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2022 Environmental, Social and Governance Report

Integrate Industry to Connect. Create Value to Share.

http://www.itg.com.cn/

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About This Report

This is the 2022 Environmental, Social, and Governance Report ("this report") released by Xiamen ITG Group Corp., Ltd. (referred to as " Xiamen ITG Group" or "We"). This report aims to provide stakeholders with an overview of 2022 ESG performance and initiatives in Xiamen ITG Group.

Reference Guidelines

We prepare this report in accordance with the "Global Reporting Initiative Standards" (GRI Standards), and "Sustainability Accounting Standards Board Standards" (SASB Standards). The report also takes into account the disclosure requirements of the "Guidelines No. 1 for Self-regulation of Listed Companies on the Shanghai Stock Exchange - Standard Operation", and the United Nations Sustainable Development Goals (SDGs).

Reporting Scope

The reporting period is between January 1, 2022, and December 31, 2022 and some parts of the report are beyond the aforementioned scope. Unless otherwise specified, the ESG key data disclosed in this report includes all enterprises within the scope of the consolidated statement of Xiamen ITG Group Corp., Ltd.

Report Availability and Feedback

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

2022 ESG Key Performance Indicators

Economic

112,897 million RMB
Total assets

521,918 million RMB
Operating revenue

512,432 million RMB
Operating costs

3,589 million RMB
Net profit attributable to shareholders of the parent company

5 million RMB
Research and development input

Social

578,832 million RMB
Total social contributions

3,332 million RMB
Tax payment

1,590 million RMB
Employee compensation

1,793 million RMB
Dividends paid to shareholders

571,058 million RMB
Payments to suppliers

1,058 million RMB
Interest on loans delivered to creditors

1 million RMB
Social donations

263 RMB
Social value per share

6,936 people
Number of employees

1,260 million RMB
Total occupational health and safety input

0
Number of occupational fatalities

6,735 hours
Volunteer service hours

73,446 hours
Total employee training hours

Environmental

260,705 t CO_2e
GHG emissions

50 t CO_2e / 100 million RMB of operating revenue
GHG emission intensity

442 GJ/100 million RMB of operating revenue
Energy consumption density

Brand Culture

Brand Mission

Integrate Industry to Connect.
Create Value to Share.

Brand Vision

To be a Trusted Industry Partner with Global Vision.

Message from the Chairman

The macro situation and market environment, both domestically and internationally, have been turbulent over the past year, presenting us with periodic fluctuations and severe challenges as we pursue our global business strategy. However, these challenges have also shown us the important role our company plays in the industry chain. Throughout the process, we have always stood with our industry partners, moving from solo efforts to co-creation and sharing, from zero-sum games to win-win cooperation, working together to build an industrial ecosystem and achieve collaborative development with upstream and downstream partners. Whether in our core business of supply chain services or in the emerging field of health technology, we have always maintained our position as "industry partners," committed to the sustainable prosperity of the industry.

As a leading domestic supply chain enterprise, we incorporate the concept of sustainable development into every aspect of our business operations. We are committed to making a positive contribution to the sustainable development of our industry chain and driving it towards a more sustainable future. We provide integrated and customized industry comprehensive services, the ITG Solutions, to our partners by incorporating resources, channels, and professional capabilities, helping our clients conduct business in a more sustainable manner. We drive innovation investment, balance priorities, deepen our layout, and connect vertical industry chains to build a resilient and sustainable circulation foundation for the industry and society.

In 2022, we continued to expand our business territory and establish important nodes for domestic large circulation and key hubs for dual circulation at home and abroad. We have accelerated our layout in the Central China and Western China region, promoted the development of the Yangtze River Economic Belt and the central region, and initially formed a regional layout with key cities such as Shanghai, Chengdu, Guangzhou, Beijing, and Wuhan as the core. We have focused on extending our global footprint, strengthening diversified cooperation, and building a global industrial "Social Circle". We have reached cooperation agreements with leading enterprises at various national-level events such as the BRICS Summit, China International Import Expo, and China International Fair for Investment & Trade. This year, we made our first appearance as an exhibitor at the 5th China International Import Expo, continuously deepened economic and trade exchanges with the Belt and Road Initiative, RCEP (Regional Comprehensive Economic Partnership), and BRICS (Brazil, Russia, India, China, and South Africa) countries, building a global "circle of friends", and achieved remarkable results in the agricultural product industry. We also invested in and operated our own floating warehouse, ITG Amoy, in the Malacca Strait, providing differentiated fuel oil blending services for global customers. We also formed a partnership with the National Oil Company of Congo and the National Oil Company of Spain, and obtained the qualification of trading window of fuel oil in the Platts market, exerting a pricing influence in the Singapore oil market.

In 2022, we continued to advance our digital transformation, adhered to the development of green industries, and cooperated with many industry leaders to jointly promote green development through industry and finance synergy. For example, we signed a memorandum of understanding on decarbonization solutions for steelmaking with Vale S.A. and Fujian Sansteel Group Co., Ltd. to seek steelmaking solutions that are dedicated to reducing carbon dioxide emissions. This year, we also comprehensively refreshed our brand strategy, embraced a long-term perspective, and put forward a new brand mission of " Integrate Industry to Connect. Create Value to Share." as well as a brand vision of "To be a Trusted Industry Partner with Global Vision," leveraging our brand mission of " Integrate Industry to Connect. Create Value to Share." as well as a brand vision of "To be a Trusted Industry Partner with Global Vision," leveraging our brand strategy to facilitate business transformation and upgrading and leading business growth for the long term.

Lastly, I would like to extend a special thank you to the over 6,900 employees of Xiamen ITG Group located around the world. It is big thanks to their hard work that we were able to continue providing reliable services to customers around the world despite the various external challenges in the past year.

Today, we are facing a world of uncertainty. However, having weathered the storms of the market and traversed the fluctuations and mysteries of cycles, the people of Xiamen ITG Group have always upheld the spirit of "Pioneering", standing at the forefront and aspiring for first-class quality. We have embedded ourselves into the industry, serving the industry, and moving forward with all stakeholders, always remaining "reliable." Looking ahead, we are committed to reducing greenhouse gas emissions generated by our company's operations while actively promoting low-carbon transformation across the entire value chain through technological innovation and the application of data-driven tools. We are dedicated to working together with our employees, customers, shareholders, suppliers, and partners to achieve higher quality development along the industrial value chain.

The chairman of Xiamen ITG Group

Sustainability at Xiamen ITG Group

We adhere to the core values of "Leadership, Responsibility, Hardworking, Partnership", and integrate the ESG concept into the business development and industrial investment of the company. The sustainable business development is embedded in our environment, society and corporate governance to promote our corporate vision of “To be a Trusted Industry Partner with Global Vision”.

Sustainable Development Framework

Governance

- Insist on a sustainable development strategy, establish a sound sustainable governance system, and enhance the resilience and transformational development ability under the risk of sustainable development.
- Uphold the highest standards of business ethics in operation, and practice integrity management, clean operation, and fair competition.
- Stick to transparent and compliant tax policies and adhere to lawful taxation.
- Establish and improve diverse communication mechanisms, and maintain active communication with stakeholders.

Environmental

- Adopt a sustainable business model to provide green and sustainable products and services
- Promote innovation in clean technology and the use of clean energy.
- Implement green concepts in operational activities, protect and facilitate the sustainable development of marine resources.
- Address climate change and its impacts, and accelerate low-carbon development across the industry chain.
- Advocate green office practices.

Social

- Promote responsible supply chain construction and encourage accountable procurement and consumption.
- Respect and protect human rights, provide employees with a safe, healthy, and inclusive working environment, offer competitive remuneration and benefits, increase employment opportunities, and ensure decent work for employees.
- Incorporate business operations into the national development, strengthen quality and efficiency of agricultural production from the supply side, and ensure food security to boost sustainable agricultural development
- Connect the resources from government, enterprise, family, and society to build an ecological circle of senior care and develop a high quality of life for communities.
- Forge the social welfare brand of “Flying Love and Dream” and support the healthy growth of children and teenagers.
- Pursue rural revitalization through paired industrial assistance, and reinforce poverty alleviation achievements.

Sustainable Business

As a comprehensive supply chain management company, we focus on end-to-end operations and are committed to providing integrated ITG Solutions services to our customers, including procurement services, distribution services, price management, logistics services, financial services, market research and development, smart data-driven operations, and industrial upgrading services.

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

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

Through integration,we connect industry futureand create value growth

We balance short-term benefits and long-term development, ensuring that every partner can continue to reap rewards during their growth, creating a sustainable business circulation foundation.

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

During the reporting period, we launch the business by concentrating on the core business of supply chain management and exploring the new field of health technology. By expanding the upstream and downstream of the industry chain vertically and enriching the supply chain services horizontally, we can effectively solve the core needs of manufacturing enterprises such as stable supply, cost reduction, risk control, etc., so as to heighten the core competitiveness and the leading position in the supply chain industry.

1 From the procurement end

we consolidate domestic and overseas material purchasing requirements to control the raw material procurement costs and ensure a stable supply of goods for the downstream industry.

2 On the production side

we provide integrated multimodal logistics services to customize and differentiate factories' raw material rationing needs through financial derivatives tools such as futures and options.

3 At the sales part

we take the global marketing network as the fulcrum to establish a clear connection between products and channels, empowering the whole industry chain to improve quality and efficiency.

At the same time, we have accelerated the deployment in the areas of new energy, new materials, information technology, and life sciences, expanding the business in new energy materials fields like cobalt and lithium.

Honors and Awards

Forbes 2022
Global 2,000
1,418th

Fortune 2022
China 500
(listed company)
27th

Fortune 2022
China 500
(listed company in trade)
2nd

- “Demonstration SOE on Corporate Governance” awarded by SASAC
- "Golden Roundtable Awards" -- “Special Contribution Award for Corporate Governance”
- “Tianma Awards” for Investor Relations of Listed Companies - - “Best Board Award”
- "Award for Proactive and Enterprising Board of Supervisors of Listed Companies"
- “Transcendence Awards of 2022·ESG Pioneer Award”granted by Cailian Press
- "Top 100 Brand Value Vitality Ranking for Chinese Listed Companies in 2022"
- Honor of“Advanced Unit for Enterprise Rule of Law Work in Fujian Province for 2020-2021”
- "Class A Internationalized Enterprise in Xiamen for 2022-2023"
- "2022 Long-term Trusted Service Provider for Iron Ore"
- Xiamen ITG Metals Co., Ltd., was awarded "Outstanding International Steel Trading Enterprise of 2022"
- Honor of "2022 Mysteel Iron Ore Long-Term Spot Price Index Integrity Pricing Unit"

- Listed on the "2022 Dingge Award Digital Transformation Pioneer List"
- ITG Cloud Chain" Smart Supply Chain Platform-- "Excellent Case of Commercial Technology Innovation Application" awarded by the Ministry of Commerce
- "Green Supply Chain Management in the Steel Industry" project is shortlisted for "Clean and Fresh 2022 Green Practice Pioneer."
- "ITG Cloud Chain·Sky Eye" Platform won the title of "Excellent Case of Logistics and Supply Chain Informatization in China for 2022"
- "Top 10 Talent Work Exemplary Enterprises in Xiamen for 2022".
- “Xiamen Outstanding Employer Award”
- “Best Employer in China in 2022”awarded by CHIRC
- “Extraordinary Employer in Fujian in 2022”awarded by Liepin.com
- “Best Employer in China”and“Best Employer in Xiamen”awarded by Zhaopin.com
- “Employer Brand Best Practice Award”granted by HRflag
- Honor of“αi Certified Employer of the Year for Outstanding Workplace Excellence in 2022”
- Excellent Practice Case for Rural Revitalization of Listed Companies for "Insurance + Futures" Project

