



**2022**

**ENVIRONMENTAL SOCIAL  
AND GOVERNANCE  
REPORT**

INTCO RECYCLING, RENEWING THE WORLD

# ABOUT THIS REPORT

## INTRODUCTION

This report is the first environmental, social and governance report (referred to as "this Report" or the "ESG Report") issued by Shandong 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 2022 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 1<sup>st</sup> to December 31<sup>st</sup> 2022 (referred to as the "reporting period"). Unless otherwise specified, information references data dating back to 2021 or before or extending to 2023.

## 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 Guidelines for Self-regulation of Listed Companies on the STAR Market of the Shanghai Stock Exchange.

## 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 19th, 2023.

## 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](http://www.sse.com.cn)) and the website of the Company ([www.intco-recycling.com](http://www.intco-recycling.com)). 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](mailto:Board@intco.com.cn)  
Tel: 0533-6097778

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## Message from the Chairman

Climate change and resource shortage are the common challenges faced by humanity. Under the trend of global carbon emission reduction, laws and regulations on recycled plastics have been issued, such as the "14th Five-Year Plan" plastic pollution control plan and other measures. Meanwhile, the developed countries in Europe and the United States ask the brands to define the proportion of recycled plastics and the self-commitment, which make plastic recycling a social hot spot. The year of 2022 was the second decade of Intco Recycling in the industry. With our unique business model and advanced technology, we will be able to achieve steady self-development while promoting the development of the circular economy.

Intco Recycling strengthens reform and innovation, continuously boosts and optimizes the main business, and upgrades the Company's production capacity by continuous innovation, accelerating digital transformation, and improving product performance. Meanwhile, we pay attention to customer demand and feedback, actively provide high-quality services, deepen brand building, and create the global business card of "INTCO Recycling, Renewing the World".

Intco Recycling has incorporated green development into the Company's business philosophy, continuously optimized the environmental management system, actively promoted the recycling of resources, reduced carbon emissions generated from our operational activities, reduced the impact on the environment, protected and cared for the community and surrounding environment, and built an eco-friendly sustainable development model.

Intco Recycling regards human capital as the key factor to the Company's development. We contribute to establish a sound talent refinement management system, provide a harmonious working environment for employees and protect their health and safety. In addition, we pay attention to the development of employees themselves, organize and establish a complete training system to maximize the personal potential of each employee, and create a sustainable and bright future for the Company and employees.

Intco Recycling focuses on inter-Company cooperation and hopes to build a harmonious and sustainable value chain with the supply chain and the whole industry. At the same time, we take practical action to participate in environmental protection and public welfare, give full play to our advantages to promote social development and give back to society through our technology and ability.

To protect the rights and interests of stakeholders, Intco Recycling optimizes a robust corporate governance structure through institutional management initiatives, implements risk management initiatives in the business process, abides by business ethics, deepens information security protection, ensures corporate compliance and healthy development, and undertakes corporate responsibility.

In the future, Intco Recycling will take the vision of "Becoming a Global Leader in High-tech Recycled Resource Manufacturing", and with the advantages of the whole industrial chain of resource recycling and globalization, serve human needs with the crystallization of human wisdom, and contribute to sustainable development in the new global carbon economy!

Frank Liu



*With the Human Wisdom Serving the Human Needs*

# Company Overview

Intco Recycling is a high-tech manufacturer of recycled products. Utilizing recycled resources, it has created a full supply chain with recirculated plastics. Intco has established a unique business model by processing recycled plastics into fashionable consumer products. Our main products include plastic scrap compactor machines, recycled plastic pellets, frame moldings, art frames, photo frames, mirror frames, wall panels, crown molding and other interior and exterior decorative materials, which are widely sold in more than 120 countries and regions worldwide. We provide quality products and services to more than 12,000 customers worldwide.

The Company has three business divisions: Reduce, Recycle, and Reuse, which are respectively responsible for different business fields and product development and innovation. Based on the advantages of PS<sup>1</sup> and PET<sup>2</sup> plastic recycling and reuse, the Company will vertically expand PE<sup>3</sup>, PP<sup>4</sup>, HDPE<sup>5</sup>, and other plastic recycling fields and horizontally expand to the area of multi-material resource recycling to realize the development strategy of "INTCO Recycling, Renewing the World".

1. Polystyrene (PS)
2. Polyethylene Terephthalate (PET)
3. Polyethylene (PE)
4. Polypropylene (PP)
5. High Density Polyethylene (HDPE)

## REDUCE

Mainly operating plastic scrap compactor machines, such as foam cold compactor series, foam hot melt machine series, dewate compactor machine





## RECYCLE

Main operating recycled PS and recycled PET products, including r-PS pellets, r-PET pellets, r-PET clear flakes, r-PE pellets

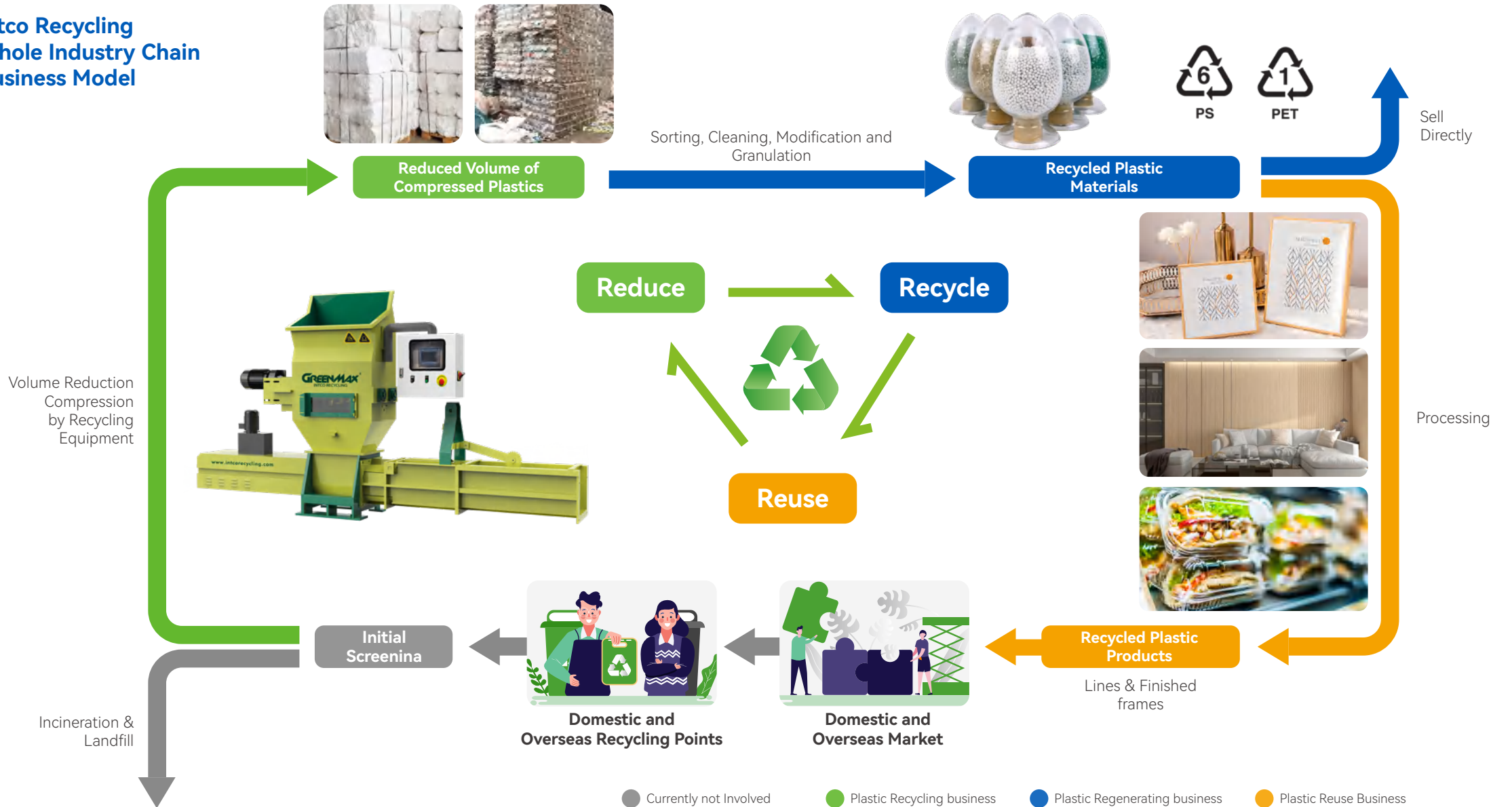



## REUSE

Mainly producing and selling r-PS decorative lines, r-PS building material lines, r-PS frames, r-PET sheets and products

# Intco Recycling Whole Industry Chain Business Model



## Intco Recycling Main Products

### Reducing Equipments



Foam Screw Compactor



Foam Melter



Dewater

### Recycled Plastic Pellets



r-PS Pellets



r-PET Pellets



r-PE Pellets

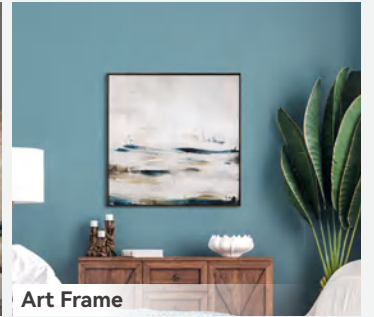
### Recycled Plastic Products



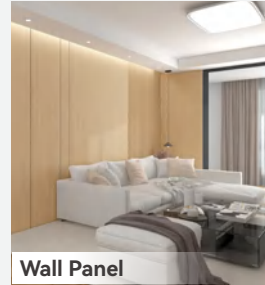
Photo Frame



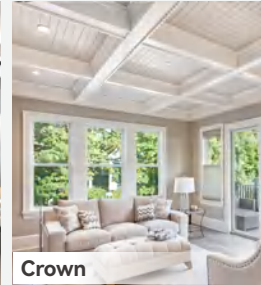
Mirror Frame



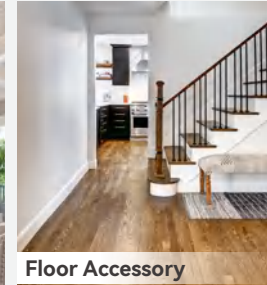
Art Frame



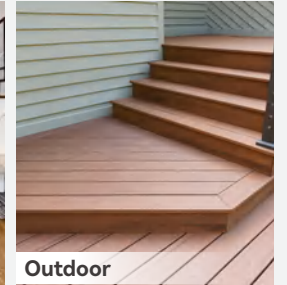
Wall Panel



Crown



Floor Accessory



Outdoor



r-PET Sheets



r-PET Packages



r-PET Cups & Lids

Since establishment, Intco Recycling has reduced carbon emissions by about 2.5 million tons, saved about 3.75 million tons of crude oil resources and about 25 million trees, contributing its value and power to achieve carbon neutrality and about development of the earth.

## Year Performance





# 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.



## 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

## Our History



## Honors

During the reporting period, Intco Recycling received several awards and recognition.

### “Intellectual Property Advantage Enterprise”

National Intellectual Property Office



### “Science and Technology Progress Award”

China National Light Industry Council



### “2022 Shandong Provincial Science and Technology Small Giant List”

Shandong Provincial Science and Technology Department



### “Key Cultivation Enterprise of Local Multinational Companies in Shandong Provincial”

Shandong Provincial Department of Commerce



### “Shandong Provincial Innovation and Practice Base for Postdoctors”

Human Resources and Social Security Department of Shandong Province



### “First Batches of Resource Recycling Enterprises in Shanghai”

Shanghai Municipal Development and Reform Commission



### “Plastic Waste Innovation Recycling Model Case Enterprise”

China National Resources Recycling Association



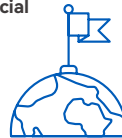
### “Top 100 Eco-friendly Industry Enterprises in Shandong Provincial in 2021”

Shandong Provincial Department of Ecology and Environment



### “Leading Enterprise of Service Trade in 2021”

Shandong Provincial Trade in Services Association



### “First Batches of Pilot Enterprises of Modern Environmental Governance System”

Shanghai Municipal Bureau of Ecology and Environment



### “Shanghai Environmental Education Foundation”

Shanghai Municipal Bureau of Ecology and Environment



### “Top 100 Industrial Enterprises 2022 Top 100 Comprehensive Enterprises in Zibo”

Zibo City Enterprise Federation, Zibo City Bureau of Industry and Information Technology



# ESG Management

Intco Recycling fully practices the values of " Love Goodness Truth ", pays long-term attention to the harmonious unification of economic benefits with social and environmental benefits, insists on practicing ESG concept with practical actions, continuously improves ESG management mechanisms, and joins hands with stakeholders to constantly create sustainable value for society.

## ESG Governance Framework

The Company dynamically assesses the importance of ESG issues, providing guidance to better integrate management operations with ESG by identifying and managing related risks. 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. The ESG governance structure, which is supervised and decided at the board level, coordinated and promoted by the ESG team, and implemented by all departments of the Company, has been formed to strengthen further the standardization and rationality of the ESG management, fully mobilizes the resources and elements, and promotes the sustainable development of corporate governance, society, and environment.

## Stakeholder Engagement

The Company believes that effective stakeholder communication is an important basis for ESG work. The Company establishes a regular communication mechanism with stakeholders to promptly understand all parties' suggestions and expectations and integrate them into the operations and decisions to achieve a win-win situation for all parties. During the reporting period, the Company identified the following major stakeholders who have power and influence on the Company decision-making and are closely related to the Company by referring to the industry issues, GRI standards, and capital market ratings, combined with our business and operational characteristics.

Stakeholders	Expectations and Demands	Our Response	Communication Channels
<b>government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>compliance operation</li> <li>drive social employment</li> <li>product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>comply with laws and regulations</li> <li>implement regulatory requirements</li> <li>assist local economic development</li> <li>improve product quality</li> </ul>	<ul style="list-style-type: none"> <li>research reception</li> <li>daily conference</li> <li>thematic meetings</li> <li>information reporting</li> </ul>
<b>shareholders and investors</b>	<ul style="list-style-type: none"> <li>reduce business operational risk</li> <li>regulate corporate governance</li> <li>capital appreciation</li> <li>protect rights and interests of investors</li> <li>promote technology innovation</li> </ul>	<ul style="list-style-type: none"> <li>enhance risk control</li> <li>improve corporate profitability</li> <li>improve the corporate governance system</li> <li>disclose information according to the law</li> <li>protect rights and interests of small and medium-sized investors</li> <li>shareholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>shareholder meetings</li> <li>earnings release</li> <li>press releases, information disclosures</li> <li>roadshows and reverse roadshows</li> </ul>
<b>clients/ consumers</b>	<ul style="list-style-type: none"> <li>ensure product and service quality</li> <li>customer relationship management</li> </ul>	<ul style="list-style-type: none"> <li>provide high-quality products and services</li> <li>strictly fulfill the contract obligations</li> </ul>	<ul style="list-style-type: none"> <li>customer satisfaction survey</li> <li>customer communication and visit</li> <li>online communication (app, official website, 400 consumer service hotline, etc.)</li> </ul>
<b>employees</b>	<ul style="list-style-type: none"> <li>protect basic rights</li> <li>provide a good career path</li> <li>provide a healthy, safe and comfortable work environment</li> <li>compensation and benefits</li> </ul>	<ul style="list-style-type: none"> <li>comply with laws and regulations</li> <li>provide career development planning</li> <li>provide occupational health and employee care</li> </ul>	<ul style="list-style-type: none"> <li>staff congress</li> <li>employee communications</li> <li>employee training and career development planning</li> <li>employee care activities</li> </ul>
<b>partners (suppliers and other partners)</b>	<ul style="list-style-type: none"> <li>conduct fair trade</li> <li>promote industry progress</li> </ul>	<ul style="list-style-type: none"> <li>establish and follow open and transparent procurement principles and cooperation mechanisms</li> <li>pursue mutually beneficial cooperation</li> <li>responsible sourcing</li> <li>participation in formulating the industry standards</li> </ul>	<ul style="list-style-type: none"> <li>participate in industry and business associations</li> <li>industry exhibition</li> <li>open and transparent bidding process</li> <li>industry chain partner training and management</li> </ul>
<b>community</b>	<ul style="list-style-type: none"> <li>support community construction</li> <li>participate in community charity activities</li> <li>support disaster relief</li> </ul>	<ul style="list-style-type: none"> <li>participate in voluntary activities</li> <li>provide disaster relief</li> </ul>	<ul style="list-style-type: none"> <li>charity activities</li> <li>voluntary service</li> </ul>
<b>media</b>	<ul style="list-style-type: none"> <li>daily communication</li> <li>information disclosure</li> <li>provide specialized interviews and other communication</li> </ul>	<ul style="list-style-type: none"> <li>information disclosure</li> <li>media interviews and communication</li> </ul>	<ul style="list-style-type: none"> <li>press releases</li> <li>media communication</li> </ul>

## Materiality Assessment

The Company identified potential materiality issues through peer benchmarking and considering the concerns in the capital market and conducted interviews and questionnaires with internal and external stakeholders to assess and confirm the ranking of each issue. The management of the Company adjusted and confirmed the ranking of the issues in terms of importance to the Company and

importance to stakeholders. During the reporting period, the Company identified 18 related materiality issues, including 8 extremely important issues, 8 mediumly important issues and 2 important issues. This Report will provide information disclosure and resources to various material issues.

