 KPI Tables	28-36 68-70
301-2	Recycled input materials used	Developing Green Environment	28-36
301-3	Reclaimed products and their packaging materials	Developing Green Environment	28-36
GRI 302: Energy 2016			
3-3	Management of material topics	Developing Green Environment	28-36
302-1	Energy consumption within the organization	Developing Green Environment 2023 KPI Tables	28-36 68-70
302-2	Energy consumption outside of the organization	2023 KPI Tables	68-70
302-3	Energy intensity	2023 KPI Tables	68-70
302-4	Reduction of energy consumption	Developing Green Environment	28-36
302-5	Reductions in energy requirements of products and services	Developing Green Environment	28-36
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	Developing Green Environment	28-36
303-1	Interactions with water as a shared resource	Developing Green Environment	28-36
303-2	Management of water discharge-related impacts	Developing Green Environment	28-36
303-3	Water withdrawal	Developing Green Environment 2023 KPI Tables	28-36 68-70
303-4	Water discharge	Developing Green Environment 2023 KPI Tables	28-36 68-70
303-5	Water consumption	Developing Green Environment 2023 KPI Tables	28-36 68-70
GRI 305: Emissions 2016			
3-3	Management of material topics	Developing Green Environment	28-36
305-1	Direct (Scope 1) GHG emissions	Developing Green Environment 2023 KPI Tables	28-36 68-70
305-2	Energy indirect (Scope 2) GHG emissions	Developing Green Environment 2023 KPI Tables	28-36 68-70

GRI Standard	Disclosure	Chapter/Notes	Page
305-3	Other indirect (Scope 3) GHG emissions	Developing Green Environment 2023 KPI Tables	28-36 68-70
305-4	GHG emissions intensity	2023 KPI Tables	68-70
305-5	Reduction of GHG emissions	Developing Green Environment	28-36
305-6	Emissions of ozone-depleting substances (ODS)	No ODS emissions during company operations and production processes	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Developing Green Environment 2023 KPI Tables	28-36 68-70
GRI 306: Waste 2020			
3-3	Management of material topics	Developing Green Environment	28-36
306-1	Waste generation and significant waste-related impacts	Developing Green Environment	28-36
306-2	Management of significant waste-related impacts	Developing Green Environment	28-36
306-3	Waste generated	Developing Green Environment 2023 KPI Tables	28-36 68-70
306-4	Waste diverted from disposal	Developing Green Environment 2023 KPI Tables	28-36 68-70
306-5	Waste directed to disposal	Developing Green Environment	28-36
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Promoting a Responsible Supply Chain	51-52
308-1	New suppliers that were screened using environmental criteria	Disclosures are omitted due to insufficient information	
308-2	Negative environmental impacts in the supply chain and actions taken	Promoting a Responsible Supply Chain	51-52
Social			
GRI 401: Employment relationship 2016			
3-3	Management of material topics	Empowering Employee Development Conveying Employee Care	42-44 45-49
401-1	New employee hires and employee turnover	2023 KPI Tables	68-70
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Conveying Employee Care	45-49
401-3	Parental leave	Conveying Employee Care	45-49
GRI 402: Labor/Management Relations 2016			
3-3	Management of material topics	Empower Employee Development Conveying Employee Care	42-44 45-49
402-1	Minimum notice periods regarding operational changes	Conveying Employee Care	45-49
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Strengthening Safety Management	37-40

GRI Standard	Disclosure	Chapter/Notes	Page
403-1	Occupational health and safety management system	Strengthening Safety Management	37-40
403-2	Hazard identification, risk assessment, and incident investigation	Strengthening Safety Management	37-40
403-3	Occupational health services	Strengthening Safety Management	37-40
403-4	Employees' participation, consultation, and communication on occupational health and safety	Strengthening Safety Management	37-40
403-5	Employees' training in occupational health and safety	Strengthening Safety Management	37-40
403-6	Promotion of employees' health	Strengthening Safety Management	37-40
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Safety Management	37-40
403-8	Employees covered by an occupational health and safety management system	Strengthening Safety Management	37-40
403-9	Work-related injuries	Strengthening Safety Management	37-40
403-10	Work-related ill health	Strengthening Safety Management	37-40
GRI 404: Training and Education 2016			
3-3	Management of material topics	Empowering Employee Development	42-44
404-1	Average hours of training per year per employee	Empowering Employee Development 2023 KPI Tables	42-44 68-70
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Employee Development	42-44
404-3	Percentage of employees receiving regular performance and career development reviews	Empowering Employee Development	42-44
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
405-1	Diversity of governance bodies and employees	Conveying Employee Care	45-49
405-2	The ratio of basic salary and remuneration of women to men	Disclosures are omitted due to commercial confidentiality restrictions	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
406-1	Incidents of discrimination and corrective actions taken	Conveying Employee Care	45-49
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Conveying Employee Care	45-49
GRI 408: Child Labor 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
408-1	Operations and suppliers at significant risk for incidents of child labor	Conveying Employee Care	45-49

GRI Standard	Disclosure	Chapter/Notes	Page
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Conveying Employee Care	45-49
GRI 410: Security Practices 2016			
3-3	Management of material topics	Conveying Employee Care	45-49
410-1	Security personnel trained in human rights policies or procedures	Conveying Employee Care	45-49
GRI 413: Local Communities 2016			
3-3	Management of material topics	Building a Harmonious Community	55-59
413-1	Operations with local community engagement, impact assessments, and development programs	Building a Harmonious Community	55-59
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Promoting a Responsible Supply Chain	51-52
414-1	New suppliers that were screened using social criteria	Disclosures are omitted due to Insufficient information	
414-2	Negative social impacts in the supply chain and actions taken	Promoting a Responsible Supply Chain	51-52
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Pursuing Excellent Quality	23-26
416-1	Assessment of the health and safety impacts of product and service categories	Pursuing Excellent Quality	23-26
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not occurred during the reporting period	
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	Pursuing Excellent Quality	23-26
417-1	Requirements for product and service information and labeling	Pursuing Excellent Quality	23-26
417-2	Incidents of non-compliance concerning product and service information and labeling	Pursuing Excellent Quality	23-26
417-3	Incidents of Non-compliance Involving Marketing Communications	Not occurred during the reporting period	
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Information Security Management	65-67
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not occurred during the reporting period	