Governance

01

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

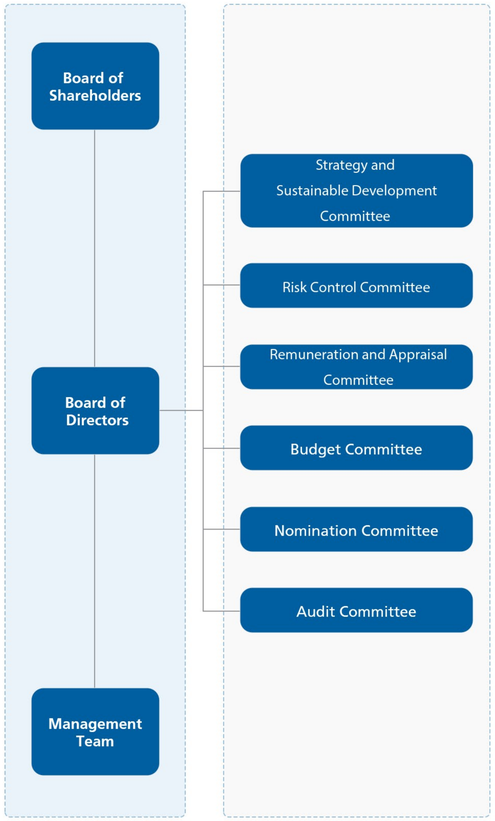
Sustainable Development Management

We have integrated ESG (Environmental, Social, and Governance) principles into our core values and development, continuously improving the ESG management level by implementing ESG principles in governance. We aim to enhance our ability to cope with external environmental changes and supply chain resilience and provide guarantees for sustainable business development related to climate change opportunities and risks in the future.

To further strengthen our ESG governance efforts and continuously improve the sustainable development capabilities, the Strategy Development Committee of Board has been renamed the Strategic and Sustainable Development Committee of Board. The "Implementation Rules of Strategic and Sustainable Development Committee of Board" has been revised accordingly. This new committee, together with other specialized committees such as the Risk Control Committee, the Audit Committee, and the Compensation and Assessment Committee, guides our sustainable development mission and supervises the progress and effectiveness of relevant work to ensure the full implementation of ESG strategy in daily operations.

In 2022, we adjusted the rules and regulations, such as the "Articles of Association", the "Rules of Shareholders Meetings", the "Rules of the Board of Directors Meetings", and the "Rules of the Board of Supervisors Meetings", per the requirements of the three-year action plan for the reform of state-owned enterprises and of policies and regulations to improve the quality of listed companies, and our situation to ensure the legal compliance of corporate governance.

We also drafted the "Board of Directors' Authorization Management System" and the "Work Plan for the Executives Tenure and Contractual Management", aiming to enhance decision-making efficiency by giving proper authorization to the executives, to continuously improve the categorized and hierarchical management of management team, and to stimulate the intrinsic momentum for our high-quality development through the Board's specific assessments.



Board Diversity and Specialization

We actively promote the Board's diversified and professional development to improve our governance level. To ensure the scientific and democratic nature of the nomination and election process, we stipulate the procedures for nomination and election in the "Articles of Association" and the "Implementation Rules of the Nomination Committee of broad". The Board sets up the Nomination Committee, which is chaired by an independent director and composed of a majority independent board. The committee is responsible for advising the Board on matters related to Board composition and the qualifications of board members and executives (gender, age, educational and professional background, work experience, quality and reputation, and adjunct job). After the Board approves the committee's proposals, the proposals are submitted to the shareholders' meeting for resolution.

The current board were elected respectively at the 2020 annual shareholders general meeting, the first extraordinary general meeting of shareholders in 2022, and the second extraordinary general meeting of shareholders in 2022. The board consists of 9 directors of different genders and diverse academic backgrounds including economics, law, management, finance, and accounting. The members of the board have industry experience and operational management experience in the fields where the company involves in. The independent directors are senior experts in their respective fields, and more than 50% directors hold doctoral degrees.

Name	Occupation	Age	Professionalism				Board Committees						Attendance (Board meeting and Board committee meeting)
			Industry Experience	Operation Management	Risk Control	Accounting&Financial Background	Strategy and Sustainable Development Committee	Risk Control Committee	Remuneration and Appraisal Committee	Budget Committee	Nomination Committee	Audit Committee	
Gao Shaoyong (M)	Chairman	50	●	●	●	●	●	●					100%
Xu Xiaoxi (M)	Director	53	●	●	●	●	●			●	●		100%
Chen Jinming (M)	Director (During Reporting Period)	59	●	●	●	●	●	●	●				100%
Wu Yunxuan (F)	Vice Chairman	50	●	●	●	●		●					100%
Xiao Wei (M)	Director	57	●	●	●	●	●	●					100%
Zeng Yuan (M)	Director	41	●	●	●	●	●	●		●		●	100%
Liu Feng (M)	Independent Director	56	●		●	●			●	●	●	●	100%
Dai Yiyi (M)	Independent Director	55	●		●	●	●		●			●	100%
Peng Shuijun (M)	Independent Director	47	●		●	●	●				●		100%

In 2022, We held a total of **19** board meetings and deliberated on **68** proposals, **27** board committee meetings and deliberated on **52** proposals. On major matters, the independent directors issued their professional opinions **9** times. All directors had **100%** attendance at meetings throughout the year.

In 2022, we were elected as a governance model in the list published by the State-owned Assets Supervision and Administration Commission of the State Council for our scientific and efficiency in corporate governance. We were granted the title of "State-owned Enterprise Governance Role-Model Enterprise" and won the "Special Contribution Award for Corporate Governance" in the 17th "Round Table Award" of China Listed Board of Directors.

RPT and Conflicts of Interest

We have formulated the "Related Party Transactions Management System" to regulate related party transactions, which clearly specifies the types of related party transactions, pricing principles, decision-making procedures, and information disclosure requirements. We strictly follow the relevant laws, regulations, and "Related Party Transactions Management System", complete the related approval procedures, and obtain independent opinions from independent directors before submitting proposals to the board of directors for resolution. The relevant related parties shall recuse themselves from voting at the board of directors and shareholder meetings to ensure that related party transactions are fair, just, open, and impartial and fully protect small and medium-sized shareholders' interests.

According to our "articles of association", directors, supervisors, and senior managers have a fiduciary duty to the company. Without the consent of the shareholders' meeting, directors, supervisors, and senior managers shall not use their positions to seek commercial opportunities that belong to the company for themselves or others, or operate businesses of the same type as Xiamen ITG Group for their own or others. Directors, supervisors, and senior managers have the responsibility to report to the company about any conflicts of interest or potential conflicts of interest with the company's interests and to comply with relevant laws and regulations and internal procedures, ensuring that each director, supervisor, and senior managers can fulfill their duties without being affected by any conflicts of interest arising from other positions, activities, or

Professionalism Improvement

We regularly collate the latest regulatory rules amended or issued by the China Securities Regulatory Commission and the Stock Exchange. We also send the "Bi-weekly Report on Administrative Supervision and Self-Regulatory Measures" and the "Compilation of Capital Market Laws and Regulations" to the directors, supervisors, and executives for learning. At the same time, we actively promote various training sessions on new regulations and the performance of duties of directors and supervisors (organized by the local authorities, CSRC, or the Association of Listed Companies) to the directors, supervisors, and executives to enhance their abilities in governance and operation compliance.

In 2022, we organized training sessions for the broad members, supervisors and executives on issues such as new regulations and performance of duties. A total of **72** participants.

Remuneration and Clawback Mechanism

The Remuneration and Appraisal Committee under the Board is set to study and review the remuneration policies and appraisal plans of the directors and executives, and to supervise the implementation of the remuneration system and appraisal procedure. According to the "Articles of Association" and the "Implementing Rules of the Remuneration and Appraisal Committee", the remuneration plan of the directors proposed by the committee shall be implemented after the Board and shareholders' approvals. As for the remuneration plan of executives, it shall be implemented after proposed by the committee and agreed by the Board.

We pay the remuneration of the independent directors on a stipend basis and the Board chair and executives on an annual basis. We have formulated the "Remuneration and Performance Management System for the Chair and Executives" to stipulate matters relating to the remuneration of the management team. The remuneration structure of the Chair and executives consists of two parts, namely the basic annual salary and performance-related pay, which adopts a KPI measure on Xiamen ITG Group performance and shareholder return. The KPI measure of Xiamen ITG Group performance includes safety and environmental protection supervision. The Chair and executives are entitled to the welfare plan formulated by our Trade Union, and those who retire after reaching the statutory retirement age will receive pensions following the regulations. Meanwhile, to fully arouse the enthusiasm and creativity of the management team and enhance operating performance, we implemented a new phase of the Restricted Stock Award in 2022, granting a total of 3.3 million restricted shares to eight directors and other executives, the amount representing a total of **0.16%** of the total share capital.

In addition to building a competitive remuneration system for directors and senior executives, we have also designed a corresponding clawback mechanism (a corresponding deduction to performance-related remuneration if the KPI is not accomplished), i.e., 70% of the annual performance-related compensation of the management team is settled and paid after the completion of the yearly KPI, and 30% is deferred till the completion of the term based on the appraisal results.

Investor Relationship

We regulate the procedures for convening, holding, and voting at general meetings in strict accordance with the laws and regulations, fully respect all shareholders, and ensure that all shareholders have the right to information, participation, votes, and supervision on our significant matters. We protect shareholders of all rights and interests, especially small and medium-sized shareholders. We fulfill the information disclosure obligations in strict accordance with laws and regulations, disclose information to investors and other stakeholders in a true, accurate, complete, timely, and fair manner, keep investors and other stakeholders informed of the company's situation, and protect the rights and interests of investors and other stakeholders.

We interact with investors and share information about the company through diversified communication methods:

- Set up an investor hotline and email address, listen carefully to the questions and suggestions from investors, and respond proactively to ensure smooth communication with small and medium-sized investors on the daily event. In 2022, the securities department answered the investor hotline over **300** times and responded to 115 investor questions on the SSE E-Interactive and SSE Roadshow.
- Post about the company's development in a high frequency and from multiple perspectives through media platforms such as WeChat official account and WeChat channels.
- Promote easy-to-understand "Fast Fact of Xiamen ITG Group Annual Report", " Fast Fact of Xiamen ITG Group ESG Report," and business model flowchart, etc. in a timely manner to maintain interaction and communication with investors and the market.
- Communicate with investors through performance roadshows, investor surveys, institutional investor presentations, etc.

- Awarded the 13th Best Board of Directors Award for Investor Relations of Listed Companies in China

In 2022, we carried out a particular investor protection campaign entitled "Honest and trustworthy: to be a respected listed company" and actively organized employees to study the "Guidelines on Investor Relations Management for Listed Companies" to enhance the quality of our investor management. In addition, we also vigorously responded to the 2022 Investor Rights Knowledge Contest organized by the ISC (CHINA SECURITIES INVESTOR SERVICES CENTER) and launched the " Working together with investors to build a solid foundation for the registration reform and protect the interests of investors " campaign on the May 15th National Investor Protection Awareness Day to establish rational investment concepts for investors and strengthen their risk awareness.