### Identification of ESG potential materiality issues

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

### Stakeholder engagement

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

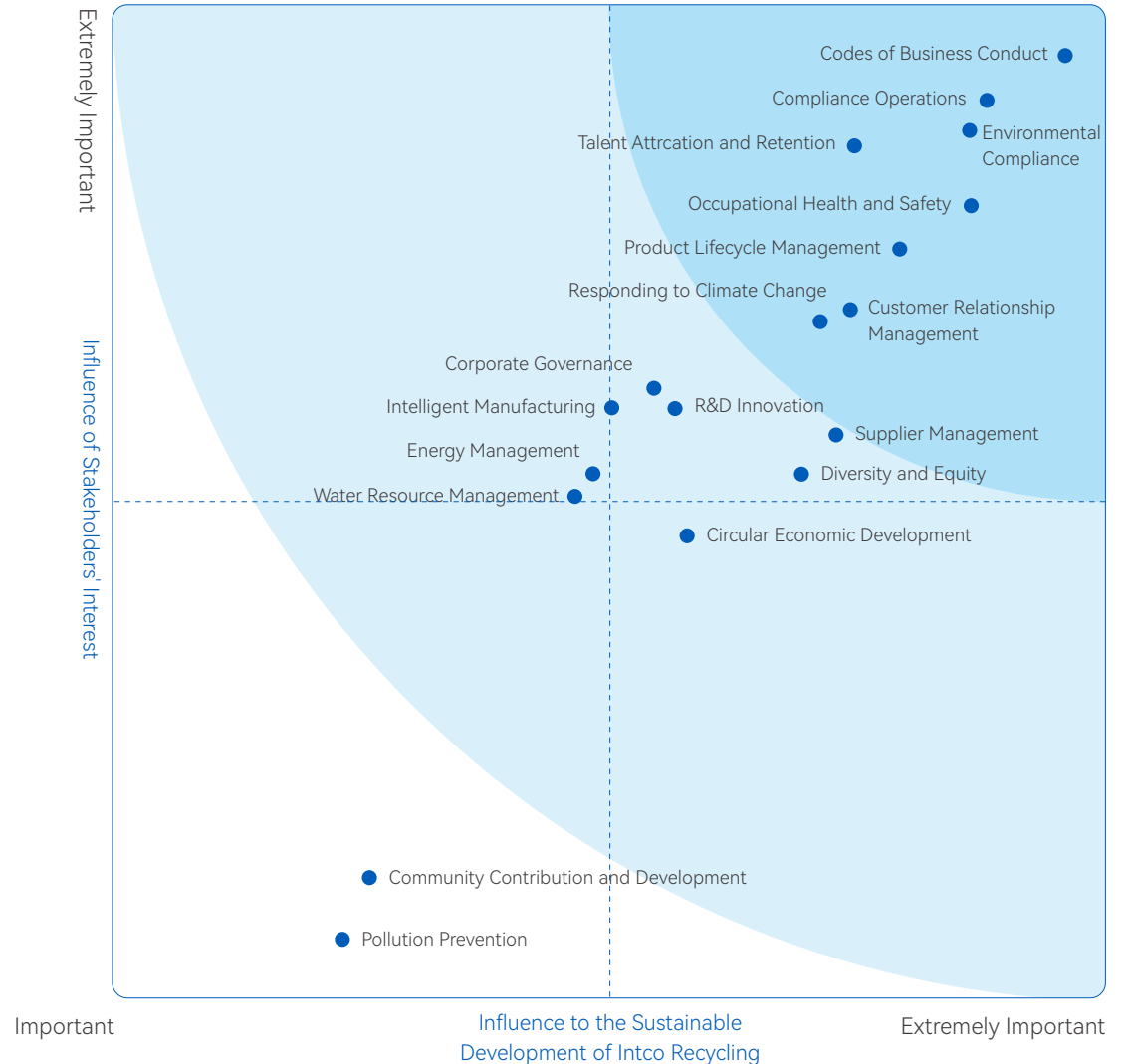
### Prioritization of materiality issues

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

### Confirmation 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

## ESG Materiality Matrix of Intco Recycling



### Our Topics of Interest

- R&D Innovation
- Product Lifecycle Management
- Intelligent Manufacturing
- Customer Relationship Management
- Circular Economic Development

### Corresponding SDGs



# REBIRTHING FROM TRANSFORMATION BY HIGH-TECH

### Our Actions

- Innovating circular economy model
- Establishing and improving a comprehensive product quality supervision system standard
- Enhancing enterprise digitalization and automation productivity
- Focusing on client and customer experience to manage and improve customer feedback

There is no waste in the world, only misplaced resources. Adhering to the business philosophy of "Reducing White pollution, Promoting Resource Regeneration, Recycling and Green Utilization", Intco Recycling develops recycling technology

in-depth to reshape plastic waste into a new life while meeting the social demand for high-quality recycled plastic products and contributing to the construction of our planet with our wisdom.

## Gathering Innovation Synergy



The Company regards innovation as the core driving force to promote the long-term and high-quality development of the enterprise. Through twenty years of development and progress in the plastic recycling industry, the Company has constantly been improving its innovation ability and successfully building the whole business chain of "Plastic Reduce, Plastic Recycle, Plastic Products, Circular Recycling". We continue further to enrich the plastic recycling category through integrated innovation and continue to develop and optimize plastic recycling solutions.

## Stimulating Innovation

The Company establishes a sound R&D management mechanism and creates the intellectual property protection system to improve R&D innovation management in all aspects and provide a solid foundation for continuous innovation.

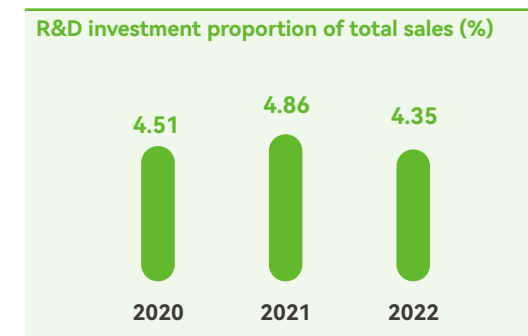
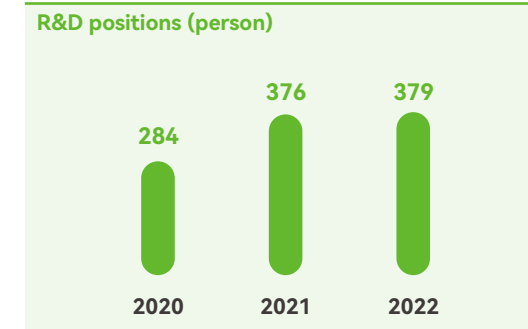
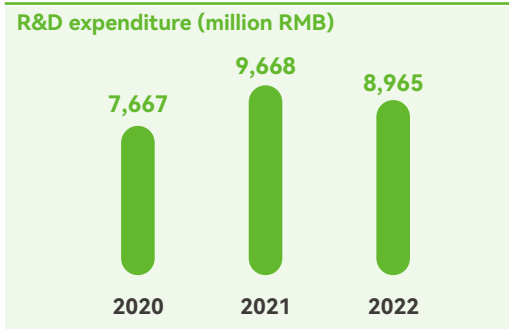
### R&D Management Mechanism

R&D innovation is an important traction for the development of recycling resources industry, and a key to break through technical bottlenecks and achieve harmonious economic development, resource saving and environmental protection. Excellent R&D innovation capability cannot be separated from the firm guarantee of a perfect R&D management mechanism. The Company prepares the *R&D Project Management System Manual*, standardizes the R&D project management process, clarifies R&D project management organization structure, classifies projects according to R&D content, difficulty, and complexity, and realizes efficient management of R&D projects.



The Company has established an R&D system based on strategic innovation of cutting-edge technology and market-oriented improvement innovation, providing R&D and innovation platforms and various guarantee mechanisms for employee participation to maximize employee's innovation potential. Moreover, we also focus

on strengthening cooperation with universities and other research institutions through industry-academia collaboration, leveraging each party's strengths in scientific research innovation and talent cultivation to foster collaborative innovation and achieve mutual development.

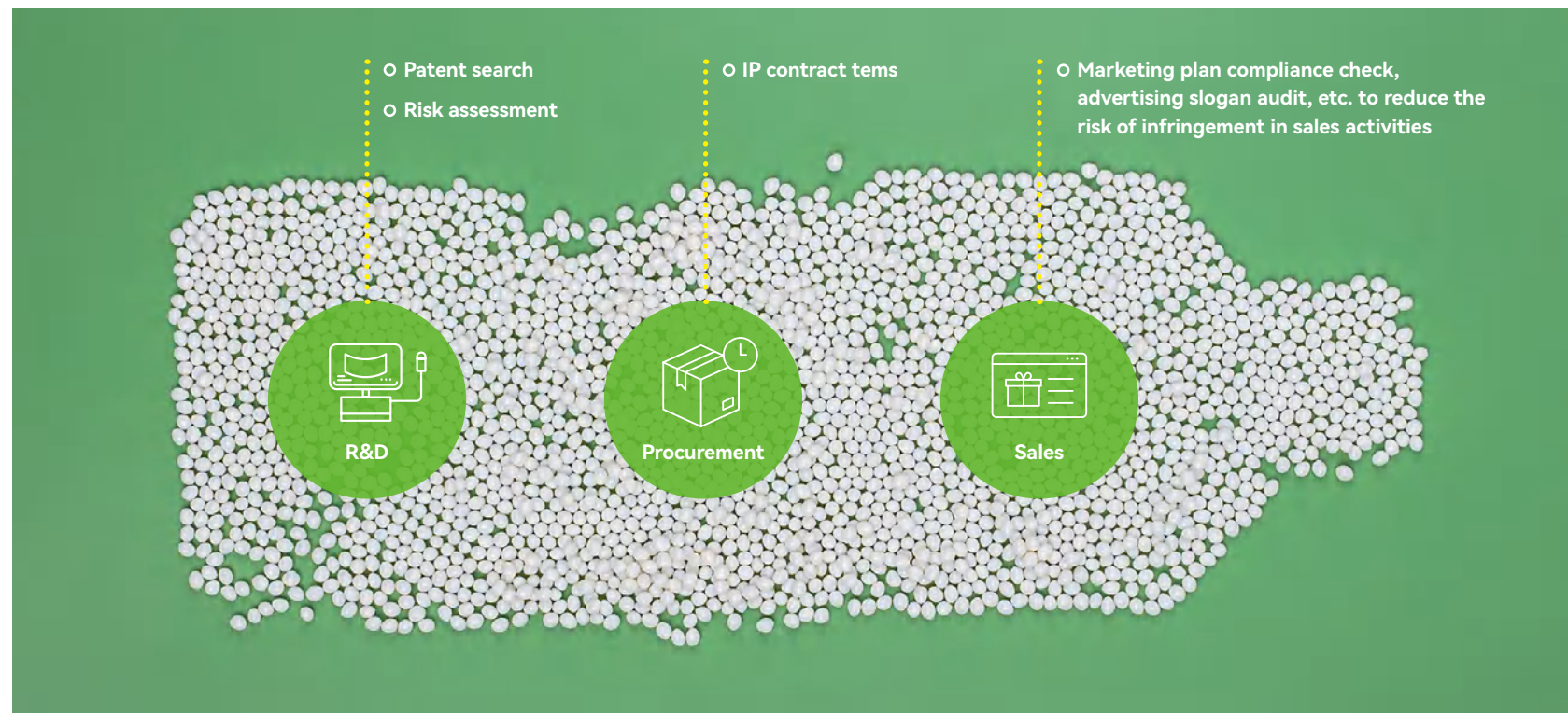


## Intellectual Property Protection

Protecting intellectual property is the basis for enterprises to obtain differentiated competitive advantages and an important prerequisite to ensure the safety of business operations and sustainable and healthy development. The Company attaches great importance to the protection of intellectual property, strictly complies with the requirements of laws and regulations, formulates the *Intellectual Property*

*Confidentiality Policy, Intellectual Property Manual*, and other management methods to standardize the management and protection of intellectual property such as patents and copyrights, and continuously improves the system of intellectual property protection covering patents, trademarks, and copyrights. During the reporting period, the Company was successfully selected as a "National Intellectual Property Advantage Enterprises".

The Company has established an intellectual property (hereafter refer to IP) risk management system, implemented IP risk warning initiatives covering the entire process, improved the provisions on IP risk prevention in contracts, and constructed an all-around protection mechanism for IP. The Company has also raised employees' awareness of IP protection by conducting IP training and other means to create a good atmosphere for IP protection.



By the end of 2022

The Company has obtained

**11**  
invention patents

**92**  
utility model patents

**17**  
design patents

**16**  
software copyrights

**1,936**  
screen copyrights,  
and domain names

**2,072**

IP in total

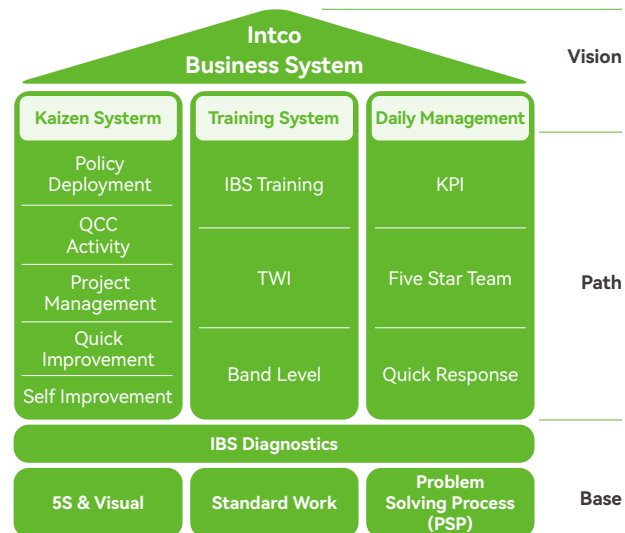
The Company conducted IP training 3 times, covering

**2,319** people



## Intco Business System

The Company is based on lean principles, supporting internal innovation, and relying on the "Kaizen System," "Training System," and "Daily Management" as pillars to create an outstanding benchmark factory for "stable quality, best cost, and flexible delivery." The Company has also established a Lean Improvement Management Special Incentive Fund to encourage all employees to actively participate, motivate innovative thinking, and contribute to the Company's lean improvement in operations.



Intco Business System



Vision



Path

Base

Encouraging all Employees to Propose Improvement on Their Own

## Innovating Circular Economy Models

The circular economy model is conducive to alleviating the crisis of resource shortage and environmental pollution and transforming the production and lifestyle of the public. However, its development is easily restricted by laws, regulations, and technical bottlenecks. The Company emphasizes on the environmental impact of the whole life cycle of products, and with advanced plastic recycling technology and recycled plastic products, it realizes the high-value recycling of plastics and opens up the entire industrial chain of plastic recycling, forming a unique "Circular Economy Integration" business model.

### Core Technology Advantages

The Company has core technology and equipment in the three major fields of plastic reducing, recycling, and reusing to achieve high-quality utilization of recycled plastic.



### PS Business Model

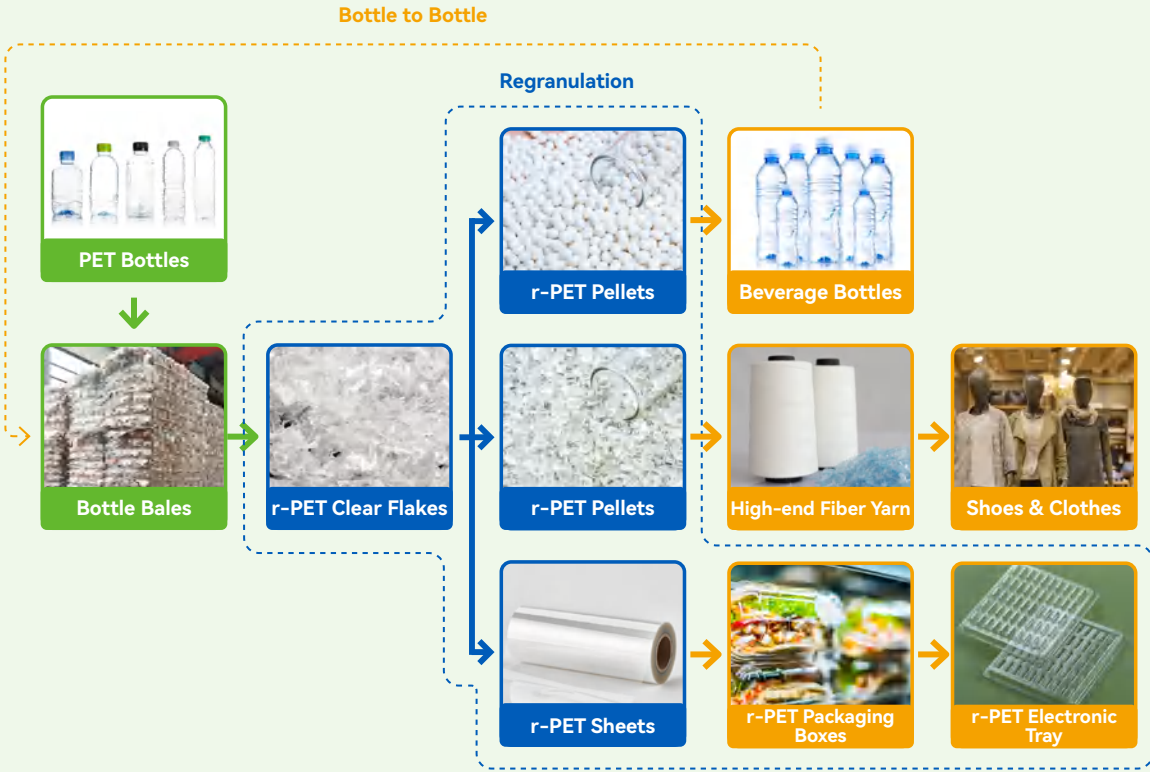
After years of independent research and development, the Company has mastered many advanced production technologies such as PS plastic recycling equipment, pelletizing frame moulding and finished frames. It has opened up the whole industry chain of PS plastic recycling.



■ Plastic Reduce ■ Plastic Recycle ■ Plastic Reuse

### PET Business Model

Based on the innovative core technology, the Company cooperates with the advantages of recycling channels, sales channels, and technology, and equipment of PS business model, successfully develops the business model of high-value application of food grade PET by integrating the resources of the industry chain, realizing the dual-wheel drive of PS and PET.



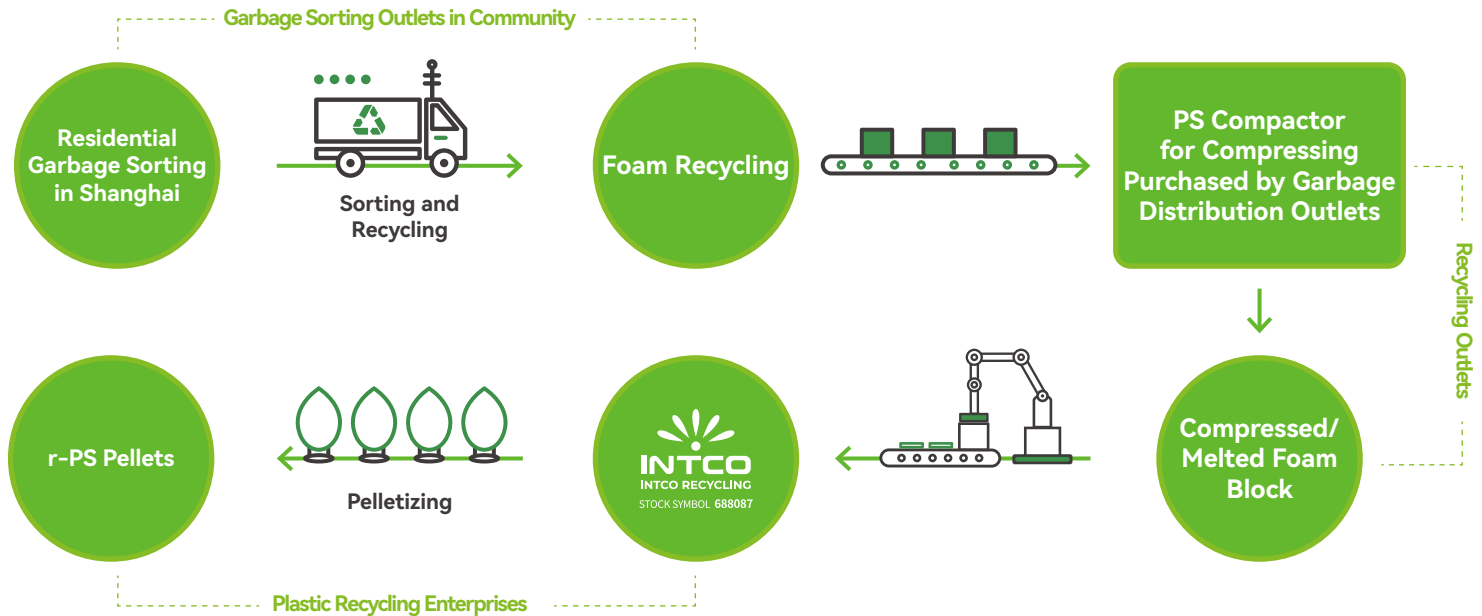
■ Plastic Reduce ■ Plastic Recycle ■ Plastic Reuse



Self-developed r-PS Reducing Equipment to Help Front-end Reducing Outlets Improve Efficiency

PS foam has reducing difficulties such as large volume, low density, scattered recovery points, and high transportation costs. The Company has independently developed an energy-saving and high-efficient foam compactor machine in response to the above challenges. By purchasing the Company's equipment, reducing outlets can, on the one hand, significantly improve efficiency and reduce costs, and on the other hand, sell the recovered and compressed PS foam to the Company, forming a benign interactive business model.