In 2022, We held a total of three performance roadshows. Through innovative and diversified communication channels and forms such as live streaming of WeChat Channels, bilingual disclosure, and online Q&A, we thoroughly communicated with investors in both directions and were awarded the "2021 Annual Best Practice of Performance Roadshow for Listed Companies ". In addition, we won the "Best Board Award" of the Tianma Award for Investor Relations of Listed Companies.

Grow through Party Building

We uphold Party leadership, integrate party-building work with Xiamen ITG Group management in planning, deployment, promotion, and evaluation. We use high-quality party building to guide the high-quality development of the enterprise.

In 2022, Xiamen ITG Group 's Party committee formulated the "List of Main Responsibility of Comprehensive and Strict Party Governance in 2022", further refining the responsibilities of the members of the Party committee, strictly implementing the "major issues, major personnel appointments and dismissals, major project investment and large-scale fund utilization" decision-making system, and further improving the list of pre-deliberation matters for the Party committee to improve the level of centralized leadership and scientific decision-making effectively, and to ensure the Party committee's leadership position in the organization. The Party committee held 39 meetings and researched 242 topics related to the major issues, major personnel appointments and dismissals, major project investment and large-scale fund utilization. The committee took the lead in revising the "Articles of Association", "Rules of the Board of Directors", and the implementation rules of board committees, achieving the organic unity of corporate governance and strengthening the leadership of the Party.

Cultivating A Pioneering and Talented Team

We adhere to Party leadership over cadres and talents, implement Xiamen ITG Group 's "14th Five-Year Plan" for talent development, and take the "Pioneering Culture" with the core values of "Leadership, Responsibility, Hardworking, Partnership" as the guiding principle. We continuously explore and improve the three systems of cultivating leadership qualities: "Horse Racing" competition, positive incentives, and high-quality leader team cultivation through mechanism innovation and cultural integration.

In 2022, our Party committee revised the "Cadre Selection and Appointment Management Regulations", formulated the "Implementation Measures for the Cadre Appointment and Removal Voting System", and collaborated with our human resources department to develop the "2022 Xiamen ITG Group 's Party Committee's Management Cadre Performance Evaluation Plan", strictly selecting and appointing cadres, strengthening the evaluation of cadre performance, and conducting special inspections in the cadre appointment process. At the same time, we implemented the "Interim Management Procedures of the Selection and Cultivation of Outstanding Young Cadres", strengthened the discovery, cultivation, and selection of outstanding young cadres, and provided a platform for more outstanding young cadres to grow and develop. Through organizing the 5th "New Talent Plan" training, we selected and trained excellent young cadres, accounting for about **89%** of the party's newly promoted cadres in Xiamen ITG Group in 2022.

Preparation of "Standardization Workbook for Grassroots Party Branches

"New Talent Plan"

Creating A Civilized Party Building Brand Matrix

We continue to consolidate and enhance the effectiveness of the creation of 10 Party building brands such as " ITG Red", guiding to create five new Party building brands such as " Keerun Eventful Years" for Guangzhou Keerun Party branch, "Pulp Futures to Future" for Xiamen ITG Group Paper's Party branch, and "Riding the waves on a levee" for the fourth administrative Party branch, actively expanding the matrix of Party building brands, and exploring the linkage between Party building brands and spiritual civilization. We innovate in the form of propaganda and education, deepen the construction of spiritual civilization, and create a new highland for civilized creation.

In 2022, we organized a total of 21 mass theme promotion and education activities under the slogan " Count on Me to Make Our Country Stronger ". These activities included the "ITG Red· Heart to Party" classical music concert held in collaboration with the Xiamen Philharmonic Orchestra and famous pianist Chengzong Yin to welcome the 20th National Congress of the Communist Party of China. In addition, we actively took on social responsibilities by continuously engaging in public welfare and charitable activities, volunteer services, and party-building activities, in conjunction with "double reporting" party-building cooperation and "Love Xiamen" initiatives, thereby establishing a good brand image and actively promoting the Xiamen ITG Group 's values.

- The Party member education microfilm "The Road of Deep Cultivation" was successfully shortlisted in the third Party member learning and education micro video competition held by the Organization Department of the Municipal Party Committee of Xiamen City.
- Published an article about party building achievement in the Fujian provincial publication "Fujian Party Branch Life", "Strengthening Roots and Casting Soul to Strive for First-class Party Building and Leading for Development".
- Actively organized volunteer services and won the "2022 Best Volunteer Service Team" issued by Xiamen University Cardiovascular Hospital.

Charity medical activities jointly conducted by our party committee and Xiamen Cardiovascular Hospital Xiamen University

Risk Management and Compliance

We continuously improve the comprehensive risk management system and establish a top-down, clear-cut, and scientifically effective risk management framework. Under the complete risk management system, each business department and subsidiary are the first lines of defense, the headquarter's risk management department is the second line of defense, and the headquarter's risk supervision department is the third line of defense, forming the Xiamen ITG Group 's "three lines of defense" risk control model, providing organizational support for the effective execution of the Xiamen ITG Group 's comprehensive risk management, and strengthening the systematic management of risks.

We strictly implement the risk indicator warning and risk information reporting mechanisms in accordance with the "Risk Indicator Monitoring and Management Regulations" etc.

For daily basis risk indicators, head-quarter's departments and subsidiaries are responsible for managing, tracking, handling and timely reporting. The Risk Management and Legal Affairs Department supervises the implementation of risk measures.

For prescribed risk matters, our departments in headquarter and our subsidiaries determine the operational risk possibilities based on respective risk policies, and reasonably set different levels of indicators based on business nature, and then formulate main coping mechanism to identify, warn, and control business risks. Early-Warning level and Response level risk matters should be reported to the President, Chair of the Board, and Party Secretary within 24 hours and the follow-ups should be reported on a bi-weekly basis.

The Risk Management and Legal Affairs Department timely follow the potential major risk matters reported by various business segments, tracks the latest progress of each major risk matter on a monthly basis, analyzes the overall major risks of Xiamen ITG Group, and reports to the risk control committee on a bi-weekly standard in meeting.

The Risk Control Committee assists the Board in supervision and guidance in our risk management work through evaluating major risk matters that may arise in business, analyzing and summarized major risk events that have occurred, and comprehensively inspected and assessed risk procedure in our operation. The Risk Control Committee consists of five directors; some have risk management experience and one serves as our special general counsel, responsible for managing the risk and compliance affairs.

At the same time, Audit Department and Supervision Office, as the risk supervision department, through operational risk inspection, urge responsible parties to rectify potential risk problems to ensure effective implementation of risk management and decrease of risk possibilities. The Audit Department regularly reports inspection result and rectification progress to the Audit Committee under the Board.

In 2022, based on business reality, we updated our risk management and internal control matrix in accordance with the COSO enterprise risk management framework, and formulated a corresponding risk checklist. The list incorporated climate-related risks into our comprehensive risk management system to improve our ability to cope with risks arising from changes in the external environment. Our Legal Affairs Department and Audit Department also actively explored the construction of digital tools such as the "**Risk Control and Legal Compliance Digital Platform**" to promote risk management and compliance efficiency.

Risk Inspection

In 2022, our Legal Affairs Department continued to put in more efforts to investigate project risks, timely discovered problems and prevented risk vulnerabilities through specialized risk investigations:

- Conducted integrated project risk inspections and investigated into infringement of third-party intellectual property risks. Identified and assessed specific risks, raised issues and improvement suggestions, and formed investigation reports;
- As a collaborative department, supported the ITG Holding to conduct risk inspections on wealth management products and regularize investment strategies for wealth management products, specifying investment period and exit methods;
- Conducted seal risk inspections and collaborated with the President's Office to draft an electronic seal management system to avoid the risk of illegal use of Xiamen ITG Group 's electronic seal;
- Conducted pricing risk investigations, sorted out the risk points of self-hedging businesses, and provided suggestions;

Audit of Internal Control

In 2022, the Audit department carried out 18 internal control inspection events, focusing on strategic goals of improving quality, increasing efficiency, and high-quality development.

- In the internal control self-assessment project, the Audit department focused on credit authorization and conducted a comprehensive inspection of Xiamen ITG Group 's credit granting, use, maintenance, etc., in full-process controls, improving internal control processes and strengthening regulation.
- In the freight forwarding control project, the Audit department started from the Qinhuangdao copper concentrate risk event, conducted a special joint inspection of Xiamen ITG Group 's freight forwarding control business, and proposed process control suggestions to minimize the risk of freight forwarding control.
- The internal audit project focused on the operation quality and risk management of innovative transform business segments. The department conducted a comprehensive inspection of 29 supply chain integral projects and field visited seven of them, urging business divisions to evaluate integrated project operation efficiency and facilitate management progress accurately. According to the Shanghai Stock Exchange's "No.1-Standardized Operation", the audit department conducted a special inspection on major events such as the commercial guarantees to ensure the legalization and compliance in the major events like guarantees and RPTs to protect the interests of the company and small and medium-size shareholders.

After the audit of internal control, a total of audit issues **101**

including [8] issues related to system construction and optimization, [39] issues related to system implementation deviations, and [54] issues pertaining to delicacy management

42
Concerns

151
Audit Suggestions

Risk Control & Compliance Training

We value risk control and compliance education and conduct related training and promotion for employees in various forms. We implement risk prevention awareness in the business divisions, enhance employees' risk prevention and compliance awareness, and improve the risk management ability of relevant employees.

In 2022, we organized **39** risk control, legal, and compliance training sessions for various business departments and new employees, featuring experts, internal trainers, and external lawyers both online and offline. The training covered topics such as anti-monopoly and supply chain legal risk prevention.

The First Phase of Fang Yuan Lecture on Common Legal Disputes in Supply Chain Business and Response

Innovation Sharing Organized by Risk Control and Legal Affairs Line

Business Ethics and Anti-Corruption

We are committed to maintaining the highest standards of ethical behavior in all our business activities and strictly comply with the Anti-Unfair Competition Law of the People's Republic of China and Anti-Monopoly Law of the People's Republic of China, as well as relevant policies and regulations in our business regions. We have established a Code of Business Conduct, which regulates behavior in anti-corruption, anti-bribery, anti-fraud, conflict of interest, protection of trade secrets, anti-monopoly, and anti-unfair competition, guiding employees and our subsidiaries in each business segment to follow the principle of fair competition, refrain from participating in acts that restrict fair market competition, insisted on integrity management and striving to maintain a fair and proper business atmosphere.

We highly value the continued construction of integrity supervision system. We built an integrity supervision network covering the entire company and the subsidiaries, led by the company's Discipline Inspection Committee and executed by the company's supervision office with close cooperation from relevant departments. We have continued to deepen the implementation of the "1+X" special inspection mechanism, strengthening the integration of functional supervision and dedicated supervision, and promoting coordination and information sharing among the company's supervision office, various functional departments, and internal supervision forces such as discipline inspection committees of Party organizations at all levels. Through fully leveraging the role of discipline inspection and supervision, we have implemented integrity supervision inspections to ensure the effective implementation of the integrity system.

For violations of business ethics and integrity norms, we have formulated the "Accountability System", established a sound long-term mechanism of accountability, and set up an accountability working group composed of personnel from the Discipline Inspection Committee, Party Office, Supervision Office, Legal Affairs Department, Audit Department, etc., which is responsible for implementing accountability investigation procedures, proposing accountability treatment based on internal responsibility investigation process, and supervising accountability matters to eliminate all kinds of wrongdoing and misconduct.

Business Ethics Risk Control

We embed business ethics risk control into the operational risk control system. We have formulated "Interim Measures on Integrity Risk Control in Key Areas and Key Positions" and "Integrity Risk Control Manual" for critical businesses such as property trading, tendering &bidding, engineering construction, bulk trade, etc. By establishing a control mechanism of pre-prevention, mid-term monitoring, and post-disposal, we integrate education, system, supervision, and other means to effectively control possible corrupt behaviors and prevent and reduce integrity risks.

In 2022, the Supervision Office continued to promote the implementation of the main responsibility, organized and formulated the "2022 Annual Supervision Responsibility List", refined the supervision responsibilities and further strengthened the implementation of responsibilities; actively promoted the supervision of key matters and key areas, pushed the Party Committee to implement the collective resolution system for "major issues, major personnel appointments and dismissals, major project investment and large-scale fund utilization ", and strengthened the on-site supervision of these matters and reported 306 decision-making matters throughout the year. We implemented the "1+X" special supervision mechanism, carried out nine special Inspections throughout the year, including the correction of banquet at public expenses, irregularities in organizing weddings and funerals, misuse of government vehicles, formalism, travel at public expenses, illegal distribution of allowances and subsidies, and other matters that violate the requirements of integrity.

306
Reported decision-making matters throughout the year

9
Carried out the Special Inspections throughout the year

Business Ethics Education

We have always attached great importance to business ethics education, conducting various integrity education and training activities through various means, such as anti-corruption talks, case studies, practical activities, notices, reminders, etc., to enhance employees' awareness of integrity and create a clean and upright corporate atmosphere.

In 2022 We:

- Organized anti-corruption knowledge tests for a total of 75 personnel involved in cadre appointment, conducted pre-appointment anti-corruption talks with 24 newly promoted cadres, and solicited the opinions from Discipline Inspection Committee 157 times in cadre promotion matters.

75	157
Organized anti-corruption knowledge tests for a total of	Cadre Promotion to seek advice from the Discipline Inspection Committee

- Continuously carried out routine exemplary education, warning education, and risk prevention education. Throughout the year, a total of **46** articles were published on the intranet, including superior spirits, typical cases, and notifications, using positive examples to guide propaganda and negative cases to warn and educate, establishing a defense line of integrity and self-discipline.

- Organized the 2022 anti-corruption warning education meeting, conveyed and studied the spirit conveyed in the document "Positive and Negative Lists for the Implementation of the Eight Central Regulations", and watched the anti-corruption education warning film "From the Judge's Bench to the Dock."

- Held the "Integrity Culture Promotion Month" activity, organized employees to visit the anti-corruption education base, visit the exhibition of calligraphy and painting on integrity culture, sign the "Commitment for Changing Unhealthy Customs and Practices" and the "Commitment of Honest Operation," and so on.

- Focused on important holidays such as Spring Festival, Ching Ming Festival, and Labor Day, and issued strict disciplinary work notices in normal times to reiterate disciplinary requirements and strictly prohibit acceptance of gifts, misuse of public vehicles for private purposes, banquet at public expenses, and other illegal and disciplinary behaviors.

No corruption incidents or punishments related to violating business ethics occurred in 2022, and Xiamen ITG Group was awarded the "**2022 Long-Term Trusted Service Provider for Iron Ore**" and the "**2022 Mysteel Iron Ore Long-Term Spot Price Index Integrity Pricing Unit**".

Information Security

The problems caused by information security will significantly impact social stability and the rights and interests of companies & business partners. We strictly comply with relevant laws and regulations such as the "Cybersecurity Law of the People's Republic of China" and have established internal management systems such as the "Information Technology Management Regulations" and a well-defined information security management structure, constantly strengthening information security management to safeguard network information security. To ensure the effective implementation of information security management, the Digital Management Department links information security work performance with the performance of employee in each department. Based on the daily routine and the overall level of information security of the position and department as evaluation criteria, employees are motivated to provide practical suggestions. We conduct multi-position coordination and cooperation to enhance our information security protection capabilities.

Information Security Leading Group

- CEO serves as the group leader, and the Managing Director in charge of digital management department serves as the deputy group leader. Members include leaders in charge of various business units.
- The group is responsible for uniformly guiding and coordinating the information security work of the company and its subsidiaries.

Digital Management Department

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

Subsidiaries

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

We continue to improve the information network security system and strengthen the evaluation, monitoring, and response to network security risks:

- We set up an information security audit position responsible for regularly conducting security scans of all systems and hosts within Xiamen ITG Group and compiling security scan reports.
- We also establish a network management position responsible for regularly assessing the security vulnerabilities of various network devices and identifying network device security risks.

- Regular network security checks are carried out to identify and evaluate network security risks in a timely manner. For example, personnel are arranged to inspect the operating conditions of the machine room and security equipment on a daily basis, and inspection records are formed. Internet sites are scanned for security vulnerabilities every two weeks, and security vulnerabilities in Internet are repaired based on the scan reports. The configuration of all security equipment is backed up and all host systems are scanned for security vulnerabilities every quarter, and assessments and rectifications are carried out based on the reports. Internet sites are subjected to penetration test every six months, and security problems are analyzed and fixed based on the target system environment.
- Daily inspections of the computer room and equipment are carried out, and Internet sites are scanned for security every two weeks, with four main frame security vulnerability scans completed. In 2022, Xiamen ITG Group 's network security inspection covered 7 data center firewall tenants, 34 VLAN network segments, and a total of 1,064 production and test main frames. A total of 2,562 security vulnerabilities were repaired, and 56 categories of 6,073 security issues were handled.

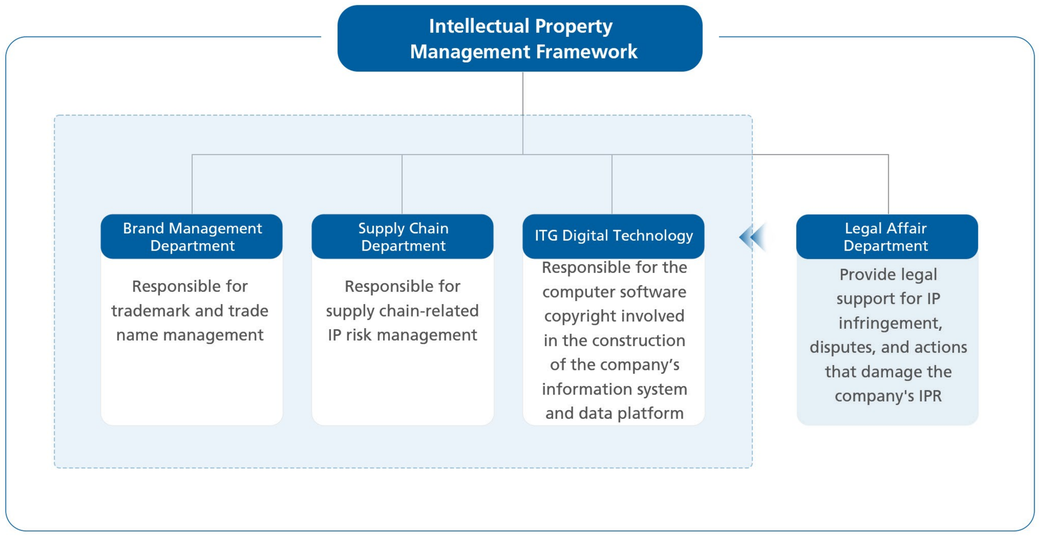
- Real-time monitoring, early warning, and timely handling of security risks and vulnerabilities are achieved through the deployment of software and hardware devices and application information security systems. In 2022, anti-virus gateway modules were deployed on the core firewall and perimeter firewall to detect and remove malicious code at the network edge. IPS devices were deployed to detect malicious URIs and botnets, and to actively intercept hacker attacks, viruses, Trojan horses, and other malicious traffic in real-time, and to block unauthorized user traffic and server illegal external connections. Anti-DDos devices were deployed to protect against various types of DDOS and DNS service attacks, protect against denial-of-service attacks at various transport and application layers, and ensure that network bandwidth and server resources are not affected by DDOS attacks. The application vulnerability scanning and security assessment system is used to scan system vulnerabilities and weak passwords on main frames, to promptly detect and correct security vulnerabilities and security configuration issues in information systems. Database audit devices are deployed, and database logs are retained for at least 60 days. The portal website deploys Chuangyu Shield, and the internal network deploys a security situation awareness system for real-time monitoring and warning against threat and insecure events. Xiamen ITG Group purchased the MSS heavy protection cloud service from a security service provider to ensure network security during important periods.

- By developing information security emergency plans, organizing regular drills, and strengthening employee training and publicity, we ensure quick and effective response to information security emergencies. In 2022, a total of 14 application system fault recovery drills were conducted, involving multiple application systems such as cloud chains and supply chain finance. Based on the problems discovered during the drills, timely rectification was made and the relevant emergency plans and operating procedures were improved and optimized. We carried out education on information network security for employees, cooperated with security service providers and Xiamen ITG Digital Technology Co., Ltd. to provide software supply chain security technology training for the digital development team. In response to frequent phishing scams, we increased employee awareness by sending notices on preventing and identifying phishing emails and pushing articles on preventing phishing emails through the "i- ITG" public account.

No information security incidents occurred in 2022.

IPR Protection

We attach great importance to the protection of intellectual property rights and have established a clear organizational structure for intellectual property management to ensure the effective implementation of intellectual property management work.



We have formulated the "**Trademark and Naming Management Measures**" to provide detailed provisions on responsible departments, management methods, registration and protection, transfer/authorized use of intellectual property, and other matters, to strengthen the security of trademarks and names. At the same time, we also respect third-party intellectual property rights and apply the inspection requirements for supply chain businesses involving branded and intellectual property products in accordance with the "**Supply Chain Business Management Regulations**" to prevent potential infringement in business operations.

2022

112
Obtained newly registered trademarks

21
Newly obtained software copyrights

2
New patents

Tax Compliance

We comply with the "People's Republic of China Enterprise Income Tax Law" and relevant tax regulations in the jurisdictions where we operate a business. We uphold honesty, fulfill tax obligations, ensure tax compliance, and perform social responsibilities as a state-owned enterprise by paying taxes following the law.

We identifies, evaluates, and manages tax risks arising from regulatory changes and business activities by following internal control processes, appropriately measuring, managing, and controlling risks, and establishing active and transparent communication mechanisms with local tax authorities. We has signed a "Tax Compliance Cooperation Agreement" with the First Taxation Bureau of Xiamen Municipal Taxation Bureau, establishing a harmonious and trustworthy relationship between the tax authority and the enterprise. In addition, we strengthens employees' awareness of tax risk prevention by organizing tax training, understanding changes in tax laws and policies, and improving the level of tax management.

In 2022, we paid a total of 3,331,794,300 RMB in taxes and did not have any tax-related violations.