> Foam Compactor Machines



By the end of 2022

The Company has established friendly cooperation with more than

**1,000**  
reducing outlets worldwide

In the Shanghai region

**22**

GreenMax foam compactor machines have been put in place to continuously to help minimize waste foam continuously



r-PET Pelletizing Production Line Successfully Operation Expanding New Track of High-value Applications



During the reporting period, the r-PET food grade recycled pellets production equipment of Malaysia Intco plant was successfully put into operation, which can produce r-PET high-end fiber grade pellets and SSP tackifier food grade pellets. Before that, Malaysia Intco had already operated the r-PET flake production line. The above products were mainly supplied to overseas markets.

# Pursuing Excellent Quality



The Company sets up a management policy of "Prior Quality, Important Prevention", adheres to the zero-defect work standard, and builds a sound management system. We are committed to improving product quality management, providing safe and reliable products, and meeting customer needs.

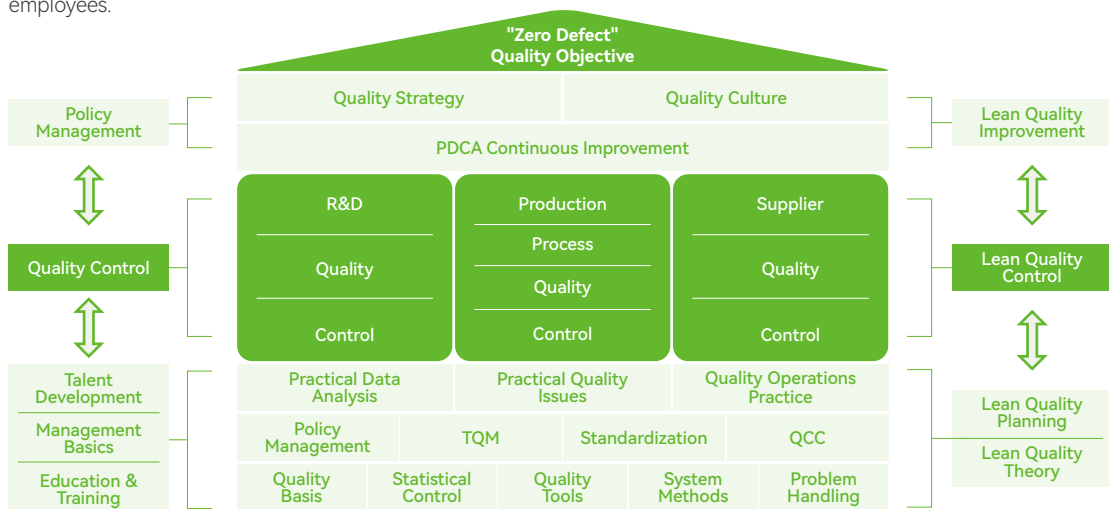
## Strengthening Quality Management

The Company strictly adheres to the *Law of the People's Republic of China on Product Quality* and the *Foreign Trade Law of the People's Republic of China*. At the same time, we have compiled a *Quality Manual* following the requirements of the *ISO9001 2015 Quality Management System*, international trade, and product characteristics. We use it as a guiding and regulatory document for quality management system activities and work assessment.

The Company has refined the quality control measures and processes step by step, established a quality management system, and implemented quality management responsibilities at all levels under the overall coordination of the general manager. Management representatives have been appointed to supervise and communicate internally and externally, expanding quality management to the entire business chain and continuously improving the quality awareness of all employees.

The Company focuses on product quality control in the entire process. Regarding suppliers, we ensure the quality of raw materials by conducting on-site supplier audits, identifying process risks, and developing shipping standards. In terms of research and development, we evaluate quality risks using five primary tools: MSA, SPC, APQP, PPAP and FMEA. Considering production, we hold monthly quality meetings and use PDCA to follow up on exceptions and make timely improvements quickly. During the reporting period, the Company did not have any recall events due to product delivery quality.

At the same time, the Company pays attention to constructing the staff quality culture and establishes a quality training system. We conduct regular monthly training on functional product testing, inspection instrument operation specification, quality management knowledge, and other related training to promote our quality policy and objectives. It will help to improve and unify staff product quality management awareness.



### Multiple Measures to Improve Product Quality and Safety

The Company's internal laboratory has established a sound quality control management mechanism to ensure the accuracy and reliability of test results. At the same time, we maintain close cooperation with international third-party testing institutions and strictly carry out product testing following relevant regulations, such as CARB certification of plates, heavy metal content testing of metal parts, salt spray testing, durability testing, and product packaging and transportation testing (ISTA) to improve product quality and safety.

### Optimizing Product Classification Standards Production Processes to Improve Customer Satisfaction

To ensure product quality while controlling costs and efficiency, we have changed the previous situation of unified standard production. PS products are classified into four categories: ordinary products, unique process products, essential customer requirement products, and building materials products, and the products are controlled by classification, which refines product quality standards and enhances customer satisfaction.

The Process Department classifies products and changes the information of the process BOM.

Production MRP system uses data to integrate the process BOM information, quality inspection system and production.

Regular performance testing is conducted on quality during the production process.

## Digitalization Upgrading

The Company is deeply committed to promoting digital transformation and accelerating the development of digital factories. This enables the realization of information and digitization in areas such as incoming material inspection, IPQC inspection, OQC shipment inspection, and product testing, thereby improving the efficiency of routine quality verification.

### Utilizing Information Systems and Achieving Traceability of Raw Materials

During the reporting period, the Intco Malaysian PET beverage bottle food-grade recycling project was constructed and put into operation. The IT Department designed and developed a full process traceability information system based on various requirements of the GRS standard for recyclables, social and environmental practices and chemical restrictions. The system utilizes material batch numbers and unique code management, combined with the two-dimensional code technology of a mobile intelligent terminal, to realize the whole-process traceability of material and product information. Through this system, the product production process can be traced in the forward direction, traceable in the reverse direction, and risk controllable, thus helping to guarantee product quality and safety.

### Promoting Equipment Automation Transformation and Implementing High-quality Development

The Company has introduced an automated ingredient supply system that combines PLC centralized control, pneumatic conveying system, and unmanned RGV automatic feeding vehicle to achieve automation of metering, mixing, transportation, and other processes. This system can significantly reduce the labor intensity of frontline operators while achieving precise control of materials and strict quality control of products.

#### Automatic Ingredient Supply System



In addition, the Company has developed an automated solution for producing frame backboards, which uses a combination of robots and specialized machines. Employees only need to set production process parameters through the operation interface to realize automatic grasping, assembling, and stacking by the robot. The entire set of automation equipment adopts high-precision servo module positioning to improve product quality effectively.

#### Photo Frame Backplane Automation System



## External Certification

The Company provides outstanding products and quality services to global customers. We actively certify quality systems and cooperate with third-party audit agencies, customers, and suppliers for audit supervision. During the reporting period, multiple Intco Recycling production bases and our products have obtained certifications such as *ISO9001 Quality Management Certification* and *GRS Certification*<sup>6</sup>. The relevant certification information is as follows:



- 6. **GRS Certification:** Global Recycled Standard
- 7. **EUTR Certification:** European Union Timber Regulation
- 8. **FSC Certification:** Forest Stewardship Council
- 9. **FDA Certification:** Food and Drug Administration
- 10. **EFSA Certification:** European Food Safety Authority
- 11. **Reach Certification:** Registration, Evaluation, Authorization, and Restriction of Chemicals

**FDA Certification**<sup>9</sup>

**EFSA Certification**<sup>10</sup>

**GRS Certification**

**HALAL Certification**

**OEKO-TEX Standard100 Certification**

**ISO9001 2015 Quality Management Certification**

**Reach Certification**<sup>11</sup>

**EUTR Certification**<sup>7</sup>

**FSC Certification**<sup>8</sup>



### Actively Participating in Ocean Plastic Recycling and Certified by OCEANCYCLE

After developing the PET recycling business, the Company found that the current PET bottle recycling situation is not outstanding. Many bottles have become marine waste, affecting the marine ecological environment. In 2022, we took the initiative to visit the Miri coastline in East Malaysia to investigate the situation of abandoned plastic in the ocean and actively cooperate with local recycling companies to carry out plastic recycling along the ocean and Miri coast. We collect 10 tons of plastic bottles every month on the Miri coastline. Based on the above measures, we have obtained the OCEANCYCLE Certification.



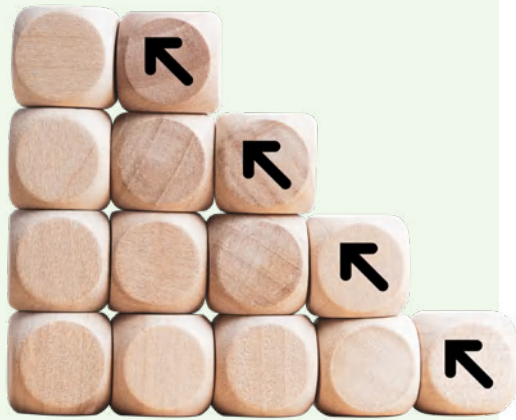
**OCEANCYCLE**  
Certification



## Improving High-quality Service



The Company adheres to the management philosophy of "Focusing on Customers", tries to build a comprehensive service support system based on customer needs and experience, and fully respect and protect the customers' legitimate rights and interests. We commit to keeping long-term, stable, cooperative customer relationships and establishing a good brand image.



## Responsible Marketing

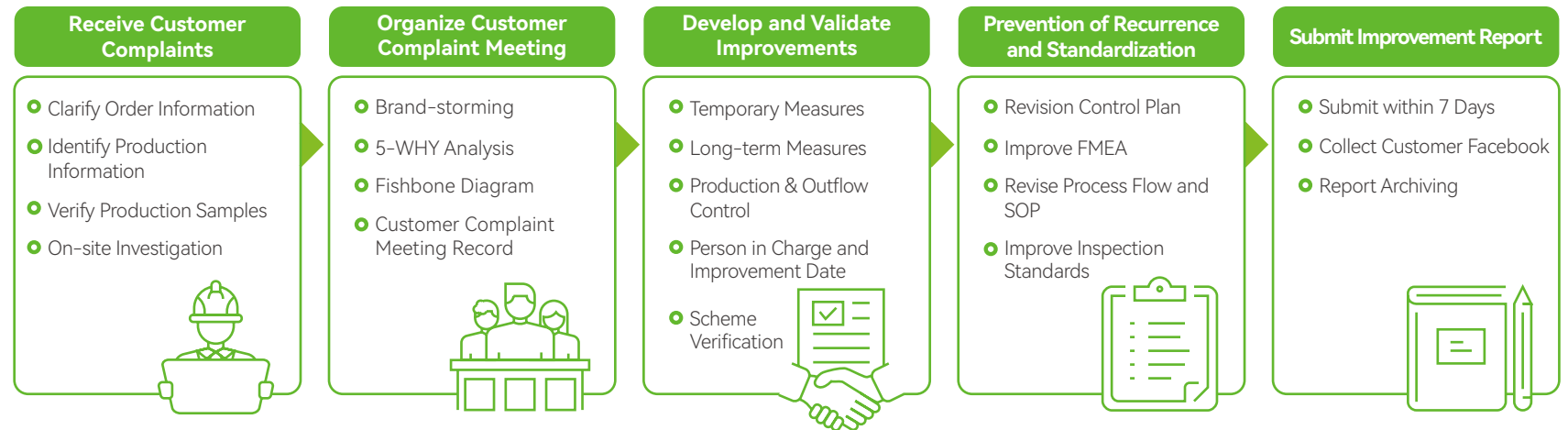
In the process of marketing management, the Company strictly abides by relevant laws and regulations of the country or region where it operates, such as the *Advertising Law of the People's Republic of China* and the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*. At the same time, we have established a sound marketing system and set up internal and external HRBPs (Human Resource Business Partners) to regulate the behavior of marketing personnel and distributors. Thus, we can ensure promotional information's accuracy, truthfulness, and legality and protect consumers' legitimate rights and interests. Meanwhile, we conduct regular responsible marketing-related training for sales personnel, covering marketing terms, product standards, popularization. During the reporting period, a total of 95 training sessions have been held, covering 5,465 participants.

## Optimizing Customer Service

The Company established internal policies such as *Control Procedures Related to Customer Processes* and *Customer Satisfaction Control Procedures* to fulfil our customer responsibilities effectively. We maintain customer relationships by regularly communicating through video calls, on-site visits, and factory tours. At the same time, we value customer satisfaction and distribute *Customer Satisfaction Survey Forms* to primary customers every year to supervise customer satisfaction management. After receiving feedback, we will promote satisfaction return visits and optimize measures. During the reporting period, the Company conducted a customer satisfaction survey involving 85 critical customers in the PS and PET main business, accounting for 8.7% of the total number of customers, with a customer satisfaction response rate of 86%.

We understand and meet customer needs and patiently solve customer problems. For customer complaints, we have established a *Customer Complaint Control Process* coordinated by the Quality Department. Through the cooperation of various functional departments, the entire complaint assignment, processing, follow-up, and filing process is completed to ensure that customer demands are fully responded.

Intco Recycling Customer Complaint Handling Process



### Our Topics of Interest

- Environmental Compliance
- Responding to Climate Change
- Energy Management
- Water Resources Management
- Pollution Prevention

### Corresponding SDGs



# CLEAN AND BEAUTIFUL NATURE ACCOMPANY WITH LIFETIME

### Our Actions

- Establishing and improving the environmental management system
- Promoting the use of renewable energy
- Carrying out product carbon footprint certification
- Water recycling

Low carbon and environmental protection are the essential ways to achieve sustainable development and is also an important driving force for the high-quality development of enterprises. With the mission of "Focusing on Recycling Resources for the Sustainable Development of the Earth", Intco Recycling actively responds to the environmental impact caused by the Company's operation, deeply

promotes green technology development, expands the application of energy-saving and emission reduction technology, improves the efficiency of resource use, and strives to build a low-carbon, efficient and recycling green production and operation system to contribute to the sustainability of the earth.

## Consolidating Environmental Management



The Company regards environmental management as one of the core factors in manufacturing operation. It continuously improves the level of environmental management and the efficiency of management.

### During the Reporting Period



# 71.43%

of operating entities obtained environmental management system certification

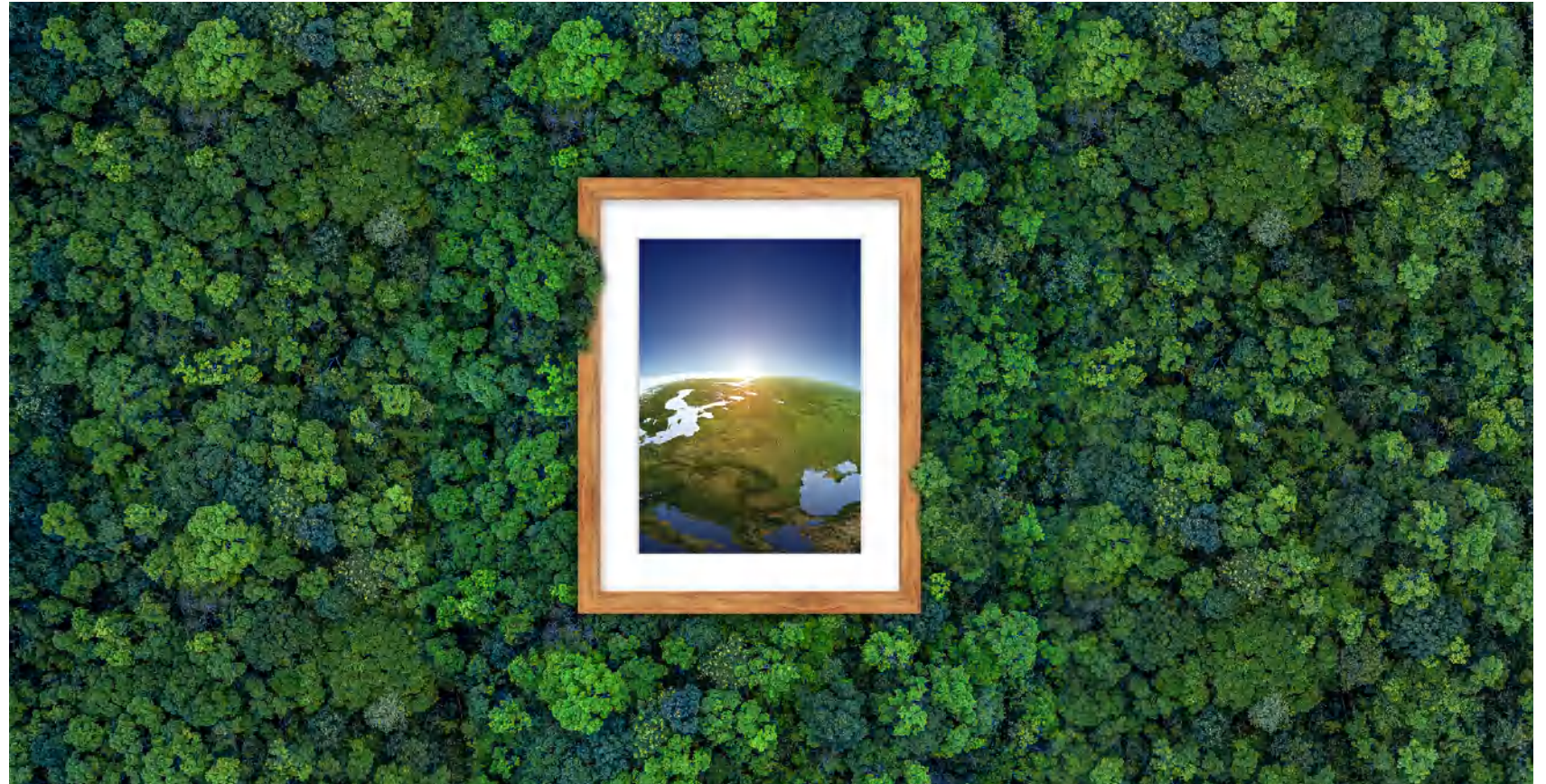
# 28.57%

obtained energy management system certification

The Company has established and continuously improved its environmental management system, strictly complied with the *Law of the People's Republic of China on Environmental Protection*, *Law of the People's Republic of China on Energy Conservation*, *Law of the People's Republic of China on Water Pollution Prevention and Control* and other national and environmental protection regulations in the

place of operation, formulated the *Environmental Protection Management Policy*. The Company has established an EHS committee led by the general manager and with the participation of the heads of all divisions and departments to implement the main responsibility of environmental management, set environmental protection targets, link environmental protection with performance

assessment, regularly carry out environmental risk identification, strengthen environmental supervision and inspection management, actively promote the green operation, reduce environmental pollution to achieve the harmonious development of economic and environmental benefits. The Company has not paid significant environmental or ecological-related penalties and fines<sup>12</sup> in the last four years.