Paid a total of **3,331,794,300** CNY in taxes

And did not have any tax-related violations

Whistleblower Protection

Following the relevant regulations such as the "Rules for Handling Complaints and Accusations by Discipline Inspection and Supervision Organization" and the "Regulations on Letters and Visits", we have established diverse and accessible channels such as telephone, email, and face-to-face communication for receiving complaints and suggestions from stakeholders. Our supervision office initiates investigation and processing procedures and provides timely feedback to complainants on the results of investigations.

We support and protect the right of all stakeholders to make complaints and suggestions, and through the establishment of the "Regulations on the Management of Protecting Whistleblowers," clearly define the requirements for strict compliance with confidentiality obligations and zero tolerance for retaliatory actions to safeguard the legitimate rights and interests of whistleblowers fully.

According to the Regulations, Xiamen ITG Group's supervision office must strictly maintain confidentiality when accepting and investigating whistleblowing cases and treat whistleblowing materials as confidential documents. The identity of whistleblowers must not be disclosed or made public without their consent. Anonymous whistleblowing is allowed; for anonymous whistleblowing materials, handwriting or document examination must be done with the necessary procedures to handle the case. If other departments need to provide materials, they must sign a "Confidentiality Commitment" to clarify their confidentiality obligations. We strictly prohibit any department or individual from obstructing or suppressing whistleblowers from making legal complaints or retaliating against whistleblowers, their relatives, or anyone falsely accused of whistleblowing. Personnel who violate confidentiality obligations or engage in retaliatory actions against whistleblowers will be dealt with strictly under relevant regulations and held legally responsible.

In 2022, the supervision office handled a total of 3 cases of complaints and reports. By thoroughly looking into the cases, the department promptly analyzed and summarized the information and continued to promote follow-up rectification work.

Stakeholders Engagement

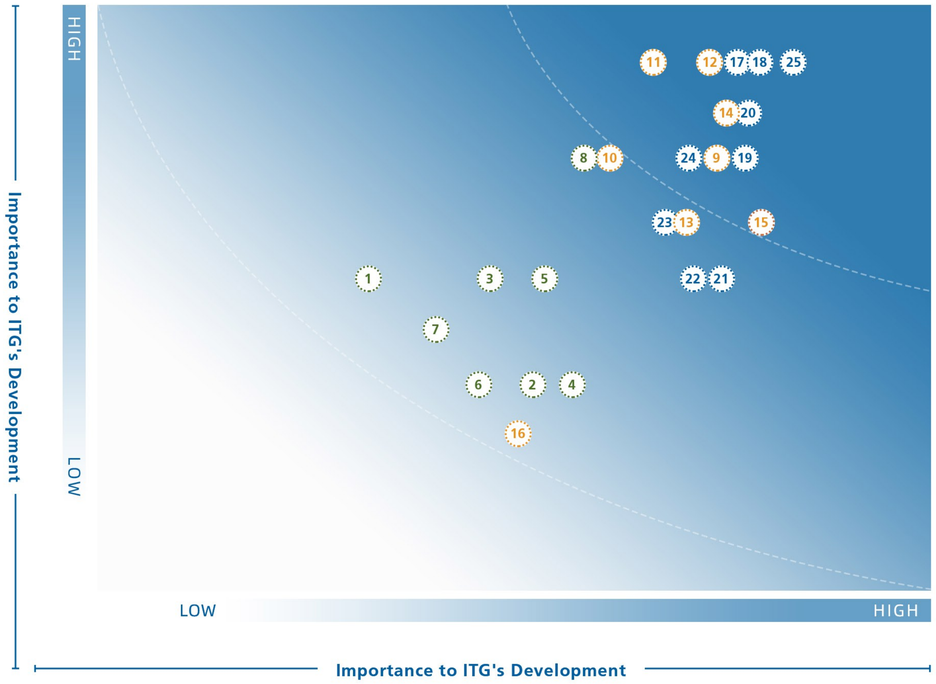
By implementing a diversified communication mechanism, we maintain active communication with our stakeholders, keep abreast of their suggestions and expectations, and take them into consideration in Xiamen ITG Group's development planning to continuously improve our sustainable development capability.

Material Issues

We identified 25 ESG issues related to our operations based on the requirements of GRI, SASB and other reporting frameworks, we sent questionnaires to Xiamen ITG Group 's management and stakeholders and participated in the evaluation of the ESG materiality issues for 2022, so as to fully understand the stakeholders' concerns about Xiamen ITG Group 's sustainable development through internal and external research and evaluation. Based on the results of the internal and external research and evaluation, we analyzed and ranked each issue in terms of its importance to Xiamen ITG Group 's development and its importance to stakeholders, and formed an importance matrix, which is explained in this report.

Stakeholders	Material Issues	Channels
Employees	• Equal Employment • Remuneration and Benefits • Talent Development	• Staff Consultation • Staff Training & Activities • Employee Satisfaction Survey • WeChat Official Account
Customers	• Responsible Supply Chain • Integrity Building • Taxation	• Customer Satisfaction Survey • Customer Service and Complaints • Social Media and Xiamen ITG Group Publications
Suppliers	• Risk Management and Compliance • Integrity Building • Anti-unfair Competition & Anti-Monopoly	• Supplier Conference • Exhibitions • Visits and Research • Talks and Training
Investors	• Green Finance • Equal Employment • Remuneration and Benefits • Talent Development • Occupational Safety and Health • Responsible Supply Chain • Improvement of Corporate Governance • Risk Management and Compliance • Business Ethics • Taxation	• Listed Companies Information Disclosure • Shareholders' Meeting • Performance Presentation • Institutional Visits
Media Organizations	• Water Resources Protection • Waste Gas Management • Anti-unfair Competition & Anti-Monopoly • Taxation	• Social Welfare Activities • Listed Companies Information Disclosure • Communication with Social Media • Public Opinion Monitoring
Government and Supervision	• Sustainability-related Risks and Opportunities • Green Finance • Equal Employment • Human Rights Protection • Talent Development • Employee Engagement • Occupational Safety and Health • Responsible Supply Chain • Integrity Building • Whistleblower Mechanism • Taxation	• On-site Interviews • Participation in Policy Setting • Government Project Cooperation

Materiality Matrix



Environmental Issues

1. GHG Emissions
2. Sustainable Development
3. Energy Management
4. Water Resources Management
5. Waste Air Management
6. Waste Management
7. Biodiversity
8. Green Finance

Social Issues

9. Equal Employment
10. Human right protection
11. Compensation and Welfare
12. Talent Development
13. Employee Involvement
14. Occupation Health and Safety
15. Responsible Supply Chain
16. Community Effort

Governance Issues

17. Improve Corporate Governance
18. Risk Control and Compliance
19. Business Ethics
20. Anti-Corruption and Anti-Bribery
21. Anti-Unfair Competition and Anti-monopoly
22. Whistleblower Protection Mechanism
23. IPR Protection
24. Information Security
25. Tax Compliance

Environment

02

Addressing Climate Change

In recent years, the risks of climate change have posed severe challenges to the operation and development of businesses, making the joint response to climate change a common topic for human society. As a representative enterprise in the domestic supply chain industry, we highly recognize the temperature control commitments of the Paris Agreement and takes initiatives to facilitate the low-carbon transition of our operation and the entire value chain.

2011

Prepare social corporate report every year

2021

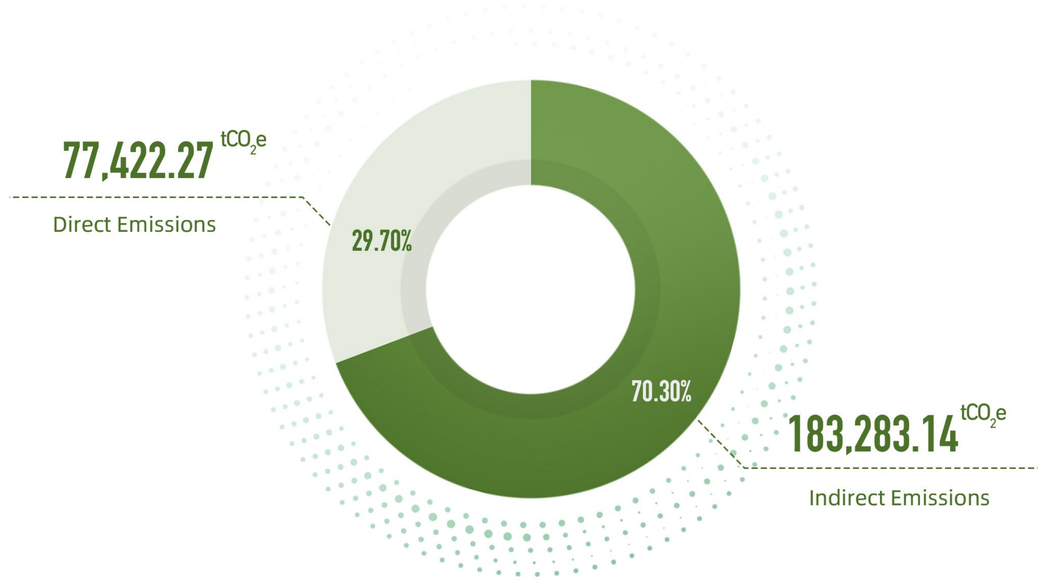
Prepare ESG report annually and recognize climate change as one of our material environmental issues. Follow the 17 Sustainable Development Goals (SDGs) of the United Nations and keep investing efforts in environmental, social, and corporate governance areas

2023

Conduct a 2022 organizational carbon inventory (covering GHG Scope 1 & Scope 2) in accordance with ISO 14064 to establish a data base for further development of a long-term vision on climate change

2011 — 2021 — 2023

We have conducted a carbon inventory for 2022 (GHG scope 1 & scope 2) pursuant to ISO14064 to establish a data base for further development of a long-term vision on climate change. In 2022, the GHG emissions is **260,705.41** tCO_2e and GHG emission intensity is **49.95** tCO_2e / 100 million RMB of revenue.



We will drive a low-carbon transformation of our own operations and entire value chain through the following two actions plans:

1

First, reducing greenhouse gas emissions from our business operations.

2

Second, promoting low-carbon or decarbonization development of the industry chain through technological innovation and applying digital intelligence tools to influence the environment positively.

Sustainable Products & Services

As a leading integrated supply chain service provider in china, we incorporate intelligent digital products, green development, and the concept of product lifecycle into our integrated services via technological innovation. We provide comprehensive industry solutions for upstream and downstream, accelerating the overall low-carbon transformation of the value chain and the construction of a green industry chain to build a clean and beautiful world.

Clean Technology and Energy

Industrial Chain Development with Intelligent Digital Products

Smart Supply Chain Service Platform - “ITG Cloud Chain”

The Smart Supply Chain Service Platform, "ITG Cloud Chain," is customer-centric, providing industry solutions applicable to various commodity supply chains and empowering industrial partners through digital intelligence to obtain efficient business flow. The "ITG Cloud Chain" integrates multiple functions such as electronic signature, intelligent logistics, supply chain finance, etc., to achieve flexible supply chain management, solving the problems of non-simplified traditional supply chain service processes, non-agile operations, mismatched supply and demand, and unsynchronized information. As a "chain owner," we broke the information isolated islands of factories and logistics through the "ITG Cloud Chain," realized the effective communication and efficient flow of contract, information, capital, and logistics, and reduced costs with increased efficiency for upstream and downstream clients.

In the procurement phase, "ITG Cloud Chain" is engaged in docking with the supplier system and updating the commodity demand information in real-time;

In the sales phase, "ITG Cloud Chain" enables full online business flow for customers to complete self-service ordering, inbound and outbound warehousing, etc., and also ensures throughout trace of every order on the "chain".

In 2022, the number of customers of the "ITG Cloud Chain" platform accumulated to nearly 4,000, the order volume reached 48,000, the transaction volume surpassed 4 million tons, and the transaction amount exceeded 20 billion, which makes it an "Excellent Case of Commercial Technology Innovation Application" awarded by the Ministry of Commerce.

4,000
The number of customers of the "ITG Cloud Chain" platform accumulated to nearly

48,000
The order volume reached

4 million tons
The transaction volume surpassed

20 billion CNY
The transaction amount exceeded

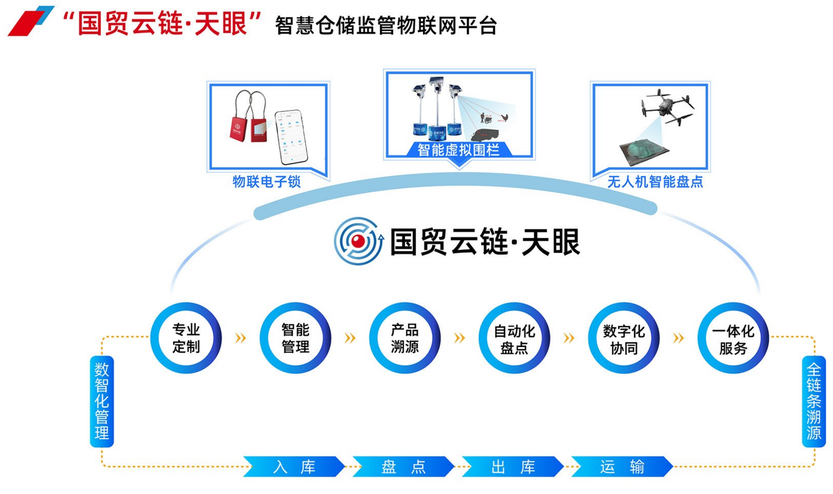
Volume Promoted and Man-hour Saved by “ITG Cloud Chain” in 2022

Type	Volume Promoted (pieces)	Man-hour Saved (hours)
Electronic Signature	218,795	54,698.75
Electronic Receipt	496,349	41,362.42
Electronic Reimbursement Form	74,001	37,000.5

Warehouse Monitoring and Management Platform - "ITG Cloud Chain·Sky Eye"

The "ITG Cloud Chain" platform is an intelligent warehousing monitoring and management platform developed specifically for logistics and warehousing risk control scenarios. By deploying sensors in storage and logistics scenarios such as perimeter security, bulk inventory, and IoT electronic locks, the platform connects "people, vehicles, goods, and scenes" using technologies such as IoT, edge computing, and digital twins, making supply chain management more data-driven. This ensures the safety of goods and scenes while also improving logistics management efficiency. In addition, the intelligent hardware devices deployed on the "ITG Cloud Chain" platform prioritize the use of renewable energy, with most devices using photovoltaic power, effectively reducing carbon emissions in the warehousing management process.

In 2022, the "ITG Cloud Chain·Sky Eye" platform won the title of "Excellent Case of National Logistics and Supply Chain Informatization" granted by the China Federation of Logistics and Purchasing.



Application of ITG Carbon Chain in the Haicang Keerun warehouse of ITG's logistics section

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

Our intelligent energy and carbon management system, "ITG Carbon Chain," takes the industrial internet as its foundation to carry out carbon neutrality projects. We select warehouses, factories, and ships as carbon emission reduction pilots, aiming to offer digital tools for energy and greenhouse gas emission management to ensure precise emissions reduction in the industry.

Case Study

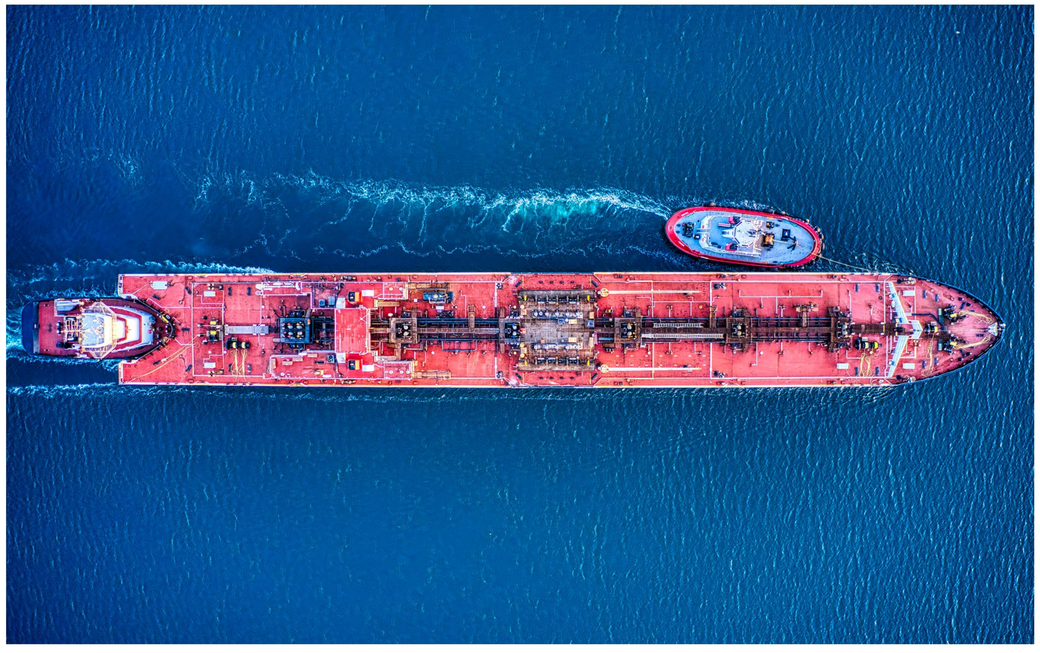
The Rizhao Wulian Tire Factory of the Xiamen ITG Group has completed the intelligent construction and upgrade of the compressor station, and is capable of reducing around 480 tons of carbon emissions annually, which decreases the factory's costs by 530,000 RMB per year and improves the efficiency of equipment operation while reducing downtime losses. In addition, the Phase One implementation of the biomass functional system enables the production of more than 120,000 tons of "zero-carbon" steam per year, saving the factory approximately 5 million RMB in energy costs yearly while achieving the digital and intelligent management, reducing approximately 35,000 tons of carbon emissions every year.

Case Study

Our subsidiary, Xiamen Keerun Zero Carbon Digital Technology Co., Ltd., provides smart gas and smart refrigeration solutions to Yichun Factory of Zhonghong Pulin Medical Products Co.,Ltd. Through measures such as building an EMS energy consumption diagnosis system, equipment operation and maintenance system, and updating air compressors and chillers, we have achieved a 20% reduction in energy consumption and a cost savings of 2.6 million RMB per year for the factory.

Green Shipping

We uphold the construction of "green shipping corridors" and the development of green shipping routes. In our shipping operations, we prioritize using water-based anti-corrosion coatings on vessels to reduce the impact of asphalt-based epoxy coatings on ocean acidification. We also prioritize employing "shore power applications," which provide power to berthed ships from shore facilities to reduce carbon emissions from the vessels' fuel and electricity consumption. We adhere to the International Convention for the Prevention of Pollution from Ships and avail ship fuels with sulfur content below 0.5% to reduce sulfur oxide emissions.



Green Industry and Circular Economy

"Forest-Pulp-Paper" Industry

We bring together the resources across the entire industry chain to provide integrated supply chain services to customers, upgrading the linear "forest-pulp-paper" supply chain into a networked service system to uphold the growth of the green industry:

We prioritize procuring sustainable wood from secondary forests or planted forests upstream of the industry. These forests have obtained certification and are well-managed with logging plans that comply with ecological principles. In this way, we can promptly replant seedlings for harvesting and realize the goal of forest conservation.

Green Procurement

Carbon Trading and Carbon Offsetting

We engage in the New Zealand Emissions Trading Scheme for Forestry and register as an account holder in New Zealand ETS to accomplish carbon offsetting through return on carbon credits and reforestation.

Green Pulp

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

Renewable Resources Utilization

We collaborate with paper mills downstream of industry to sell waste paper and promote resource recycling. In 2022, our sales of recycled paper exceeded 1.5 million tons, reducing the felling of around 25.5 million trees and protecting approximately 900 square kilometers of forest.

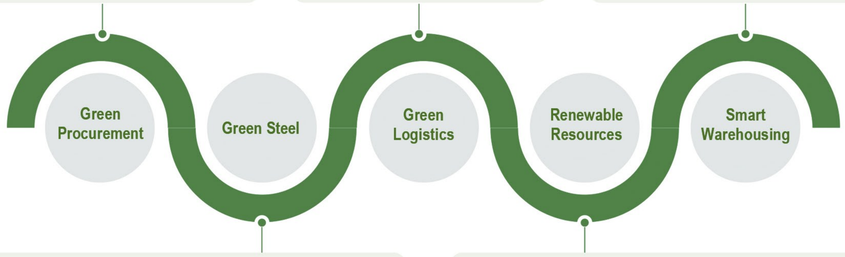
Green Steel Industry

Xiamen ITG Group is deeply rooted in the ferrous metal field and is vital in the vertical industrial chain of "iron ore-steel "while offering integrated supply chain services. It drives upstream and downstream industry partners to boost efficient resource use and propel the steel industry towards a goal of low-carbon development:

In the upstream industrial chain, we cooperate with green mines that focus on sustainable development, conduct fine mineral selection, and help downstream steel mills reduce energy consumption and solid waste emissions during the production process.

Develop green shipping

The steel warehouse of Qiming Logistics, a subsidiary of Xiamen ITG Group, leverages the photovoltaic powered electric fence of "ITG Intelligent Brain · Sky Eye", which applies clean energy to maintain 24/7 uninterrupted operation of the equipment.



We supply high-strength, corrosion-resistant, and high-performance green steel to end-users in the steel industry and large-scale infrastructure projects in the sales sector. By improving the quality of raw materials, strengthening the application of composite seismic and fire-resistant steel, and avoiding the dust and VOC pollution caused by conventional steel's anti-corrosion and fire-resistant coating processes, we endeavor to promote the use of green steel.

We have stimulated the use of renewable resources in the manufacturing sector and established in-depth cooperation with multiple scrap steel processing bases nationwide to carry out the trade of recycled steel materials, minimizing resource waste. In 2022, our scrap steel business volume reached 742,400 tons, reducing the use of 1.19 million tons of iron ore powder, 300,000 tons of coke/740,000 tons of raw coal, and approximately 1.19 million tons of carbon dioxide emissions.

In 2022, our subsidiary Xiamen ITG Mining Resources Co., Ltd. signed a memorandum of understanding on the development of decarbonization solutions for steelmaking with Vale S.A. and Fujian Sansteel Group, jointly promoting the sustainable development of the green steel industry. Our company's "Green Supply Chain Management in the Steel Industry" project achieved the "Clean and Fresh 2022 Green Practice Pioneer Project" award.