12. Major penalties or fines refer to incidents with a penalty of more than 10,000 dollars.

# Responding to Climate Change



The Company actively responds to the national "Dual Carbon" strategy and practices energy-saving and carbon-reducing production and operation modes from the circular economy, intelligent manufacturing, and green operation to better promote green and low-carbon development.

The Company continuously pays attention to the impact of climate change on the operation. The Company's strategy and ESG committee are responsible for identifying risks and opportunities related to climate change, evaluating impacts and formulating strategies, establishing and improving emergency management mechanisms, and formulating emergency plans for potential risks. The Company makes judgments on potential accidents or emergencies that may be triggered by climate change affecting the regular operation and safety, identifies physical risks such as typhoons and heavy seasonal rainfall, formulates unique plans for risk prevention and control, standardizes the emergency handling process, and does an excellent job in managing, supporting and guaranteeing emergencies and improve our ability to cope with risks.

## Greenhouse Gas Emissions During the Reporting Period

Total greenhouse gas emissions:

**37,960.19** tCO<sub>2</sub>e

Scope I: > 1,442.49 tCO<sub>2</sub>e

Scope II: > 36,517.70 tCO<sub>2</sub>e

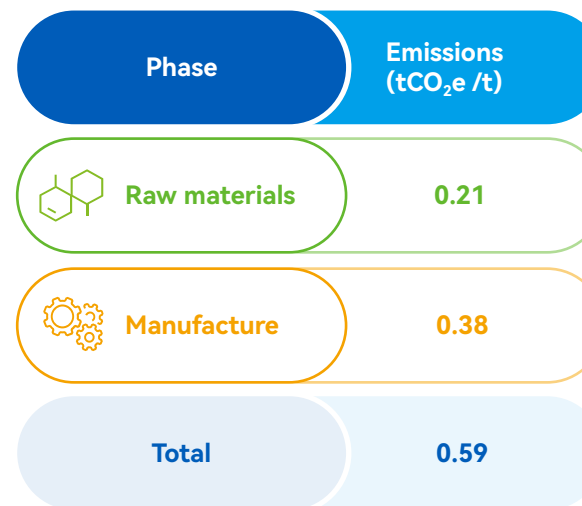


The Company carries out product carbon footprint accounting, tracing the carbon emissions generated by-products from raw material recovery to manufacturing and processing, and clarifying the carbon emissions "from Cradle to Gate" to provide data support for further carbon reduction work in the future.



## Carrying out Carbon Footprint Certification of Product

In 2021, the Company conducted the carbon footprint verification of 2020 for recycled polystyrene plastic particle products (including packaging). The verification is based on *ISO 14067:2018 Greenhouse Gases – Carbon Footprint of Products – Requirements and Guidelines for Quantification* and follows the IPCC 100-year greenhouse gas emissions assessment methodology (IPCC 2013 GWP 100a) and calculates the product's carbon dioxide emissions from the raw material extraction to the manufacturing stage ("from Cradle to Gate").



### Certificate

Standard: **ISO 14067:2018**  
 Certificate Registr. No.: **CO 60516244 0001**  
 Report No.: **90134006 001**

Certificate Holder: **Shanghai Intco Industries Co., Ltd.**  
 No. 1259 Hubin Road, Fengxian District, Shanghai, China.

Site: **Intco Malaysia Sdn Bhd**  
 Lot 8988, Jalan Tengah, Telok Gong 42000 Petabuhan Klang, Selangor, Malaysia

Scope: Verification and Validation Body: TÜV Rheinland (China) Ltd.  
 - Process: Document review, interview, site visit and recalculation  
 Based on the information we have received and evaluated that:  
 - Programme: Voluntary PCF scheme  
 - Product Category Rule: N/A  
 - Review Criteria: ISO 14064-3:2006  
 - Organizational Boundary: Operational Control  
 - Level of Assurance: Reasonable  
 - Materiality: 5%  
 - Global warming potential (GWP): IPCC 2013  
 - Analysis method: IPCC 2013 GWP 100a v1.02  
 - LCA software or database: SimaPro 9.2.0.1 / Ecoinvent 3.7.1  
 - Product: Recycled polystyrene plastic particles  
 - Boundary: Cradle to Gate  
 - Data period: 2020.01.01-2020.12.31  
 - Declared unit: t ton  
 - Model no. / Carbon emissions: INTCO-RPS: 0.59 ton CO<sub>2</sub>e

Validity: This certificate is valid from 2021/08/17 until 2023/08/16  
 This certificate only verified the target product / service carbon footprint, this verification does not include review of external communication.

2021-08-17

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 Precisely Right.

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## Saving Use of Resources



The Company formulates and implements management policies such as *Energy Management Policy* and *Water and Electricity Conservation Management Regulations* according to relevant national policies and regulations, regulates the rational use of energy and resources such as coal, water, and electricity, and strengthens energy conservation and consumption management through equipment and process upgrading, improves energy utilization efficiency, cultivates employees' awareness of conservation, and promotes the implementation of all aspects of production and operation, including infrastructure projects, operations, warehousing, and logistics, to achieve the goal of comprehensive, coordinated and sustainable development.

### Targets of Resource Conservation

The target energy consumption per box in 2023 is

**3%**

lower than in 2022

The target water consumption per ton production in 2023 is

**3%**

lower than in 2022

### During the Reporting Period



#### Energy Consumption

- Gasoline: 98,011 liters
- Diesel: 159,181 liters
- Natural gas: 407,080.33 m<sup>3</sup>
- Purchased electricity: 70,023.24 MWh
- Total energy consumption: 76,504.74 MWh



#### Water Consumption

- Water withdrawal from waterworks/ municipal water: 224,287 tons
- Water reuse: 2,400 tons



#### Packaging Material

- Plastics : 1,269.7 tons  
(bubble pad/EPE/tape/film)
- Foam Plates: 236 tons
- Cartons: 7,217.9 tons
- Paper pallets: 189.1 tons
- Others: 165 tons  
(wrapping corner, grey board paper, kraft paper)

## Reducing Architecture Energy and Resource Consumption

The Company vigorously promotes green buildings following the *Environmental Protection Law*, the *Water Pollution Prevention and Control Law*, the *Air Pollution Prevention and Control Law*, the *Environmental Noise Pollution Prevention and Control Law*, and other relevant requirements. In the our new base, the buildings use recycled material XPS insulation board, mineral wool, and other insulation measures to enhance the

thermal insulation performance of the plant. In terms of lighting, we optimize the design of the lighting zone, making full use of natural light and zoning control lighting. In addition, the we also reduce the overall building energy consumption by using natural ventilation, improving the thermal performance of the glass curtain wall, and many other energy-saving initiatives.



### Promoting Photovoltaic Projects to Reduce Carbon Emissions

The Company actively deploys photovoltaic solar panels within the plant. It is committed to using renewable energy to replace traditional energy sources and reduce energy consumption and greenhouse gas emissions. In 2022, we established a 4.0 MW photovoltaic solar project with an average annual power generation of 4.2 million

kWh, equivalent to an annual emission reduction of 4,190 tons of carbon dioxide, 126 tons of sulfur dioxide, 63 tons of nitrogen oxides, and 1,143 tons of soot. It is also equivalent to saving 1,513 tons of standard coal, planting an average of 5,862 trees per year, and saving 336 tons of pure water.



## Practicing Green Operation

The Company actively implements the concept of green development in the production and office process, continuously save energy, improves resource use efficiency, and raises employees' awareness of environmental protection through training and propaganda. Introducing new equipment, environmental benefits will be taken as one of the bases for selection, with emphasis on equipment energy consumption indexes. Priority will be given to low energy consumption products under the premise of also meeting the technical requirements of the equipment to complete the process. The Company realizes the efficient use of resources through upgrading and transformation of the existing equipment. In the office, we advocate a paperless office, uses more energy-efficient office equipment, and regularly conducts green office training for employees. During the reporting period, the Company realized monitoring and intelligent management of energy and resources during operations by introducing an energy management system to reduce the environmental impact further.

### Reusing Resources

#### Water circulation

The production lines are equipped with circulating cooling water devices to reduce water consumption

#### Waste heat utilization

The recovered waste heat is used to replace electricity for drying room heating, while auxiliary air energy is used to heat the drying tower, effectively reducing the air energy load operation while saving electricity

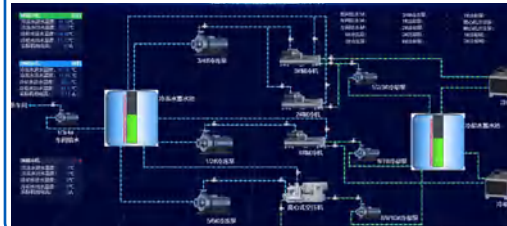
#### Dust collection

The production lines are equipped with dust collection devices for recycling and reuse to reducing the consumption of raw materials



#### Establishing Objective Energy Consumption Evaluation System by Energy Management System

During the reporting period, the Company introduced an energy management system to centralize the electricity and water consumption of each point in the central energy control system by adding smart electricity and water meters at each energy point to achieve real-time monitoring of resource usage and intelligent management of energy.



### Upgrading Equipment

- Introducing magnetic levitation centrifugal chiller which is 3 times refrigeration capacity than original screw chiller to reduce electricity consumption
- Upgrading the original industrial frequency air compressor to variable frequency screw air compressor, which can automatically adjust the loading frequency of air compressor and reduce the energy consumption
- Circulating water pump upgrade to adjust the water flow and reduce motor energy consumption



#### Equipment Management System Improves Equipment Maintenance Efficiency and Reduces Capacity Waste

During the reporting period, we introduced the TPM equipment management system achieving dynamic control of equipment information through information integration to plan maintenance work, ensuring timely equipment maintenance. At the same time, through the analysis of maintenance data, and continuous improvement of equipment to reduce the failure rate and the equipment crop rate, and effectively improve the equipment crop rate and efficiency of production operations.



To enhance employees' awareness of environmental protection and achieve low-carbon environmental protection, the Company regularly conducts EHS training, popularizes and promotes environmental protection concepts, guides and motivates employees to propose implementable energy-saving and clean operation solutions, and provides financial support to create strong atmosphere of green and full participation.

#### During the Reporting Period



**10** times  
green office training



**90**%  
employee coverage



**3** hours  
training time per person

## Creating Low-carbon Warehouse and Logistics

The Company emphasizes energy and resource use in the warehousing and logistics process. It is committed to reducing the environmental footprint of both phases by creating green warehouses, optimizing transportation tools, and rationalizing transportation routes.

### Warehouse



#### o Vehicles

Electric forklifts and trailers to replace the original diesel vehicles, with a replacement rate of **80%**

#### o Containers

**76%** reduction of cartons use, by more than **249,400** TEU

#### o Pallets

Iron/plastic pallets to replace wooden pallets, with a **100%** replacement rate

#### o Packaging

Recovery and recycling of packaging materials such as EPE and cartons, with a total reduction of **5.5%** year-on-year

### Logistics



#### o Distribution

Optimizing the distribution to reduce the distance traveled for material collection and storage, and reduce energy consumption

#### o Container

Integrating containers to improve efficiency and reduce the number of land transportation

#### o Vehicles

Logistics providers are required to use transport vehicles that meet local standards

#### o Transportation

Selecting the most time-efficient transportation route and improving transportation efficiency by using full delivery mode



Semi-automatic Stereo Warehouse



Electric Forklift



## Strengthening Pollution Prevention



The Company strictly follows the national environmental laws and emission standards of operation locations and precisely controls and scientifically disposes of the waste gas, waste water, and waste generated in the process of production and operation according to standards such as the *Comprehensive Emission Standards for Sewage*, *Comprehensive Emission Standards for Air Pollutants*, *Pollution Control Standards for Hazardous Waste Storage* and *Noise Standards for Industrial Enterprises' Factory Boundaries*. By formulating management policies and mechanisms, we standardize the emission and disposal processes, and regularly monitor the emissions. At the same time, through process and technology optimization, we can reduce emissions and ensure compliance with the waste gas, waste water, and waste disposed to effectively mitigate the emissions' impact on the environment.

## Improving Waste Gas Treatment Efficiency

The Company strictly implements the *Operation Procedures of Waste Gas Absorption System* to ensure the high efficiency, long cycle, safe and economic operation of waste gas absorption facilities and treatment systems. The waste gas disposal can be improved with high efficiency in the operation process and meet the discharge standards.



### Increasing Investment in Environmental Protection Equipment to Improve the Efficiency of Waste Gas Disposal

The Company introduces an environmental protection system that uses highly efficient activated carbon in the equipment to adsorb the collected waste gas and desorbs the pollutants adsorbed by the activated

carbon through a catalytic combustion desorption system to effectively remove various pollutants from the waste gas and effectively improve the efficiency of waste gas disposal.





## Enhancing Waste Utilization

The Company has formulated the *Solid Waste Management Policy*, *Hazardous Waste Management Policy*, and other policies to comprehensively and effectively manage the disposal of domestic waste, non-recyclable industrial waste, recyclable industrial waste, and hazardous waste generated in all activities. For non-hazardous waste, such

as production trimmings, are effectively recycled, and those that cannot be used are transported to designated piles for centralized treatment. Meanwhile, we collect and send hazardous waste to the storage and handed over to third-party organizations qualified for treatment, to minimize the impact of waste on the environment.

**Collecting Dust and Optimizing Special Pelletizing by Environmental Protection Equipment**

As the Company's main PS pelletizing production base, Malaysia Intco realizes PS production matching mixing equipment co-extrusion pelletizing by upgrading environmental protection equipment and optimizing dust collection system, improving PS pellets certified products rate to more than 99% and better recycling and reusing of resources.

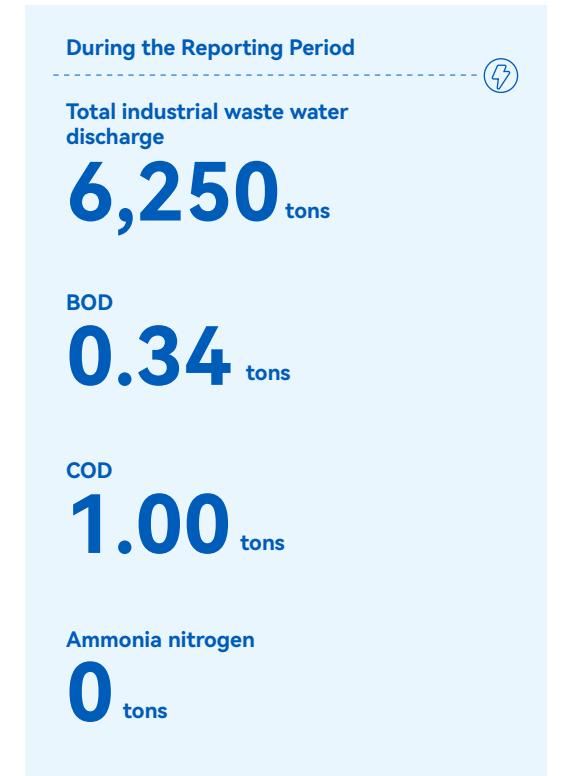
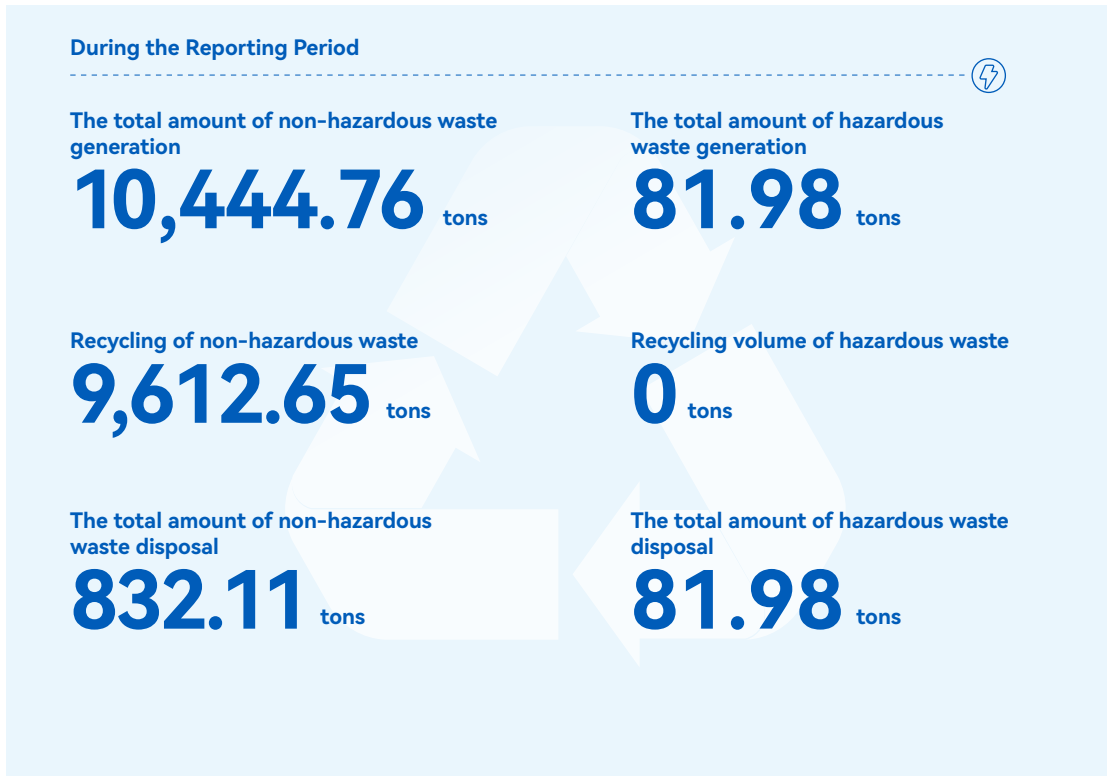
**Upgrading Equipment to Reuse the Waste**

The Company upgraded the dust recovery equipment through the induced air system to centralize the processing of sawdust material generated in the PS frame cutting process, to further effectively enhance the filtering efficiency, and purify the workshop working environment. At the same time, the collected waste can be recycled and reused for pelletizing.



## Consolidating the Regulation of Waste Water Disposal

The Company uses the recycling of cooling water during the production process. Waste water is mainly the sewage from the canteen, apartment, and office. During the reporting period, the Company renovated the vacuum pump flue gas pipeline, which can reduce 4-6 tons of oily waste water generated annually.



### Our Topics of Interest

- Talent Attrcation and Retention
- Occupational Health and Safety
- Diversity and Equality

### Corresponding SGDs



# PRIORITIZING HUMAN CAPITAL TO SYMBIOSIS

### Our Actions

- Establish a multi-channel recruitment mechanism to absorb outstanding talent attrcation and retention
- Conduct a variety of training to provide employees with opportunities to learn and grow
- Strengthen the occupational health and production safety management of employees and implement the rights and interests of employees
- Create a diverse work environment, develop detailed systems, and eliminate inequitable incidents

Talent attrcation and retention is the foundation of enterprise success and the fundamental driving force of development.

Intco Recycling regards human capital as an essential capital of the Company. We are committed to

providing a harmonious working environment for employees, protecting their health and safety, helping them grow, caring for and loving them, and creating a sustainable and bright future for the Company together with them.

# Building Employer Brands



The Company follows 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. We formulate the *Employee Handbook*, the *Administrative Management Policy* and rules and regulations, give employees full of respect and sustainable work development space, and create a harmonious working environment. We have won the annual Extraordinary Employer of the Year Award by Hire and the Talent Employer Award by BOSS Zhipin, establishing a good reputation.



Shandong Provincial Innovation and Practice Base for Postdoctors

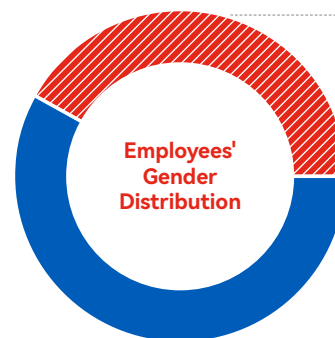


2021 Shandong Province Annual Outstanding Employer Award

Received Boss Direct Employer Award

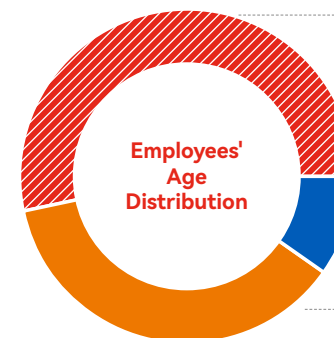


## By the End of 2022, the Company's Employment Profile Was as Follows



Female  
41.76%

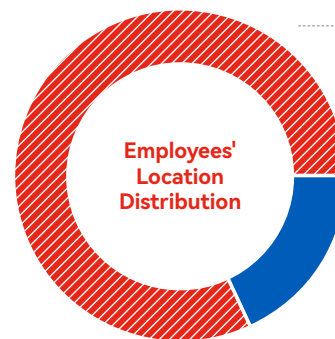
Male  
58.24%



31 to 50  
53.08%

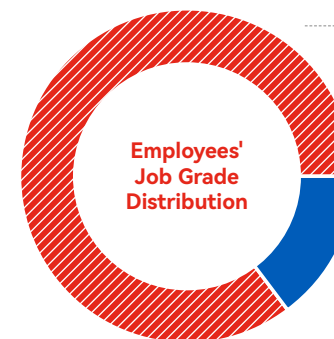
50 and above  
(exclude 50)  
9.98%

Below 30  
36.94%



Domestic  
82.32%

Aboard  
17.68%



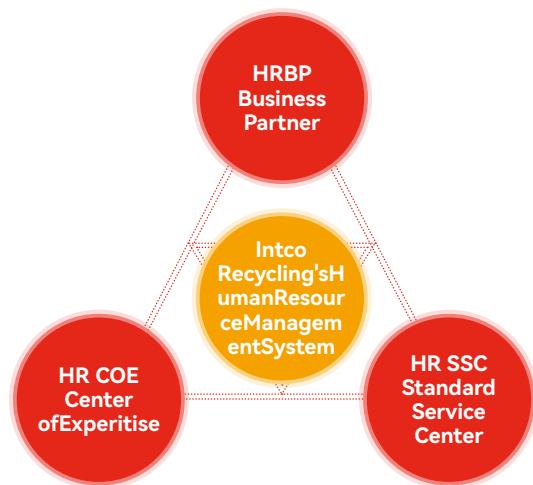
Non-management  
83.82%

Management  
16.18%

## Employee Recruitment and Retention

The Company strictly follows the laws and regulations of the regions where it operates, prepares the *Human Resource Management Policy*, ensures a compliant, legal, and fair recruitment process. We eliminate any form of child labor and forced labor practices, strictly prohibit discrimination such as race, religion, gender, nationality, age, ethnicity, and provide equal employment opportunities for candidates.

The Company adopts a three-pillar system of HRBP, SSC (Standard Service Center), and COE (Center of Expertise) to integrate human resources in all regions of the Company. It helps to reduce management costs, improve management levels, and optimize the operational efficiency of human resources management.



The Company practices the recruitment principle of "Hiring and promoting the right employees" and builds a diversified workforce. We have set up a perfect recruitment management system to attract outstanding talents from all walks of life through internal competition, internal recommendation, and external recruitment.





Enriching Recruitment Channels to Build a Diverse Team



Campus Recruitment

The Company implements the "INTCO Young Campus Recruitment Program" every year to select outstanding fresh graduates from domestic and overseas universities. We convey the corporate culture of love through online/offline seminars, double chosen wills, and job postings to inject new strength for our sustainable development.



Social Recruitment

According to the business needs of each department, the Company recruits outstanding talents from the society required for production, R&D, marketing, and functional positions. On the one hand, we encourage employees to introduce external outstanding talents through the internal promotion incentive program; on the other hand, we establish stable and lasting cooperation with recruitment agencies and third-party employment platforms, combined with different talent needs.



Overseas Recruitment

Two overseas bases in Malaysia and Vietnam have been invested in the construction successfully. Through various initiatives such as signing memoranda of cooperation with local universities, broadening localized recruitment channels, and combining accredited employees from China and local talent resources, the Company continues to lay out overseas talent development plans to meet business and scientific research needs and lay a solid foundation for its international development.

During the Reporting Period, We Signed

237

fresh graduates for employment



The Company values each employee and cultivates a continuous two-way communication mechanism by regularly adjusting salaries, holding representative employee meetings, conducting employee satisfaction surveys, improving employee benefits and implementing equity incentives. We actively adopt employees' rationalized opinions to continuously enhance loyalty and recognition of serving employees to the Company. In addition, to retain outstanding talents, we analyze and review the reasons for employee departures based on the feedback from the *Exit Interview Form* and will improve and optimize the relevant aspects in the following work.

## Protecting Employee Rights and Diversity

The Company has established internal policies such as *Management Control Procedures for Prohibition of Forced Labor*, *Anti-Discrimination Management Control Procedures*, *Anti-Harassment Control Procedures*, and *Management Procedures for Labor Protection of Female Employees* to safeguard the legitimate rights and interests of employees. At the same time, we organize relevant training, set up internal reporting telephone

and other channels to deal with possible violations of employees' rights and interests in the workplace. Also, we clarify the rules of punishment and disposal through the *Employee Handbook* and improve the monitoring mechanism to effectively strengthen the protection of employees' legitimate rights and interests. During the reporting period, the Company did not receive any reports of employee discrimination or harassment.

The Company values employee diversity and inclusion, cares for female employees, respects the habits and religious beliefs of employees of different nationalities and ethnicities, and provides positions to recruit employees with disabilities to create a work environment of inclusion and equal opportunity.

### During the Reporting Period



The employee turnover rate decreased by

**10.28** %  
compared to 2021

### By the End of 2022



We had

**2,986** employees

**67.5** %  
female in junior managers

**23** %  
female in STEM (science, technology, engineering, mathematics)

**22**  
employees with disabilities

**41.76** %  
female employees

**75** %  
female in senior managers

The Company employs  
**176**  
minority employees

In addition, there were

**25.46** %  
female managers in the position of management

**67.5** %  
female in management positions in revenue-generating functions (e.g., marketing)

**586**  
foreign employees

# Safeguarding Health and Safety



The Company puts occupational health and production safety into a critical position of operational concern. We strictly comply with 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*, the *Law of the People's Republic of China on Work Safety* and the relevant laws and regulations of the production and operation locations, while we establish and improve the internal EHS organizational structure and formulates internal relevant policies. At the same time, we track and supervise safety production and occupational health management and actively promote employee safety awareness and training to prevent safety accidents and occupational diseases. During the reporting period, the Shanghai and Liuan bases passed the *ISO 45001 Occupational Health and Safety Management System Certification* and Shanghai base achieved the Level 2 Work Safety Standardization Certification.

## Occupational Health and Safety Management

The Company has established an occupational health and safety management system to clarify safety management responsibilities at all levels and effectively restrained the order of production sites through top-down refinement management. At the same time, we prepare management documents such as *Safety Production Management Regulations*, *Safety and Environmental Protection Assessment Rules*, and *Health and Safety Management Control Procedures* for regular employees, contractors, and outsiders to meet the requirements of occupational health and safety management.

The Company has set up an Occupational Health and Safety Management Committee led by the general manager, as the highest recognition and decision-making group for implementing occupational health and safety policies. Each department has employees as representatives of safety officers, who connect between the department and the safety committee. The committee is responsible for providing timely feedback on problems found on site and daily inspections. We also have formulated the *Production Safety Commitment Policy* covering all employees and committed to continuously improve the effectiveness

of occupational health and safety management. The Company conducts annual third-party inspections of occupational health environmental hazards, occupational health physical examinations for employees' entry, in-service and exit status, and carries out safety production supervision.



ISO 45001 Occupational Health and Safety Management System



Level 2 Work Safety Standardization Certification

## Preventing and Controlling Safety and Occupational Disease

According to the *Guidelines for the Preparation of Production and Safety Accident Emergency Plans for Production and Operation Units* and the actual situation, the Company prepares *Safety Production Accident Emergency Plan, Occupational Disease Hazard Accident Emergency Rescue Plan* and other rules and regulations. It ensures that the safety production and occupational disease hazards can be controlled in time when the accident occurs and protects the personal safety of employees. At the same time, we set up an Emergency Rescue Working Group to deploy the corresponding plan and carry out emergency rescue work according to the category and degree of hazard of safety production accidents and occupational disease. In case of work-related accidents, we will grasp the situation of work-related accidents in a timely, accurate, and comprehensive manner in accordance with the *Procedures for Handling Employee Injuries*, and study and summarize the causes of the accidents to take adequate preparation to prevent the recurrence of accidents.

### During the Reporting Period

The certificate holding rate of particular operation positions reached

**100%**

### Safety Production Target

To effectively plan occupational health and safety management programs, the Company sets annual safety production targets based on the *Safety Policy Objectives*.

2022 Target	2023 Target
<ul style="list-style-type: none"> <li>○ Zero fatal accidents</li> <li>○ Zero serious injury accidents</li> <li>○ Minor injuries less than 20 employees</li> <li>○ 100% occupational hazards monitoring rate</li> <li>○ 100% compliance rate for safety education</li> <li>○ 100% special operators' training certification rate</li> <li>○ 100% licensed special operators</li> <li>○ 100% correction rate of accidents and hazards</li> <li>○ Zero occupational disease accidents</li> <li>○ 100% sites pass occupational health site inspection</li> <li>○ 100% safety/fire protection facilities online/completion rate</li> </ul>	<ul style="list-style-type: none"> <li>○ Zero fatal accidents, zero fire accidents</li> <li>○ Zero serious injury accidents</li> <li>○ Minor injuries less than 10 employees</li> <li>○ 100% occupational hazards monitoring rate</li> <li>○ 100% compliance rate for safety education</li> <li>○ 100% special operators' training certification rate</li> <li>○ 100% licensed special operators</li> <li>○ 100% correction rate of accidents and hazards</li> <li>○ Zero occupational disease accidents</li> <li>○ 100% sites pass occupational health site inspection</li> <li>○ 100% safety/fire protection facilities online/completion rate</li> </ul>

During the reporting period, the Company accomplished the annual safety policy target of 2022 without significant accidents and no work-related fatalities in the past three years. We have successfully passed safety inspections by relevant government departments at all levels.

### Safety Production Supervision

The Company signed the *Safety Production Target Responsibility* and *Employee Commitment* with employees to ensure production safety. We reduced safety hazards in the workplace by replacing dust removal equipment for dust operations and increasing safety devices such as air locking, ash discharge, and explosion-proof valves. At the same time, we conduct occupational health and safety risk and hazard assessments regularly to identify factors that may cause hazards in the workplace. We shall develop more targeted prevention and response initiatives based on the ranking of risk and hazard levels. Besides, we conduct daily safety checks and weekly supervisory checks on site conditions, fire escapes, and employee safety equipment wear to help employees developing good work habits.

To ensure the safety of outside construction personnel, the Company requires relevant personnel to sign the *Notice to External Personnel*, *Construction Safety Management Agreement*, *External Constructor Safety Management Agreement*, and *Personal Physical Health Commitment* to clarify safety responsibilities and strengthen production safety awareness.

In addition, the Company strictly implements laws, regulations, and industry requirements on production safety. We clearly require special operators to be licensed to work and prohibit unlicensed personnel from working to reduce the operational risks of special operations.



## Occupational Health and Safety Training

The Company establishes a regular mechanism of safety training through daily education, weekly training, and monthly rehearsal. At the same time, we conduct special training for new employees, laborers, college students, project implementation outsourcing workers, and special operators to improve the safety knowledge and skills of the trainees.



Internal Staff Training Site



External Staff Training Site

During the Reporting Period



The Company conducted

# 109

training sessions

With a total of

# 250.5

hours of training time

Covering

# 6,549

participants

Covering

# 100

%  
employee

At the same time, the Company organizes comprehensive emergency drills and theme-specific exercises, such as heatstroke first aid, dust disposal, and firefighting and rescue, to strengthen employees' ability to handle emergency situations.

### Fire Drill



### Safety Month



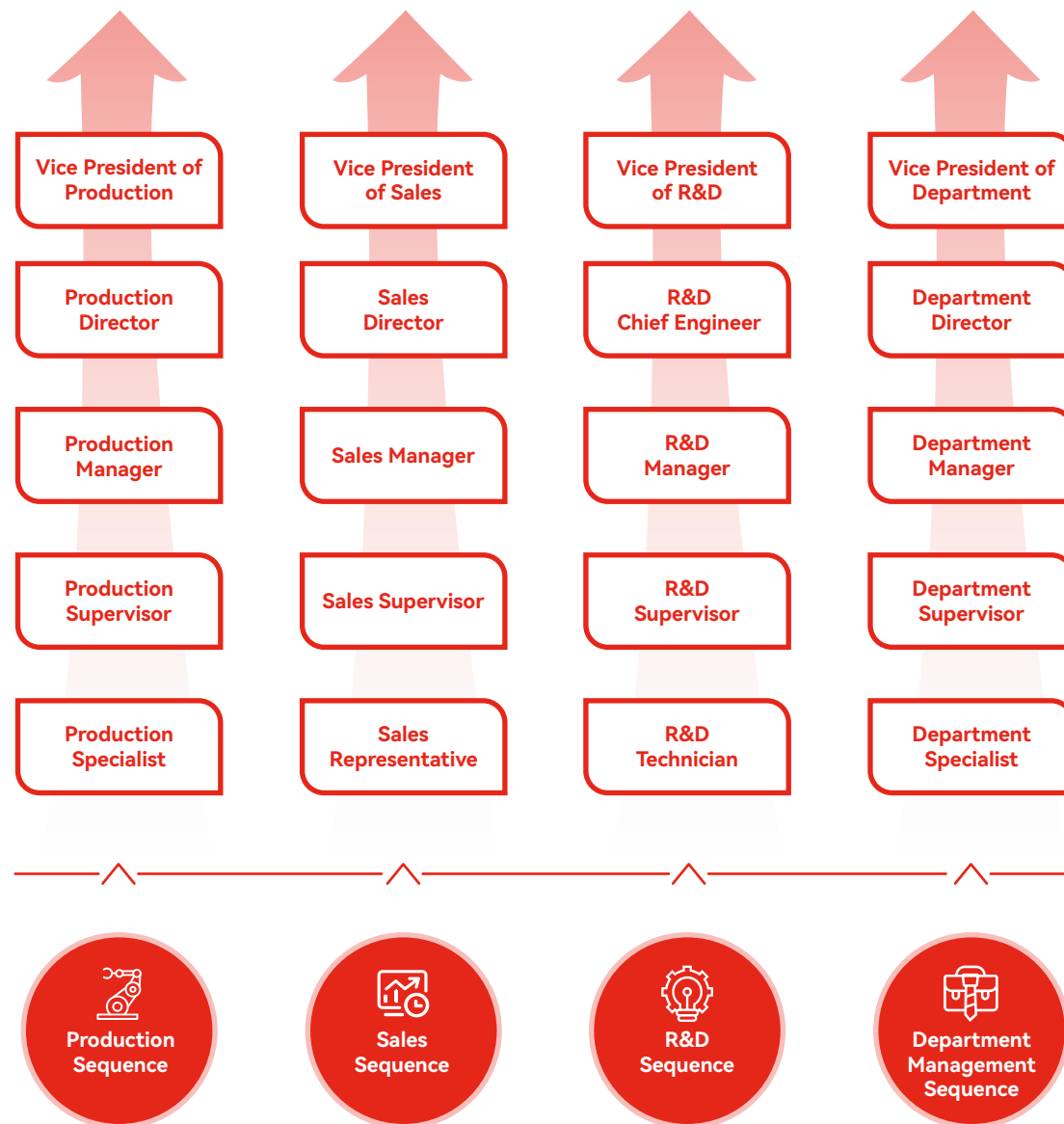
# Promoting Employee Growth



The Company regards talent as the most critical asset and believes that the training and development of talents determine the future of the Company. We establish a sound career development path and training mechanism for employees and strictly fulfill the promotion and training management system. Besides, we try to build a career development platform and training system to stimulate the potential of employees and provide employees with career paths and promotion opportunities.

## Employee Development Channel

The Company has formulated the *Promotion Process*, *Talent Development Policy*, *Grade Management Policy*, *Competitive Recruitment Management Policy* and other related policies to standardize the promotion and assessment of staff position. At the same time, we set up dual career development channels to lay career development paths for employees with excellent management ability and technical abilities. During the reporting period, the Company actively explored opportunities for employee promotion and channels and replaced the original appointment and nomination methods for management positions with internal self-application and competition. The measure stimulates and improves the employee performance and help the employees' long-term career development.



## Employee Training System

The Company has established a multi-dimensional training system to support the development of the talent, developed *Staff Training Management Policy*, and provided different categories of training content according to the level of employees.



### Conducting Orientation and Propagandizing Corporate Culture

The Company carries out team quality development training - Intco Young Orientation Camp. It helps to enhance the cohesion and trust between partners through cooperative activities between groups and improve individual execution and communication skills.