Carbon Sink Trading Service

As the only carbon sink service provider for the 22nd China International Fair for Investment and Trade, Xiamen ITG Tongxin Industrial Co., Ltd., a subsidiary of Xiamen ITG Group, calculated the corresponding carbon emissions generated from vehicle energy consumption, supplies used in the conference, and electricity consumption in the fair venue and during booth construction. By purchasing carbon offsets from the FFCER and cultivating the local forestry, it converts the "exhibition carbon emissions" into "forest carbon sequestration," achieving carbon neutrality for the 22nd China International Fair for Investment and Trade.

Water Conservation

We comply with national and local laws and regulations on water resources protection and strive to optimize water resources management, increase water use efficiency and prevent water waste.

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

Pollutants Management

We work hard to reduce the emissions of air pollutants, hazardous waste, and wastewater during business operations. We actively develop a circular economy and minimize waste emissions and the waste of social resources. We en create a recycling-oriented society through waste emissions reduction and sustainable and circular use of resources in investment projects and commodity supply chains.

We actively implement waste sorting, and periodically invite the waste sorting leadership group from Xiamen City to provide training to our employees, strengthen the promotion of waste sorting, and promote waste reduction, effective sorting, and resource recycling. We conduct monthly inspections of our subordinate enterprises, and summarize and report on the waste sorting achievements of each enterprise through monthly reports and other means of communication.

Passion for Nature and Dreams for Future

To tackle climate change and support environmental protection, we consolidate the ESG governance goals into our public welfare brand, "Flying Love and Dream," and continue to pass on its inherited philanthropic values. We identified the environmental issues such as natural resource conservation, energy efficiency improvement, and climate change response; the social topics like human resources, product liability, and social responsibility to perform a series of activities under the theme of "Passion for Nature and Dreams for Future" to realize the green transformation of our public welfare brand and empower sustainable development. As a public welfare ambassador, "AMO" is dedicated to promoting the green change of Xiamen ITG Group and inspiring a nationwide green movement with everyone's participation, collaboration, and sharing. "Flying Love and Dream" encourages the public to work together towards a fabulous land of clear skies, green earth, and clean water.

Social

03

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Responsible Supply Chain

We uphold the concept of win-win and openness, and continue to invest in building a more comprehensive industrial chain, constructing a deeper global layout, and supporting more market players under the new development pattern of "Dual circulation". We will continue to work with industrial partners, focus on the comprehensive service capacity of the chain industry, build a high-quality, sustainable industrial ecosystem, promote digital advancement, accelerate international layout, and commit to be a trusted industry partner with global vision.

Co-creating a Sustainable Industry Chain

In 2022, the 3rd Annual China Supply Chain Management Conference was held in Xiamen City. As one of the first Chinese enterprises to demonstrate innovation and application in supply chain management, we are a **special supporter of this annual conference.** Up to now, we have established stable cooperative relationships with industrial customers in more than 170 countries and regions around the world, continued to deepen economic and trade exchanges with the "Belt and Road", RCEP and BRICS countries, and appeared at the China International Import Expo (CIIE) for five consecutive years to build "global moments".

In addition, during FY 2022, we officially became a member of the "**China Iron Steel Association**" **(CISA)**, one of the few supply chain enterprises among the association's members. We have focused on the ferrous metal industry for more than 20 years. The subsidiaries under the supply chain business division, Xiamen ITG Mining Resources Co., Ltd. and Xiamen ITG Metals Co., Ltd., are committed to bridging the "iron ore-steel" vertical industrial chain. By integrating operations and capital operations, we continuously extend upstream and downstream and participate in various ferrous metal industry chain links. We also provide personalized and customized comprehensive supply chain services to industrial customers. In the future, with the broad platform of China Iron Steel Association, we will integrate resources and link the industry, continue to expand the industry's "Social Circle", actively explore the smart and green supply chain, together with industrial partners, innovate the industrial development model, helping the industry transform and upgrade, and working together to build a high-quality, sustainable industrial ecosystem.

The "2022 (13th) Black Industry Chain Summit and 'MySteel' Iron Ore Annual Conference" was held in Xiamen. The Metallurgical Industry Branch of China Council for the Promotion of International Trade and Shanghai Ganglian E-commerce Holdings Co., Ltd hosted the event. We together with our metallurgical business unit subsidiaries were the exclusive strategic cooperation partners. Our metallurgical business unit actively influenced the deep industry through this annual conference. Together with industry partners, renowned scholars, and domain experts, we focused on the development direction of the metallurgical industry. We explored the path of transformation and development of the metallurgical industry under the new situation. In the future, we will continue to deepen strategic cooperation with industrial partners, mainly focusing on the needs of industrial transformation and to expand the depth of industrial collaboration, establishing industrial alliances, and finally realizing the interchange of resource advantages, optimizing the variety structure and industrial layout. We are willing to explore the road of high-quality development with our partners and create new value for our partners upstream and downstream of the industry chain.

During the year, we signed a strategic cooperation agreement with **Hangzhou E-yarn Chemical Fiber Co.ltd.(eYarn)**, an internet-enabled chemical fiber group company integrating chemical fiber trading, finance, logistics, data services, information services, and peripherals (accessories). At a critical period when traditional industries are undergoing transformation and upgrading, we and eYarn will carry out in-depth cooperation on matters such as business synergy and digital transformation and upgrading of the polyester industry chain, and jointly build a chemical fiber weaving wisdom park, etc., through continuous digital transformation practices in the supply chain. By constantly conducting digitalization practices in the fields of digitalization of operation, digitalization of data assets, smart logistics, intelligent warehousing, etc., we will jointly provide better products and services to our textile industry partners and help build a new pattern of industrial ecology. In addition, we also co-hosted the "Traditional Industry Digital Innovation and Strategy Seminar" together with the eYarn platform, inviting people from all walks of life in the textile industry to discuss digital innovation opportunities for traditional industries.

In 2022, we reached cooperation agreements with industry partners such as Jinma Energy and Humon Energy to jointly build an integrated supply chain platform by achieving complementary advantages. We involved in integrating high-quality domestic coal and coke production capacity and sought overseas coal and coke business investment and operation opportunities. We also explored innovative applications from traditional energy to new energy fields and establish a "co-creation and sharing" strategic partnership. We explored new development paths for co-creating industrial chains, empowering industrial transformation and upgrading, and achieving high-quality development.

Industry Association Involvement	
China Association for Public Companies (CAPC)	Director Unit
Xiamen Listed Companies Association	Vice President Unit
Modern Supply Chain Institute of China Federation of Logistics and Purchasing	Vice Director-General Unit
China Customs Brokers Association (CCBA)	Executive Director Unit
Xiamen Import & Export Chamber of Commerce (XMCCIE)	Vice-President Unit
Xiamen Iron and Steel Trading Association	Vice-President Unit
China Paper Industry Chamber of Commerce (CPICC)	Executive Director Unit
China Chamber of Commerce For Import and Export of Textiles (CCCT)	Vice-President Unit
China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters	Director Unit
Xiamen Chamber of Commerce for Import and Export of Machinery and Electronic Products	Executive Director Unit
Xiamen Municipal Association of Local Financial Institutions (XMALFI)	Honorary President and Director Unit
The Securities and Futures Association of Fujian (FJSFA)	Director Unit
The Securities & Futures Association of Xiamen (SFAXM)	Vice-President Unit
Xiamen Association for the Promotion of Aged Care	Vice-President Unit
Fujian Medical Equipment Chamber of Commerce	Vice-President Unit
Xiamen Association Fortttt Medical Devices.	Vice-President Unit
Xiamen Customs Special Supervision Area Association	New Executive Director Unit

Responsible Sourcing

Nowadays, considering the impact of business activities on the environment and workers, practicing responsible procurement and ensuring transparency in the supply chain from origin to production will not only prevent sustainability risks transmitted from the supply chain and improve the competitive advantage of companies and suppliers for sustainable development, but will also be of great importance in achieving the goal of creating a safer, healthier and greener human society together. We encourage our subsidiaries in all businesses to cover factors such as environmental protection, anti-corruption and integrity, technological development, fair competition, tax policy, consumer rights, labor relations, and human rights in the evaluation of suppliers' business responsibilities, and calls on suppliers to also respect and care about the impact of business development on the environment, individuals and the communities in which they operate in accordance with the principles and values of Responsible Business Conduct (RBC) and Sustainable Development Goals(SDGs):

- In the ferrous industry, we focus on working with green mines that practice sustainable development to help downstream steel mills reduce solid waste emissions and energy consumption in the production process;
- In the "forest-pulp-paper" industry, we give priority to purchasing certified, properly managed pulp made from wood from forests, rather than illegally harvested wood or wood from forests with high conservation value, in order to protect woodlands and trees
- In the field of logistics, we cooperate with green suppliers such as PT Vale, Philips, and Olympus Corporation to create green logistics and shipping jointly.

Regarding supplier management and risk assessment, we continuously improve the risk management system of the supply chain and conduct annual evaluations and risk assessments of suppliers through field investigation and other due diligence management. This year, our Supply Chain Operation and Management Department visited **2,360** logistics suppliers, conducted an inventory of **5,361** warehouses, and eliminated **632** storage risk hazards in a timely manner, effectively preventing supply chain risks from occurring in the first place and avoiding major risks and losses.

Responsible Products and Services

In the process of promoting the strategic layout of our business globalization, insisting on responsible business practices and providing reliable products and services is our insistence on deep integration into the global supply chain, actively contributing to global economic development while further enhancing our supply chain resilience and helping to achieve the strategic goals of globalization. We strengthened human rights protection in business development, respected customer needs, focused on customer privacy protection, and committed to improving the efficiency of the entire supply chain and providing responsible goods and services to customers.

- In the ferrous metal business, Xiamen ITG Metals Co., Ltd, a subsidiary of Xiamen ITG Group, has obtained the third-party quality management system certification to ensure that all products meet the requirements of ISO9001. In the process of steel and metal sheet services, those involving product quality characteristics, usage requirements, and maintenance requirements need to be guided by product certificates, inspection reports, and other relevant documents. Any services involving direct contact with customers and completed on-site need to be investigated and verified for customer satisfaction, and complaints and suggestions from customers are handled on time in accordance with internal processes.
- In the logistics business, Xiamen ITG TAIDA Logistics Co., Ltd, a subsidiary of Xiamen ITG Group, has established recognition of quality objectives through regular training on quality management for personnel in quality management positions, including temporarily hired personnel and supplier personnel. Meanwhile, we also conduct customer satisfaction surveys by setting up a customer satisfaction survey team and conducting customer satisfaction surveys in the form of written and telephone return visits. To address customer feedback, the investigation team will utilize the "Customer Complaint Matters Record Form" to make a record and report, ensuring to monitor the timely handling of customer complaints. After resolving a customer complaint, we will also conduct follow-up calls to understand the customer's satisfaction level regarding the handling of the complaint, ensuring that we provide continuous and satisfactory service to our customers.
- In the financial business, our subsidiary, ITG Futures Co., Ltd. has formulated the "Anti-Money Laundering Confidentiality Management Measures" and "Anti-Money Laundering Information Security Management Measures", to keep customer identity information, transaction information, and anti-money laundering work information obtained confidentially in accordance with the law, and requires relevant personnel in anti-money laundering information processing positions to sign confidentiality agreements, and external service personnel and institutions that come into contact with anti-money laundering information are required to sign confidentiality agreements or agree on confidentiality clauses and supervise their strict compliance with anti-money laundering information security regulations. Moreover, we regularly organize anti-money laundering compliance training and confidentiality training and education for personnel of relevant departments. The formulated "Customer Complaint Handling Measures" aims to provide customers with multi-channel communication channels such as hotlines and emails, clarify internal customer complaint channels and handling processes, further standardize customer service operation processes, ensure that customer complaints can be resolved in a timely, fair and reasonable manner within the stipulated time limits, and take effective measures to track the results of complaint handling and customer satisfaction.