Meanwhile, we invited Company executives, department representatives, and professional lecturers to give lectures on three significant aspects, namely "Learning Awareness" "From Campus To Workplace", and "Business Etiquette For New Employees". Combining theories and cases, we helped college students transition from campus to workplace and offered sincere and enthusiastic power for the Company's future.



To further improve employees' leadership, professional skills and general knowledge, the Company has built an on-the-job training system to strengthen the competency of in-service employees. We also provide employees with an online learning platform - Intco Academy, to enhance the training flexibility.

#### During the Reporting Period

The total training hours reached

**134,508** hours

With a total of

**460,213** trainees

An average training time of

**45.05** hours per person

The training coverage rate was

**100**%

## Implementing Employee Care



The Company improves employee compensation and welfare system and builds a communication platform for employees. We actively organize employee activities and timely respond to the reasonable employee demands to respect and care for employees and increase the sense of belonging.

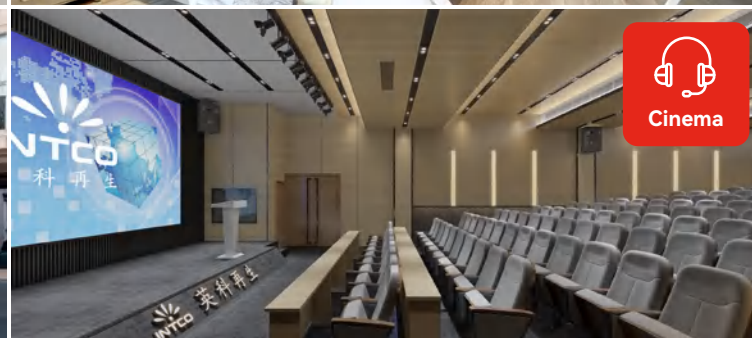
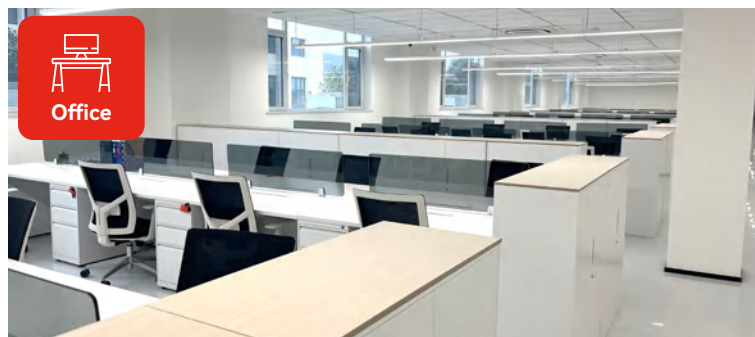
## Compensation and Benefits

The Company has formulated the *Compensation Management Policy* which supports the fairness of the allocation, ensuring that employees are duly rewarded for their efforts. In addition, to ensure the reasonableness and validity of the assessment of work attitude, work completion, and other aspects, we have formulated the *Performance Management Policy*, which carries out regular monthly KPI performance

assessments, semi-annual 360 performance assessment and annual IBS performance assessment for employees.

The Company equips employees with a complete set of living facilities such as four-star apartment dormitories, multimedia rooms, canteens, and gymnasiums, creating a comfortable office environment. Moreover, we provide

rich and diverse forms of welfares to employees like commercial insurance, holiday benefits, equity incentives, innovation rewards, retired staff rewards and in-service old staff rewards, and others to enhance employees' happiness.



The Company advocates a culture of love and believes motherhood is the world's most splendid profession. We encourage female employees to give birth and raise children more often and give working female employees "Mother's Leave", which gives extra 2 days paid vacation per year for the family with one child; extra 5 days paid vacation per year for the family with two children; extra 6 days of paid vacation per year for the family with three children based on the national statutory leave.

During the pandemic, the Company provided employees with a flexible office approach of working at home and in factories to ensure the employees' health and regular operation. In addition, we adequately deployed personnel and integrated resources, transported living supplies and other resources for employees in need, and supported employees and their families with love during the particular period.



Anti-pandemic Gift



A Letter for INTCO Partner

## Employee Communication

To obtain employee feedback and understand their expectations and demands, the Company guarantees timely communication through various approaches such as employee unions, WeChat, employee questionnaires, employee seminars, and sharing sessions. Meanwhile, we have established an employee grievance mechanism and periodic satisfaction surveys to obtain employees' needs promptly, improve the rationalized suggestions accordingly, actively improve the deficiencies and enhance employees' satisfaction.

As of the End of the Reporting Period

The Company's collective agreement coverage rate reached

100%



### Listening to Requests and Accepting Suggestions

During the reporting period, the Company conducted satisfaction surveys on Linzi canteen, and 261 and 300 employees gave feedback, respectively. We received the most immediate feedback from various aspects, such as food hygiene, price, and dining environment and analysed the research results to summarize the concerns that employees care most. We continue introducing more decadent dishes, and a more convenient dining mode, with the sincerest way to reflect the heart of the matter for employees.

## Employee Activities

The Company held many employee activities during the reporting period to enliven the working atmosphere, enhance the relationship among employees, and build a corporate culture. We also held Lantern Festival,

Women's Day, Children's Day, Mid-Autumn Festival, and Christmas activities at home and abroad in conjunction with the festive atmosphere to send joyful blessings and benefits to employees and their families which

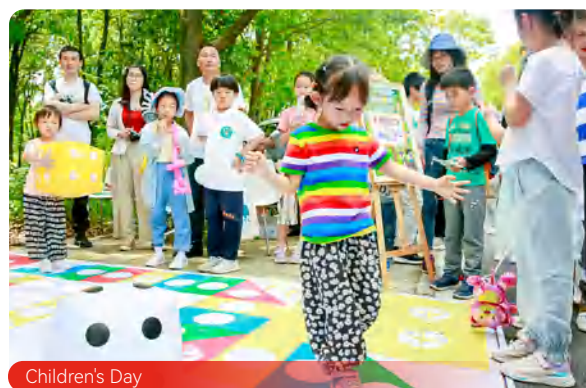
also contributes to the enhancement of employees' sense of belonging.

Besides, we organized parent-child activities, team games, basketball games, and other diverse activities to encourage employees to exercise and find a balance between work and life.

### Festive Celebrations



Spring Festival



Children's Day



Women's Day



Lantern Festival



Christmas



Basketball Game



Badminton Match



Tug of War

## Topics of interest

- Supplier Management
- Community Contribution and Development

## Corresponding SGDs



# WORKING TOGETHER WITH 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

Collaborating with partners is key to creating a harmonious, coexisting, and sustainable development ecosystem. On the one hand, Intco Recycling actively practices sustainable development responsibility within the supply chain, building a responsible supply chain. On the other hand, the Company proactively constructs an open ecological platform to promote the exchange and sharing of innovative

technological achievements, accelerating industry partners' growth. At the same time, the Company actively fulfils the corporate social responsibility, continuously focusing on public welfare, participating in social and environmental protection, promoting social development, and giving back to society through technology and capabilities.

# Building a Responsible Supply Chain

The Company has established a clear supply chain management strategy and strictly complies with the laws and regulations of countries and regions in the procurement process. We have full process control over supplier selection, admission, performance evaluation, and portfolio management. At the same time, we conduct regular assessments to build a healthy, safe, responsible, and sustainable supply chain globally.

By the End of 2022

The Company had

**1,214** suppliers

With

**150**

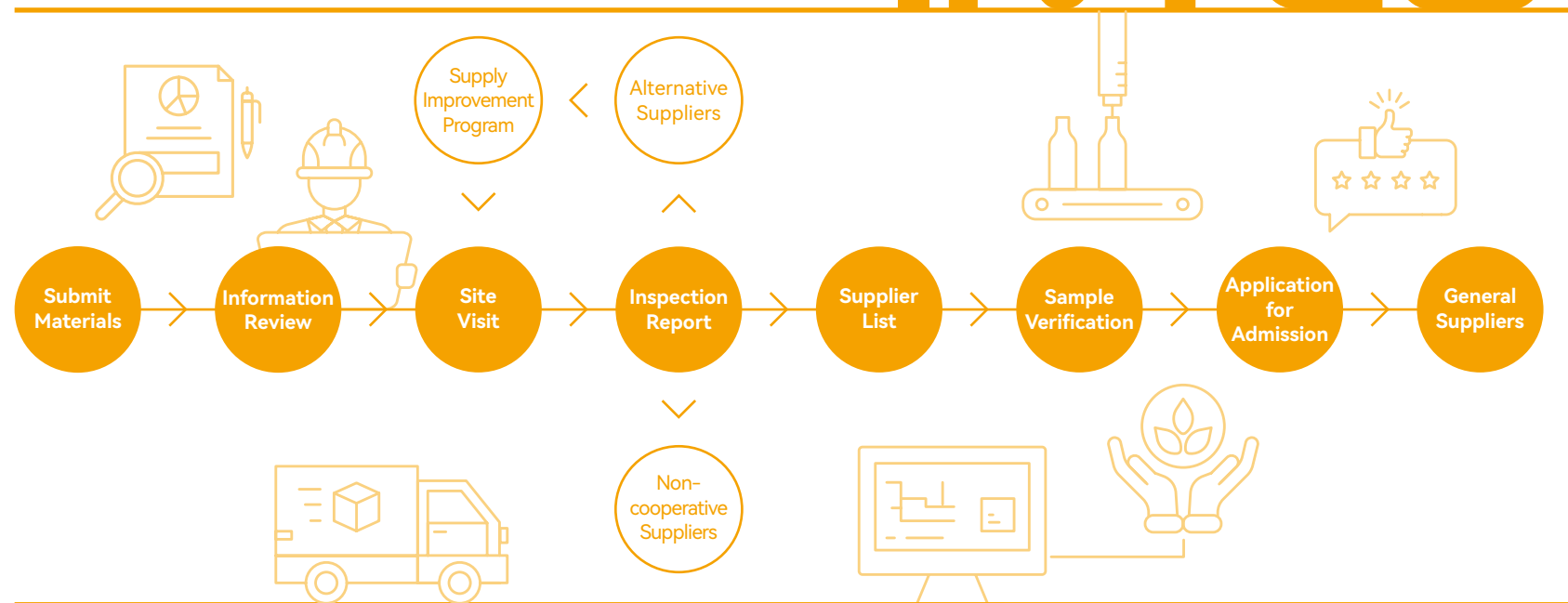
new suppliers engaged during the reporting period

## Standardizing Supplier Selection and Approval

The Company strictly controls suppliers' access and investigate various aspects such as business qualification, product quality, business reputation, product price, and financial situation using on-site inspection and sample verification. Approved and qualified suppliers can be included in our supplier pool and cooperate after signing the *Supplier Anti-Bribery Commitment* and other agreements. In addition, we have precise regulations

for key suppliers: suppliers over 5 million RMB every year with no significant negligent behavior during the cooperation, can be recognized as key suppliers.

### Intco Recycling Supplier Access Process





## Evaluating Supplier Performance

Referring to ISO 14001 Environmental Management system, ISO 45001 Occupational Health and Safety Management System, and SA 8000 Social Responsibility Management System, the Company drafts internal standards like *Supplier Quality Audit Checklist*, focusing on supplier capability performance, social responsibility, environmental governance, occupational health, and safety. We also make monthly and quarterly appraisal plans for the existing suppliers. In addition, we conduct

annual sustainability risk assessments of the supply chain and implement a sustainability review program focusing on key suppliers and suppliers facing high risks<sup>13</sup>.

Simultaneously, the Company has established supplier performance assessment methods and standards, mainly based on the TQRDCES evaluation dimensions for different suppliers and material categories, setting different assessment criteria and weights to evaluate suppliers' performance levels. The Company conducts a comprehensive evaluation of suppliers' quality, delivery performance, price levels, and service situations on a monthly basis, forming the *Supplier Assessment Evaluation Form*. Supplier performance is classified into three levels: green, yellow, and red, depending on their performance. For suppliers with

excellent performance, the Company will prioritize procurement and strengthen cooperation; for those with poor performance, the Company will demand rectification, reduce procurement shares, limit business cooperation, or terminate the relationship to optimize supplier structure and resources. During the reporting period, we evaluated 75 suppliers, and five of them developed rectification plans. We also launched the Fengzhi system, achieving 100% coverage for new suppliers, strengthening performance management, supplier classification management digitization and visualization, and improving management efficiency.

### Supplier Performance Concern Dimensions

#### Social Responsibility



- Strictly prohibit employing child labor
- Strictly prohibit forced labor
- Prohibit discrimination
- Employees' rights and remuneration benefits protection
- Working hours, equality, freedom of association, collective bargaining rights and other legitimate rights and interests of employees
- Fair business

#### Environmental Protection



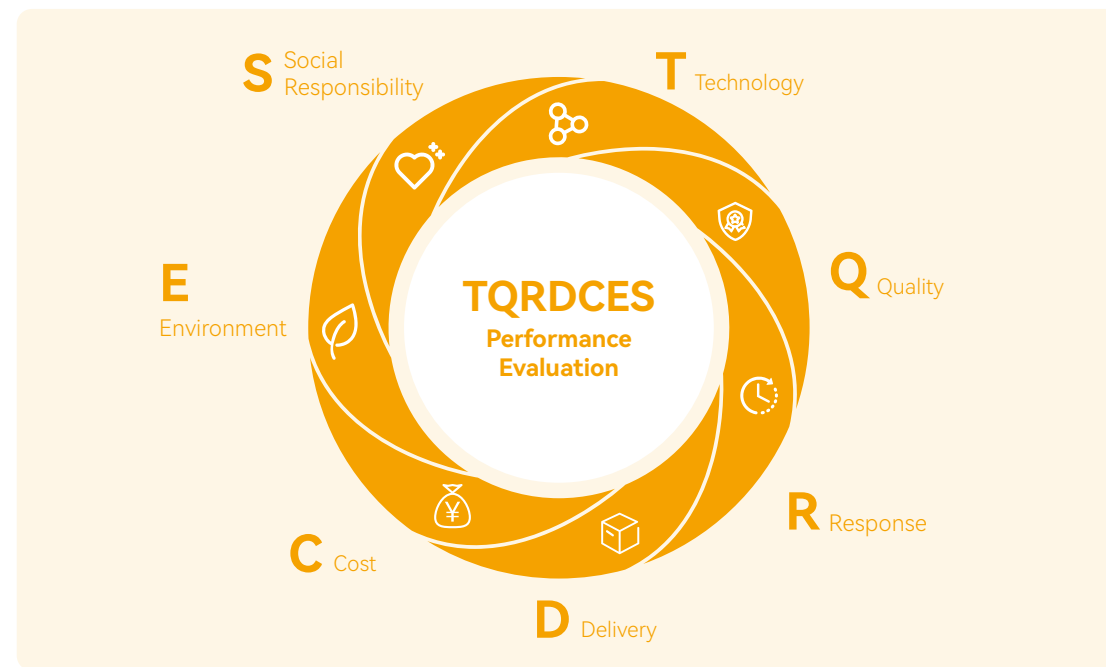
- Strictly abide by relevant environmental laws and regulations
- Formulate a waste disposal plan
- ISO 14000 Environmental Management System and other management system certification

#### Health & Safety



- Fire safety, early warning, and other protection measures of the plant
- Safety maintenance and protection measures for equipment and chemicals
- Emergency measures guarantee
- Employee protection measures and health protection

<sup>13</sup>High-risk suppliers: Suppliers found to be substandard regarding products and services, employees, environmental management, compliance, and risk management, etc.

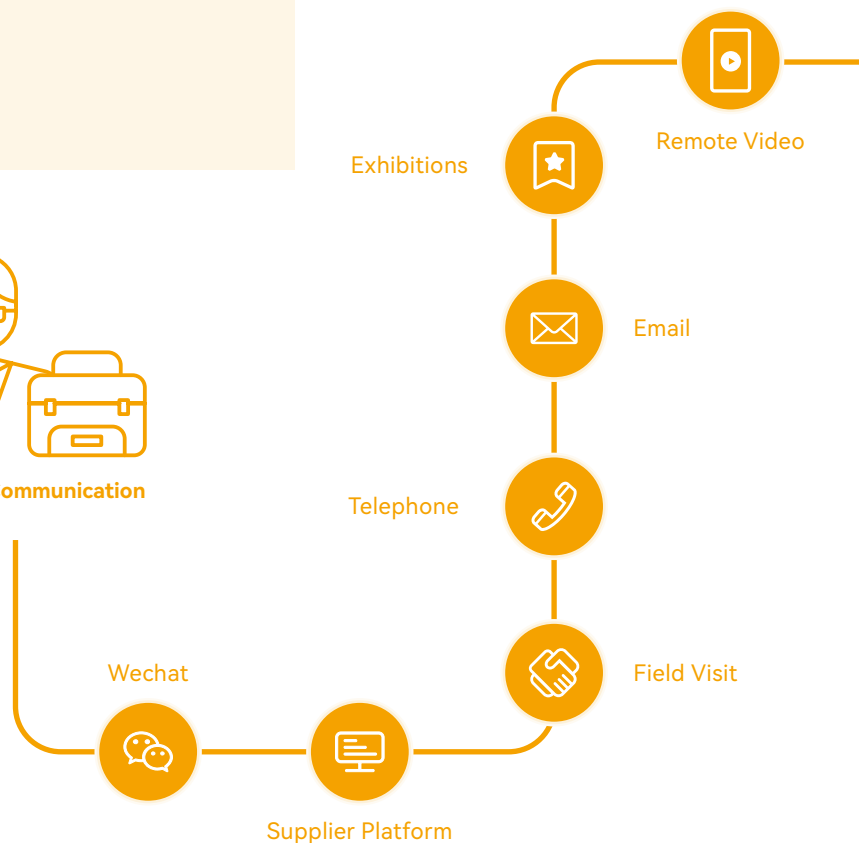


## Empowering Partners

The Company focuses on supplier capacity building through sharing information including orders, delivery plans, and quality standards. In addition, we develop SCM supply chain management and strengthen collaborative effects with supplier partners to grow and share value together.



Supplier Communication



## Enriching Supplier Communication Channels

To strengthen the supply chain toughness, we have established a multi-channel parallel supplier communication mechanism to timely identify, communicate and solve problems and difficulties in cooperation to achieve win-win cooperation.

## Improving Supplier Management

The Company pays attention to sustainable development and capacity improvement of suppliers through on-site guidance and technical support to help suppliers improve quality and increase efficiency.

### Caring for Suppliers and Optimizing their Production and Living Conditions

A is a family-owned PET plastic recycling outlet in Indonesia, which recycled approximately 30 tons per month before cooperating with the Company. In July 2022, A collaborated with us for the first time. Our procurement team visited the recycling yard and conducted inspections on the recycling volume and staff environment. Later, A received systematic guidance and support from the Company in areas such as bottle material identification, recycling quality, and recycling methods, helping it improve recycling capacity and quality. Since July 2022, A's production volume has steadily increased, and during follow-up visits, we found that the working and living environment of A's employees has significantly improved.

### Helping to Upgrade Equipment and Improving Production Efficiency

B is a manufacturer of cutting machines and has been working with Inco Recycling for a long time to solve the issue of the large amount of waste foam generated during the foam-cutting process. In 2022, B proposed a new demand to improve the efficiency of foam recycling to achieve maximum profitability. After mutual communication, "GREENMAX Foam Hot Melt Machine M-C200 Assembly Conveyor" was selected as an upgrade. The new machine solution increases the compression ratio nearly one time than the original equipment. It improves the capacity and reduces the labor cost simultaneously and realizes the separate processing of different materials.

### Collaborating with Suppliers to Achieve Low-carbon Production

Company C is our hot melt adhesive supplier. In response to the 2050 global net zero emissions trend, we have communicated with C to switch from the current hot melt adhesive to a bio-based hot melt adhesive. This hot melt adhesive has natural non-toxic, environmentally friendly, pure, and low odor characteristics, and more than 20% of its raw materials come from organic biomass, which is closer to natural organic cycles, can reduce carbon emissions and help with raw material reuse. Currently, we have cooperated to complete the sample and entered the testing phase.

# Promoting Industry Development

As a leading enterprise in the recycled plastics industry, we must promote joint construction. During the reporting period, we actively participate in industry-related activities like technology sharing and market information exchange to build a harmonious industry ecology with global partners.

By the End of 2022

We have participated in formulating

**3** national standards

**1** industry standard

**6** group standards

## Intco Recycling Leading or Participating in Standard System

### National Standards

Recycled Polystyrene Modified Special Material	<b>GB / T 29645-2013</b>
Classification and Code of Waste Plastics	<b>GB / T 37547-2019</b>
Plastics - Recycled Plastics - Part 6: Polystyrene (PS) and Impact-Resistant Polystyrene (PS-I) Materials	<b>GB / T 40006.6-2021</b>
Plastics - Recycled Plastics - Part 5: Acrylonitrile-Butadiene-Styrene (ABS) Materials	<b>GB / T 40006.5-2021</b>

- Shanghai Intco Industry Co., Ltd.
- Shanghai Intco Industry Co., Ltd.
- Shanghai Intco Industry Co., Ltd.  
○ Shandong Intco Recycling Resources Co., Ltd.
- Shandong Intco Recycling Resources Co., Ltd.

### Industry Standards

Recycled Polystyrene Extrusion	<b>QB / T 5153-2017</b>
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- Shanghai Intco Industry Co., Ltd.  
○ Shandong Intco Recycling Resources Co., Ltd.

### Group Standards

Recycled Plastic Pellets General Rules	<b>T / CPPIA 0001-2018</b>
Bamboo Wood Fiber Integrated Wall	<b>T / CADBM3-2018</b>
Recyclable Design Guidelines for Polyethylene Terephthalate (PET) Container Packaging Products	<b>T / CSRA 16—2022</b>
Calculation of Carbon Emissions from Physical Recycling of Recycled Plastics	<b>T / ZGZS0802—2022</b>
Design Evaluation of Easily Recyclable and Renewable Plastic Products: Cold Chain Insulation Box	<b>T / CRRA 0306 2022</b>
Guidelines for Accounting Carbon Emission Reductions from Plastic Packaging Alternatives	<b>T / ACEF 060-2023</b>

- Shanghai Intco Industry Co., Ltd
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- Shanghai Intco Industry Co., Ltd
- Shanghai Intco Industry Co., Ltd.  
○ Shandong Intco Recycling Resources Co., Ltd.
- Shanghai Intco Industry Co., Ltd



STOCK SYMBOL 688087

Intco Recycling  
Participation in Industry  
Conferences and Events  
in 2022 (Partial)

National Conference on Vocational Ability  
Evaluation in Light Industry

Sino-European Chemical Looping  
Symposium

Advanced Training Course on Green Circular  
Application of Polymer Materials

The 26th China Plastics Recycling and  
Regeneration Conference

Global Technology Impact Investment  
Conference Climate Development Forum

China-Malaysia Green Development Forum



### Participating in 16 Exhibitions and Winning Orders

In 2022, the PS and PET marketing elites of Intco Recycling participated in industry exhibitions such as K Show and DOMOTEX 2022 International Flooring Exhibition to share cutting-edge industry information and enhance the reputation.



### Presenting at the 26th China Plastics Recycling and Recovery Conference

The theme of this conference is "Building Chinese PCR High-Quality Recycling Plant". The participating industry experts, scholars, and enterprise representatives focused on constructing high-quality recycled plastics enterprises. They held lively discussions on improving operational, resource and energy efficiency. Intco Recycling was invited to attend the conference as a listed Company in the waste plastics recycling industry. Ms. Jin Zhe, General Manager, delivered a speech on "Capital Driving Industry Development and the IPO Journey of Intco", sharing the 20-year operation and IPO history of the waste plastics recycling industry.



## Building a Warm Community

The Company strictly abides by the *Law of the People's Republic of China on Donations for Public Welfare*. Adhering to the corporate values of "Love Goodness Truth", we actively practise corporate social responsibility and provide support and assistance for developing social communities. We have committed to public welfare activities and made multiple efforts in environmental protection, cultural construction, volunteer services, charity donations, epidemic prevention and control, rural revitalization and so on.

During the Reporting Period

# 72

voluntary and charity activities were organized

# 1,889

employee participants

# 1,560

people from local communities, schools, and third-party organizations.



## Popularizing Environmental Culture

We are aware of the importance of environmental protection. Through activities such as "Happy 5S", "Blue Vest", campus science popularization activities, and the construction of environmental education bases,

we try to promote public environmental awareness. We aim to attract more people to participate in environmental protection actions and practice sustainable lifestyles.



### Bringing Environmental Protection into Campus to Inspire Young People's Passion for Environmental Protection

In June 2022, GEMS International School of Penang, Malaysia held the "International Charity Day" campus event, where companies from 17 countries and regions set up booths. Intco Malaysia participated in this event and witnessed the exchange of Chinese and Western cultures and the transmission of love.

At the event, Intco Recycling showed and explained the recycling mode of Intco PS foam and PET beverage bottles to the students to promote environmental protection knowledge. We conveyed the green and sustainable life concept to stimulate young people's interest in resource recycling and environmental protection. The schools' principal strongly supported Intco's environmental protection idea and planned to cooperate with us to build an "environmental protection science education base".





### Construction of Environmental Education Bases to Promote Environmental Awareness Promotion

The environmental education base constructed by us focuses on popularizing the knowledge of garbage classification and demonstrating the environmental protection concept of recycling as the core educational content, and sets up various exhibition areas such as environmental education exhibition area, recycling mode exhibition area, foam capacity reduction exhibition area, green regeneration art exhibition area, multimedia classroom viewing area, and production and manufacturing exhibition

area, helping public to understand and deeply experience the recycling journey of plastic. The Company integrates the concept of regeneration into the environmental education base, builds a multi-directional publicity platform, realizes the diversification of information transmission channels through network promotion, publicity posters and production practice activities, and strives to make the concept of environmental protection go deep into communities, schools and grassroots.



Parent-child Environmental Education



JINCAI High School



Tongji University



Child Reporter

## Charity Donations

The Company actively participates in public welfare donation activities such as physical donations and cash donations. In November 2022, the Company established the *Shanghai Intco Public Welfare Foundation* to fund public welfare projects and activities that support poverty alleviation and community harmony. The operation of the foundation will strictly follow relevant laws and regulations such as the *Charity Law of the People's Republic of China* and the *Trust Law of the People's Republic of China*. We have also formulated the *Shanghai Intco Public Welfare Foundation Charter* to further standardize the transparency of our business.

### Promoting Chinese Culture and Empowering the Development of Cultural Undertakings

Intco Recycling actively empowers the development of domestic cultural industry. The Company injected funds into the Shanghai Nine Trees Future Art Center Foundation which aims to support the foundation in spreading art and promoting Chinese culture from the social, cultural, educational, artistic and other fields.



### During the Reporting Period

Company invested

**3,966,900** RMB

in public welfare and charity activities

**610,000** RMB

in in-kind giving

Including

**3,270,000** RMB

in cash contributions

**86,900** RMB

in time costs



### Carrying Out School-Enterprise Cooperation and Seeking a "win-win" Model for Talent Cultivation

Intco Recycling is committed to supporting education development and talent cultivation in the long term. In May 2022, we signed a strategic cooperation agreement with the China University of Petroleum (East China) to establish the "Intco Fund" to reward outstanding students and support their employment activities. Both parties look forward to deeper cooperation in internships, employment, research, and development in the future.



## Rural Revitalization

The Company actively combines the rural revitalization strategy with the promotion of its own development, settled in Zhuanghang Town Yuli Village and Feng Manor and operated, inspired by the beautiful countryside, to build the development community of

enterprise villages. Our e-commerce operation center and graphic design team are stationed village for office work and hold several exhibitions, conferences, forums, industry training, and other exchange activities.



## Fighting the Pandemic

In 2022, we actively participated in Covid-19 prevention and control work. On the one hand, we cooperated with community streets to carry out relevant testing work; on the other hand, we donated multiple batches of anti-pandemic materials to employees, frontline anti-pandemic workers, and public places. We spontaneously organized a volunteer team to provide volunteer services for PCR testing 23 times for more than 1,500 villagers in Linhai Village, Fengxian District. At the same time, we actively donated anti-epidemic materials worth a total of 480,000 RMB to various communities in Shanghai and medical institutions in Fengxian District.

Provide volunteer services to more than 1,500 villagers for PCR testing

**23** times

Donated anti-epidemic materials worth a total of

**480,000** RMB



Photo of Volunteers



### Our Topics of Interest

- Codes of Business Conduct
- Compliance Operations
- Corporate Governance

### Corresponding SGDs



# STEADY GOVERNANCE ENDLESS VITALITY

### Our Actions

- Strictly regulate the compliance of business operations and establish risk response mechanisms to maintain the continuity of business
- Establish a reporting mechanism for effective, accountable, and transparent management
- Develop emergency response procedures and strengthen information security protection

To protect the rights and interests of stakeholders, Intco Recycling optimizes its corporate governance performance through various pathways, including the design an

improvement of corporate's policies, risk management enhancing, adhere to business ethics, strengthening information security protection, and maintain compliance.

# Adhering to Compliance

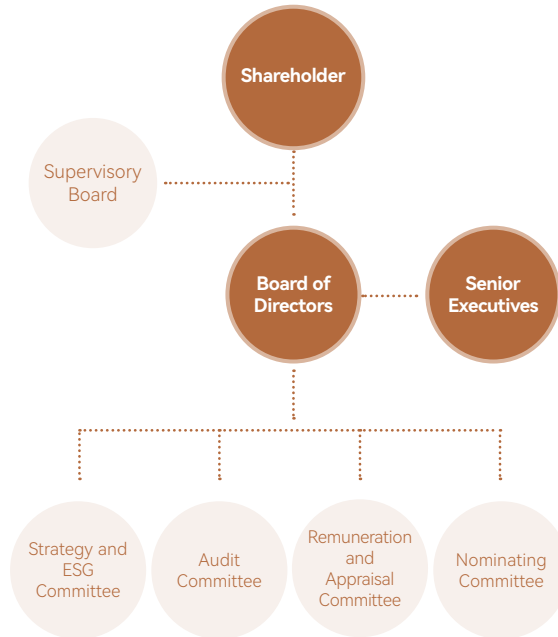


The Company firmly believes that compliance is the cornerstone of business operation and an essential factor of business sustainable development. We strictly follow the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Governance for Listed Company*, the *Rules for Stocks Listing in the STAR Market of the Shanghai Stock Exchange* and other relevant laws, regulations and regulatory requirements. It has formulated the *Articles of Association of Shandong Intco Recycling Resources Co., Ltd* (hereinafter referred to as the *Articles of Association*), the *Rules of Procedure of the Board of Directors of Shandong Intco Recycling Resources Co., Ltd* and other corporate governance documents. The Company has improved the level of corporate governance through standardizing the Company's internal control process, carrying out in-depth corporate governance activities, and constantly promoting the Company's standardized operation.

## Improving the Governance Structure

The Board of Directors has established four special committees, the Strategy and ESG Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nominating Committee, which exercise their authorities and responsibilities following the *Articles of Association*, and the corresponding work rules and decisions, and provide advice and support to the Board of Directors.

Intco Recycling Governance Structure

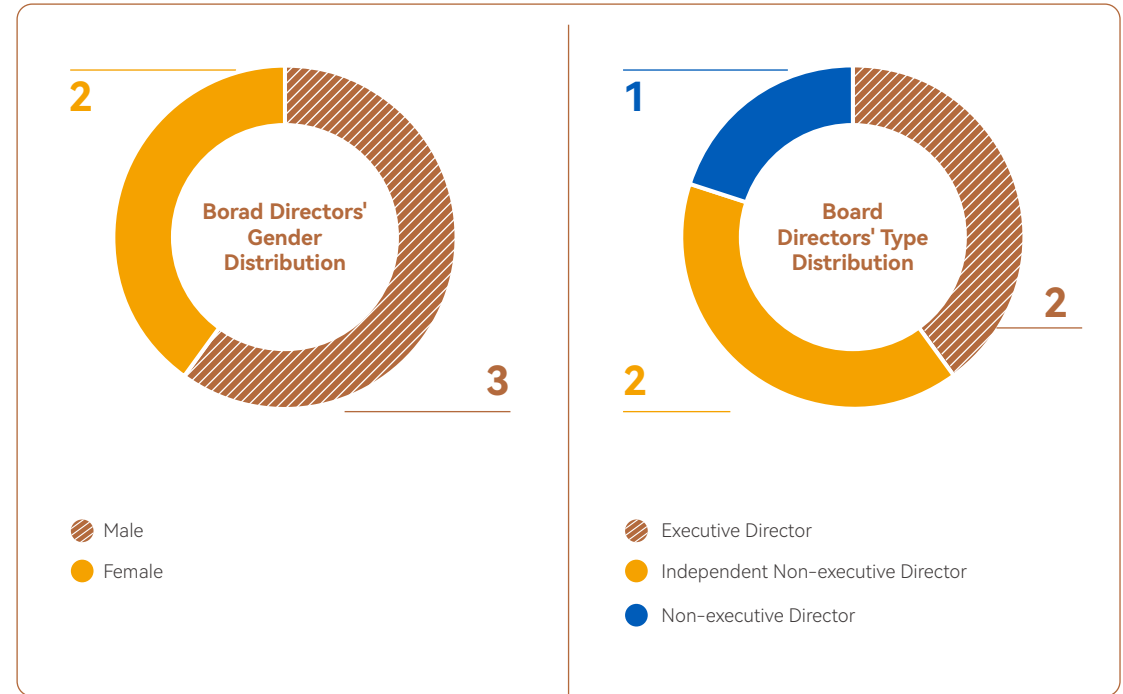


## Board Diversity

The Company insists to establish a diverse board of directors and nominates board members regardless gender, education background, age, and other elements. As of the end of the reporting period,

the Board of Directors consisted of five members, including two independent directors, and 40% of board members are female.

Board Overview



## Building a Solid Risk Management System

The Company has built internal policies like *Risk Assessment Management Policy* and other regulations following relevant laws and regulations to identify, analyse and control potential risks such as strategic risks, financial risks, market risks, operational risks,

and legal risks, in operational activities. Based on the results of previous activities, the Company should determine risk tolerance and prepare countermeasures applicable to the actual situation of the Company and its subsidiaries.

The Company sets up a risk control mechanism to carry out identification and assessment at least once a year to fully guarantee the business continuity.

### Risk Management Mechanism



At the same time, the Company identifies long-term emerging risks that have an impact on its business in the future and takes preventive measures:

#### Emerging Risks

#### Response Initiatives

##### Partner's business status and compliance



- Regularly research on the business status of suppliers and customers, and check whether there are significant litigation and illegal records
- Feedback survey results to business units to synchronize customer information

##### Impact of the international situation on overseas companies and operations



- Keep real-time attention on overseas political news
- Expand business auditing to overseas companies

## Adhering to Business Ethics



The Company adheres to the concept of honesty and integrity. It strictly abides by the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other national laws and regulations, and has formulated the *Anti-Bribery Management Policy* applicable to all employees, suppliers, and other partners to resist any form of bribery and corruption. The Company strictly prohibits employees from participating in activities that are detrimental to the interests of the Company, operations or customers. Simultaneously, we have established a reporting mechanism to strengthen business ethics control. During the reporting period, the Company did not violate any business ethics.



## Business Ethics and Anti-Corruption

To fortify the internal environmental of integrity, the Company administered anti-corruption and anti-bribery training for all new employees during the reporting period, guiding them towards ethical conduct. By highlighting instructive instances of misconduct, we aimed to elevate employees' understanding of business ethics in their everyday actions. Furthermore, to assure operational compliance across the organization, we developed and disseminated ethical compliance hotline cards, inspiring employees to observe the code of conduct and protect the Company's rights and interests.



At the same time, to prevent supplier corruption, the Company requires suppliers to sign the *Supplier Anti-Bribery Commitment* to promise being honest and self-disciplined work style in the procurement process and eliminate any improper behavior. During the reporting period, primary suppliers signed the *Supplier Anti-Bribery Commitment*.

As a crucial component of the enterprise's supply chain operations, the Company stringently oversees the ethical business conduct of our suppliers. Following business ethics standards, we individually impart anti-bribery guidance to newly onboarded suppliers. Moreover, in collaboration with Supply Chain Management Department and the Equipment Automation Department, we organize regular supplier visits and distribute anti-bribery cards to heighten supply chain partners' awareness of ethical norms.



Distribute Anti-bribery Cards

## Establishing Sound Reporting Mechanism

The Company encourages employees to report through the hotline, e-mail, letters, and other ways, and regularly evaluates the effectiveness of the reporting channel and management. It would help to strengthen internal control, standardize business conduct, reduce operational risks, and ensure the Company's sustainable, stable and healthy development. In response to the reported content, we set up an investigation team to verify the incident's authenticity, reward those who provide direct and solid evidence, and handle the relevant personnel involved following the Company and national laws and regulations.

Moreover, in compliance with relevant laws and regulations such as the *Basic Norms for Enterprise Internal Control* and application guidelines, the Company has established the *Anti-Fraud and Reporting Complaint Management System* and the *Employee Protection from Retaliation Control Procedure*. These measures safeguard the rights and interests of complainants and whistleblowers, prohibit any unlawful discrimination, retaliation, or hostile actions, and impose appropriate consequences on employees who disclose whistleblowers' information or retaliate against whistleblowers.

# Strengthening Information Security Protection

The Company regards information security protection as an essential aspect of corporate governance. To prevent information security from affecting all factors, such as social security, corporate stability, and customer rights and interests, we have formulated emergency response procedures and conducted relevant awareness training to implement security protection and supervision.

The Company has a sound information security management structure, and Mr. Han Xuebin, a supervisor of the Company, is responsible for supervising the Company's network security strategy and improving information security governance. During the reporting period, the Company obtained the Network Security Level 3 Equivalent Assurance Certification and has strict network security facilities and management system.

## Securing Data and Information

The Company establishes internal policies and documents such as *Information Security Management Policy*, *Data Center Backup Management Policy*, *Information System Development Management Policy*, and *IT Equipment Maintenance Management Policy* to improve the information security management system, clarify the operation norms and reduce the information security risks of each department.

By the requirements of the *National Network Security Level Protection 2.0*, the Company continues to optimize the internal network information security software and hardware system, strengthen staff operation training, and improve the reliability of the data and information security.

### Cybersecurity

- Enable Admission Authentication Technology
- Table Tube System
- Convinced Behavior Analysis System

### Information Security

- Kaspersky Antivirus System
- Cisco Firewall
- IP-guard Encryption System

### Employee Training

- Orientation for New Employees
- Annual Information Security Training
- ERP (Enterprise Resource Planning) Operation Training

At the same time, the Company classifies information security emergencies and takes different response measures:

Event Type	Processing Procedure
<b>Data Anomalies</b>	<ul style="list-style-type: none"> <li>Restore recent backup data</li> <li>Ensure the regular operation of the Company's business and production</li> </ul>
<b>Virus / Trojan Invasion</b>	<ul style="list-style-type: none"> <li>Full scan for gaps</li> <li>Update the firewall to block the spread of viruses</li> </ul>
<b>Abnormal Server Operation</b>	<ul style="list-style-type: none"> <li>Find hardware faults</li> <li>Replace damaged hardware</li> <li>Restore important data</li> <li>Restore operation of servers in a timely manner</li> </ul>
<b>Network Failure</b>	<ul style="list-style-type: none"> <li>Examine related network operators</li> <li>Redeploy and restore the network in a timely manner</li> </ul>

To strengthen security awareness, the Company conducts weekly summaries of operation and maintenance meetings to exchange and share information on security-related issues. Trainings about cyber hazard issues are provided to new employees undergo a month-long training by network engineers to learn and understand the Company's network security-related knowledge. In addition, we regularly conduct information security incident training, covering topics such as mailbox domain name fraud, phishing defence, and Company data security training to solid corporate information security. At the same time, we organize full staff training according to the changing of information security circumstance to consolidate staff security awareness in response to cases.

### During the Reporting Period

We held

# 24

training sessions on network information security

Covering

# 95%

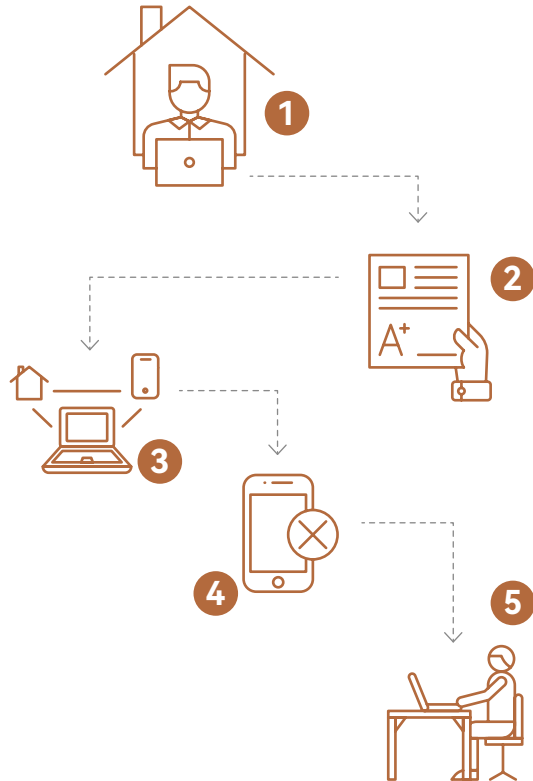
of the operational staff

## Focusing on Customer Privacy Protection

The Company strictly follows the *Law of the People's Republic of China on the Protection of Personal Information*, establishes response files for customer privacy leaks, and strengthens relevant protection. At the same time, the Company installs encryption software on the computers of essential departments

and salesclerks to encrypt relevant files, strictly controls the rights of employees, and limits the scope of access to vital customer information. On this basis, we provide training pertinent to new employees, emphasizing the importance of customer privacy and strengthening the awareness of privacy protection.

In addition, the Company establishes the procedures for handling customer privacy breaches to reduce the adverse impact of such incidents on the Company and customers.



### Customer Privacy Breach Response Process

- 1 Immediately contact the digital automation department after the incident
- 2 Assess risks and priorities, and respond based on the results of the assessment
- 3 Check the device related to the incident to find out the cause of the data breach
- 4 Block and deactivate the incident device
- 5 Establish incident response files, analyze the causes, strengthen relevant protection, and carry out detailed investigations at each base

# KPI Tables

KPI	2022	2021	2020	Unit
<b>Key Environmental Performance</b>				
<b>Energy Use</b>				
Gasoline	98,011	103,252	110,190	Liter
Diesel	159,181	106,416	104,336	Liter
Natural gas	407,080	76,776	20,000	Cubic Meter
Purchased electricity	70,023,245	59,774,785	60,798,715	KWh
<b>Energy Consumption</b>				
Direct energy consumption	6,481.50	2,735.06	2,214.25	MWh
Indirect energy consumption	70,023.24	59,774.79	60,798.72	MWh
Total energy consumption	76,504.74	62,509.84	63,012.97	MWh
Energy intensity	0.37	0.31	0.37	MWh/10 thousand RMB
<b>Greenhouse Gas Emissions</b>				
Direct emissions (Scope 1)	1,442.49	671.51	570.08	tons of CO <sub>2</sub> e
Direct GHG emissions intensity	0.007	0.003	0.003	tCO <sub>2</sub> e/10 thousand RMB
Indirect emissions (Scope 2)	36,517.70	32,149.55	34,242.71	tons of CO <sub>2</sub> e
Indirect GHG emissions intensity	0.18	0.16	0.20	tCO <sub>2</sub> e/10 thousand RMB
Total GHG emissions (Scope 1 + Scope 2)	37,960.19	32,821.05	34,812.79	tons of CO <sub>2</sub> e
Total GHG emissions intensity	0.18	0.16	0.20	tCO <sub>2</sub> e/10 thousand RMB
<b>Water Resources</b>				
Total water withdrawal	224,287	156,272	132,830	Ton
Total water disposal	150,134	83,616	70,427	Ton
Total water consumption	74,153	72,656	62,403	Ton
<b>Waste Water</b>				
Total industrial waste water disposal	6,250	0	0	Ton
BOD	0.34	0	0	Ton
COD	1.00	0	0	Ton
NH <sub>3</sub> -N	0	0	0	Ton
<b>Waste</b>				
Total non-hazardous waste generation	10,444.76	11,027.63	9,774.48	Ton
Recycling of non-hazardous waste	9,612.65	10,253.42	9,292.85	Ton

KPI	2022	2021	2020	Unit
Total hazardous waste generation	81.98	55.38	43.46	Ton
Recycling of hazardous waste	0	0	0	Ton
<b>Waste Gas</b>				
Nitrogen oxide emissions	0	0	0	Ton
Sulfur oxide emissions	0	0	0	Ton
VOCs	3.83	6.16	3.55	Ton
<b>Packaging Materials</b>				
Packaging material	9,077.7	9,526.5	6,447.0	Ton
Plastic (bubble pad/EPE/tape/film)	1,269.7	1,350.5	901.3	Ton
Foam plates	236.0	273.0	180.0	Ton
Cartons	7,217.9	7,693.9	5,234.5	Ton
Paper pallets	189.1	95.1	61.2	Ton
Others (wrapping corner, grey board paper, kraft paper)	165.0	114.0	70.0	Ton
<b>Key Social Performance</b>				
<b>Employment</b>				
Total number of employees	2,986	2,814	2,929	Person
<b>Full-time and Part-time Employees</b>				
Full-time	2,985	2,813	2,929	Person
Part-time	1	1	0	Person
<b>Employee Composition</b>				
Male	1,739	1,601	1,654	Person
Female	1,247	1,213	1,275	Person
30 and under	1,103	969	971	Person
31 to 50	1,585	1,537	1,633	Person
51 and older	298	308	325	Person
Chinese mainland	2,458	2,614	2,776	Person
Overseas area	528	200	153	Person
<b>Management Diversity</b>				
Number of senior management-men	360	255	218	Person
Number of senior management-women	123	79	65	Person
<b>New Employee Overview</b>				
Total number of new employees	622	612	592	Person
Male	386	335	312	Person



KPI	2022	2021	2020	Unit
Female	236	277	280	Person
30 and under	351	267	201	Person
31 to 50	267	338	384	Person
51 and older	4	7	7	Person
Chinese mainland	181	455	517	Person
Overseas area	441	157	75	Person
<b>Employee Turnover</b>				
Total number of employee turnover	630	945	799	Person
Employee turnover rate	21.09	25.50	22.02	%
Male	21.03	24.70	20.66	%
Female	21.28	26.12	23.13	%
30 and under	25.99	33.12	27.94	%
31 to 50	16.20	19.46	16.33	%
51 and older	23.65	24.37	26.69	%
Chinese mainland	22.81	26.25	22.41	%
Overseas area	11.82	10.99	9.73	%
<b>Occupational Health and Safety</b>				
Number of EHS training sessions	109	50	48	Event
EHS training coverage rate	100	100	100	%
Investment in EHS	923.05	1,703.94	265.46	Ten thousand RMB
Number of work-related accidents	15	11	8	Case
Number of deaths due to work-related incidents	0	0	0	Person
<b>Employee Training</b>				
Total hour of employee training	134,508	117,123	116,615	Hour
Employee training coverage	100	100	100	%
Average training hours per employee	45.05	41.62	39.81	Hour
<b>Supply Chain Management</b>				
Number of suppliers	1,214	1,064	1,019	Unit
Chinese mainland	1,075	1,039	992	Unit
Overseas area	139	25	27	Unit

# GRI Standards Index

**Usage Instruction** Intco Recycling reports the information referenced in this GRI Content Index with reference to GRI standards from January 1, 2022 to December 31, 2022.

**Used GRI 1** GRI 1: Foundation 2021

GRI Standard	Disclosure Title	Chapter Index	Page Index
GRI 2: General Disclosures 2021			
<b>The Organization and its Reporting Practices</b>			
2-1	Organizational details	Company Overview	04-10
2-2	Entities included in the organization's sustainability reporting	About This Report	01
2-3	Reporting period, frequency and contact point	About This Report	01
2-4	Restatements of information	No restatements of information	
2-5	External assurance	No external assurance	
<b>Activities and Workers</b>			
2-6	Activities, value chain and business relationships	Company Overview Building a Responsible Supply Chain	04-10 47-48
2-7	Employees	Building Employer Brands KPI Tables	34-37 62-64
<b>Governance</b>			
2-9	Governance structure and composition	Adhering to Compliance	57-58
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	01

GRI Standard	Disclosure Title	Chapter Index	Page Index
<b>Strategy, Policies and Practices</b>			
2-22	Statement on sustainable development strategy	Message from the Chairman	03
2-23	Policy commitments	Improving High-quality Service	24
		Consolidating Environmental Management	26
		Strengthening Pollution Prevention	31-32
		Building Employer Brands	34-37
		Building a Responsible Supply Chain	47-48
		Adhering to Business Ethics	59
2-24	Embedding policy commitments	Improving High-quality Service	24
		Consolidating Environmental Management	26
		Strengthening Pollution Prevention	31-32
		Building Employer Brands	34-37
		Building a Responsible Supply Chain	47-48
		Adhering to Business Ethics	59
2-25	Processes to remediate negative impacts	Improving High-quality Service	24
		Safeguarding Health and Safety	38-40
		Strengthening Information Security Protection	60-61
2-26	Mechanisms for seeking advice and raising concerns	Adhering to Compliance	59
2-27	Compliance with laws and regulations	Adhering to Compliance	59
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	11

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2-30	Collective bargaining agreements	Implementing Employee Care	43-45
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Materiality Assessment	12
3-2	List of material topics	Materiality Assessment	12
<b>Economic</b>			
<b>GRI 3: Material Topics 2021</b>			
3-3	Management of material topics	Materiality Assessment	12
201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change	27
201-3	Defined benefit plan obligations and other retirement plans	Implementing Employee Care	43-45
<b>GRI 203: Indirect Economic Impacts 2016</b>			
3-3	Management of material topics	Building a Warm Community	52-55
203-1	Infrastructure investments and services supported	Building a Warm Community	52-55
203-2	Significant indirect economic impacts	Building a Warm Community	52-55
<b>GRI 204: Procurement Practices 2016</b>			
3-3	Management of material topics	Building a Responsible Supply Chain	47-48
<b>GRI 205: Anti-corruption 2016</b>			
3-3	Management of material topics	Adhering to Business Ethics	59
205-2	Communication and training about anti-corruption policies and procedures	Adhering to Business Ethics	59
205-3	Confirmed incidents of corruption and actions taken	Adhering to Business Ethics	59
<b>Environmental</b>			
<b>GRI 301: Materials 2016</b>			

GRI Standard	Disclosure Title	Chapter Index	Page Index
3-3	Management of material topics	Saving Use of Resources	28-30
301-1	Materials used by weight or volume	Saving Use of Resources KPI Tables	28-30 62-64
<b>GRI 302: Energy 2016</b>			
3-3	Management of material topics	Saving Use of Resources	28-30
302-1	Energy consumption within the organization	Saving Use of Resources KPI Tables	28-30 62-64
302-3	Energy intensity	KPI Tables	62-64
302-4	Reduction of energy consumption	Saving Use of Resources	28-30
302-5	Reductions in energy requirements of products and services	Saving Use of Resources	28-30
<b>GRI 303: Water and Effluents 2018</b>			
3-3	Management of material topics	Saving Use of Resources Strengthening Pollution Prevention	28-30 31-32
303-1	Interactions with water as a shared resource	Saving Use of Resources Strengthening Pollution Prevention	28-30 31-32
303-2	Management of water discharge related impacts	Strengthening Pollution Prevention	31-32
303-3	Water withdrawal	Saving Use of Resources KPI Tables	28-30 62-64
303-4	Water discharge	Saving Use of Resources KPI Tables	31-32 62-64
303-5	Water consumption	Saving Use of Resources KPI Tables	28-30 62-64
<b>GRI 305: Emissions 2016</b>			
3-3	Management of material topics	Responding to Climate Change	27
305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change KPI Tables	27 62-64

GRI Standard	Disclosure Title	Chapter Index	Page Index
305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change KPI Tables	27 62-64
305-4	GHG emissions intensity	KPI Tables	62-64
305-5	Reduction of GHG emissions	Gathering Innovation Synergy	14-20
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Strengthening Pollution Prevention KPI Tables	31-32 62-64
<b>GRI 306: Waste 2020</b>			
3-3	Management of material topics	Strengthening Pollution Prevention	31-32
306-1	Waste generation and significant waste-related impacts	Strengthening Pollution Prevention	31-32
306-2	Management of significant waste-related impacts	Strengthening Pollution Prevention	31-32
306-3	Waste generated	Strengthening Pollution Prevention KPI Tables	31-32 62-64
306-4	Waste diverted from disposal	Strengthening Pollution Prevention KPI Tables	31-32 62-64
306-5	Waste directed to disposal	Strengthening Pollution Prevention	31-32
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
3-3	Management of material topics	Building a Responsible Supply Chain	47-48
308-2	Negative environmental impacts in the supply chain and actions taken	Building a Responsible Supply Chain	47-48
<b>Social</b>			
<b>GRI 401: Employment 2016</b>			
3-3	Management of material topics	Building Employer Brands Promoting Employee Growth Implementing Employee Care	34-37 41-42 43-45
401-1	New employee hires and employee turnover	KPI Tables	62-64

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401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Implementing Employee Care	43-45
401-3	Parental leave	Implementing Employee Care	43-45
<b>GRI 402: Labor/Management Relations 2016</b>			
3-3	Management of material topics	Building Employer Brands Implementing Employee Care	43-45
<b>GRI 403: Occupational Health and Safety 2018</b>			
3-3	Management of material topics	Safeguarding Health and Safety	38-40
403-1	Occupational health and safety management system	Safeguarding Health and Safety	38-40
403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding Health and Safety	38-40
403-3	Occupational health services	Safeguarding Health and Safety	38-40
403-4	Worker participation, consultation, and communication on occupational health and safety	Safeguarding Health and Safety	38-40
403-5	Worker training on occupational health and safety	Safeguarding Health and Safety	38-40
403-6	Promotion of worker health	Safeguarding Health and Safety	38-40
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding Health and Safety	38-40
403-9	Work-related injuries	Safeguarding Health and Safety	38-40
403-10	Work-related ill health	Safeguarding Health and Safety	38-40
<b>GRI 404: Training and Education 2016</b>			
3-3	Management of material topics	Promoting Employee Growth	41-42

GRI Standard	Disclosure Title	Chapter Index	Page Index
404-1	Average hours of training per year per employee	Promoting Employee Growth KPI Tables	41-42 62-64
404-2	Programs for upgrading employee skills and transition assistance programs	Promoting Employee Growth	41-42
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
3-3	Management of material topics	Building Employer Brands	34-37
405-1	Diversity of governance bodies and employees	Building Employer Brands KPI Tables	34-37
<b>GRI 406: Non-discrimination 2016</b>			
3-3	Management of material topics	Building Employer Brands	34-37
406-1	Incidents of discrimination and corrective actions taken	Building Employer Brands	34-37
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>			
3-3	Management of material topics	Implementing Employee Care	43-45
<b>GRI 408: Child Labor 2016</b>			
3-3	Management of material topics	Building Employer Brands	34-37
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
3-3	Management of material topics	Building Employer Brands	34-37
<b>GRI 413: Local Communities 2016</b>			
3-3	Management of material topics	Building a Warm Community	52-55
413-1	Operations with local community engagement, impact assessments, and development programs	Building a Warm Community	52-55

GRI Standard	Disclosure Title	Chapter Index	Page Index
<b>GRI 414: Supplier Social Assessment 2016</b>			
3-3	Management of material topics	Building a Responsible Supply Chain	47-48
414-2	Negative social impacts in the supply chain and actions taken	Building a Responsible Supply Chain	47-48
<b>GRI 416: Customer Health and Safety 2016</b>			
3-3	Management of material topics	Pursuing Excellent Quality	21-23
416-1	Assessment of the health and safety impacts of product and service categories	Pursuing Excellent Quality	21-23
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There are no incidents occurred during the reporting period	
<b>GRI 417: Marketing and Labeling 2016</b>			
3-3	Management of material topics	Improving High-Quality Service	24
417-2	Incidents of non-compliance concerning product and service information and labeling	There are no incidents occurred during the reporting period	
417-3	Incidents of non-compliance concerning marketing communications	There are no incidents occurred during the reporting period	
<b>GRI 418: Customer Privacy 2016</b>			
3-3	Management of material topics	Strengthening Information Security Protection	60-61
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no incidents occurred during the reporting period	