Occupational Health and Safety

We always put the concept of "life first, safety first" throughout the production and operation process and implements laws and regulations such as the "Work Safety Law of the People's Republic of China" and the "Occupational Disease Prevention and Control Law of the People's Republic of China," and formulate a series of safety production management systems such as the "Regulations on Safety Production Management" and the "Assessment Measures for Safety Production Management." We have established a safety production management system with a unified leadership, responsible departments for legal supervision, production and operation units fully accountable, and workers and the public participating in supervision. We are committed to creating a safe, healthy, and sustainable working and living environment for employees, customers, contractors, and the community where we operate.

We fully implement the "Safety Production Responsibility System for All Employees," assigning safety responsibilities at every level and working on "risk prevention, hazard elimination, accident suppression, and safety protection." In the first quarter of each year, we sign safety production responsibility agreements with various departments, business units, and employees at all levels, ensuring coverage "from side to side and top to bottom." According to our "Safety Production Management Assessment Measures" and "Safety Production Responsibility System for All Employees," if a major accident occurs during the annual performance assessment period for the person in charge of each unit, causing significant adverse effects on the enterprise or loss of state-owned assets, the total annual performance salary and deferred performance salary of the person in charge will be deducted. The performance compensation of our management is linked to the safety and environmental performance of the units they oversee. The content of the safety production responsibility assessment covers the annual safety production target achievement, the implementation of the safety production responsibility system and measures, safety production organization leadership, institutional and team building, safety education and training, safety inspections, and hazard rectification, emergency plan training and drills, accident reporting and investigation, hazardous operation management, special safety production activities, and occupational health management. In 2022, 3,692 "Safety Production Responsibility Agreements" were signed and implemented by the company's headquarters, functional departments, and business units, covering all our employees.

3,692

Production safety responsibility agreements were signed by functional departments at our headquarters and each operating unit, covering all employees of the company

FY2022 Safety Production Control Indicators

No.	Control Indicators	Completion Status in 2022
1	Zero number of especially serious and serious accidents	✓
2	Zero general accident fatality rate	✓
3	Zero number of production safety accidents with direct economic loss over 1 million CYN	✓

Safety Production Management

We strictly abide by the " Production Safety Law of the People's Republic of China" and other relevant laws and regulations and follow the requirements of the three-year action of special rectification of production safety. We have combed and revised the existing safety management system per the actual situation of the company, and continuously improved the safety production management system. We have established a quarterly meeting system for production safety, and the Office of the Safety Production Committee (referred to as "Safety Committee Office") holds a quarterly meeting for production safety to listen to reports on the work of each operating unit and to make overall arrangements for the creation of production safety in each quarter. By organizing various meetings, we further strengthen the deployment of safety production work to ensure the implementation of safety production.

Safety Production Management Structure

Production Safety Committee

The first responsible person:
Chairman of the Board

Production Safety Committee Office

Director:
Deputy secretary of the party committee

Deputy Director:
Deputy Director of President's Office

Members:
The division leaders of each key unit

All key safety production units

The first responsible person:
The general manager of each key unit

Members:
Sub-leaders and other production safety managers

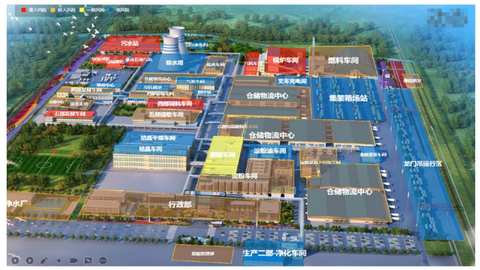
Digitalization in Safety Production

Aiming to improve safety management, we continue to promote the construction of the "**ITG Smart Brain - Safety Management System**". During the year, the "ITG Smart Brain - Safety Management System" project team investigated 18 depots and factories nationwide, identified and evaluated 321 units, created 10,302 risk lists and 433 safety forms, and completed the risk map. Meanwhile, the project team also carried out special training and counseling for safety managers of relevant enterprises, with a total of 743 training and counseling sessions.

18	10,302	321	433
Investigated depots and factories nationwide	Created risk lists	Identified and Evaluated	Completed safety forms

The "ITG Smart Brain - Safety Management System" was officially launched in December 2022, and the entire online operation of the system will bring the following enhancements to our production safety management:

- gradually standardize site safety management and effectively curb production safety accidents
- Standardize safety education and training, and improve employees' safety awareness and skills
- Reduce the frequency of safety inspection by safety management personnel of each unit and safety committee office at off-site depots and reduce the management cost of safety production
- Effectively realize "resource sharing"



Safety Risk Management and Training

Addressing Physical Risks from Climate Change

In order to cope with the physical risks brought by climate change, such as typhoons, floods, earthquakes and other disasters, we have formulated emergency disposal plans such as "Flood and Typhoon Emergency Plan", "Earthquake Emergency Plan", "Emergency Response Plan" and other emergency disposal plans and regularly conducts training and drills to continuously improve the management structure, disposal process, and emergency response team to deal with physical risks while improving our emergency disposal capability by regularly organizing emergency plan drills and other activities.

Addressing the physical risks such as earthquakes, typhoons, floods, fires, snowstorms, hailstorms, freezing disasters, landslides, mudslides, etc.:

Organizational Structure

We set up an emergency command team for significant unexpected incidents, composed of the leading group of our emergency command team and the working group, and is responsible for emergency management. The commander-in-chief of the leading group shall be held by the chairman or president of the company, and the deputy commander-in-chief shall be held by the deputy secretary or vice president of the company.

Risk Management of Emergencies

Based on the location characteristics of the company and our subsidiary business units, as well as the industry and regions where we are located, we have sorted out the physical risks that may occur and conducted investigations, registration, and risk assessments based on the probability of risk occurrence and the severity of impact. We regularly conduct inspections and monitoring, and relevant departments take adequate preventive measures. We have established a network information monitoring, reporting, and notification system to timely detect and master dynamic, indicative, and warning information online, strengthen analysis and judgment, take targeted preventive and control measures, and timely prevent and eliminate adverse impacts. According to the principle of early discovery, early reporting, and early processing, the three-level responsibility subjects of the company, departments, and teams are responsible for tracking and monitoring various possible emergency event information and routine monitoring data within their jurisdiction, receiving, reporting, processing, comprehensive analysis, and risk assessment regularly. After an emergency, each unit should immediately report it to the company via telephone, fax, email, etc., and notify the local government and relevant departments per relevant regulations. The relevant disposal situation should be reported on time during the emergency response process. After the emergency rescue work is completed, the organizing unit will summarize it according to the response and report it to the company for the record.

Follow-up Management

After the end of the emergency, targeted inspections of equipment and facilities must be conducted, and when necessary to carry out technical determination work, and carefully find the equipment and facilities in the critical event after the possible safety hazards and take effective preventive measures, and after reporting approval consent, the organization to restore production, life order.

In FY 2022, each business subsidiary of us carried out a total of 187 emergency drills of various types, including slope collapse emergency drills, flood and typhoon emergency drills, and fire safety drills, according to the annual drill plan.

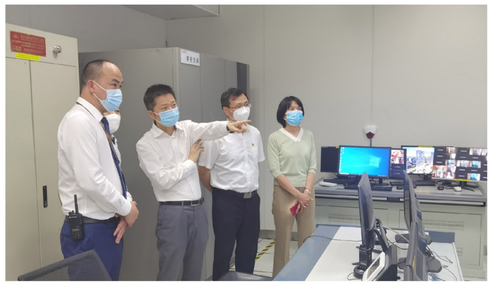
187

Carried out emergency drills of various types

Safety Hazard Investigation and Control

We have formulated and improved the safety hazard investigation and management systems such as "Safety Hazard Investigation and Management Regulations", "Safety Risk Identification, Assessment, Grading, and Control Management Regulations", "Major Safety Risk Announcement and Warning Regulations", etc. Meanwhile, with the help of "ITG Smart Brain - Safety Management System" information platform, we continuously strengthen the safety hazard. We also make use of the ITG Smart Brain platform to constantly enhance the safety hazard investigation and management and form closed-loop management. Our key production safety units organize at least one comprehensive inspection every month, and our safety committee office at least once a quarter to organize the inspection of key units. In major holidays, events, and other critical times, the key leaders and the management personnel of the subordinate units need to go into the field to carry out safety inspection and supervision work, implement production safety responsibilities at all levels, and effectively control all kinds of security risks.

This year, our Safety Committee Office organized the three-year action of special rectification of production safety, winter and spring fire prevention and control special action, special rectification of gas safety, centralized management of dangerous chemical safety risks, safety production inspection and rectification, disaster prevention and mitigation publicity month, safety production month, safety production inspection, special investigation and rectification of dangerous houses, safety inspection "100-day general battle "and fire prevention publicity month and other 11 production safety concentrated attack special action and special rectification activities. During the reporting period, our Safety Committee Office supervised and inspected 56 factories, warehouses, and other business premises and found 602 problems and hidden dangers, all of which have now been rectified, and there are no significant risks. The subordinate business units carried out 177 daily hidden danger inspection activities and found 2,621 general safety hazards, all of which have now been rectified, and there are no significant risks. Our Safety Committee Office has conducted rigorous reviews of the legal and regulatory compliance of procedures and qualifications for new development projects. After examining and auditing 109 new projects, 1,440 suggestions were made for rectifying non-compliance with safety production requirements. At present, all suggestions have been rectified, and there are no major risks.



Safety Training

In 2022, we organized a number of special training sessions, such as a study of the new "Production Safety Law", training on construction fire safety, training for production safety management personnel, and the main person in charge to obtain and re-test the qualification certificate, etc. In accordance with national laws and regulations, we carried out three-level safety education and training for new employees and established a perfect safety training and education file. In addition, our safety committee office also organizes knowledge and skills competitions in conjunction with important activities such as production safety month, disaster prevention and mitigation month, and fire prevention month, developing relevant slogans and actively promoting safety concepts through electronic screens, bulletin boards, and official websites.

In 2022, the Safety Committee Office organized all departments and business units to actively participate in the "How much do you know about the new safety law" network knowledge contest held during national safety month, with a total of 629 participants. During the fire prevention month, we also hosted the "11.9" series activities together with ITG Holdings - "Emphasize Fire Safety to Ensure High-Quality Development" fire safety knowledge competition.

FY 2022, we organized 173 production safety training activities, with a total of 8,206 participants.

629

"How much do you know about the new safety law" network knowledge contest participants

173

Production safety training activities

8,206

A total of participants

Occupational Health

Talent is our most valuable asset, and we always put the safety and health of employees in the first place.

We regularly organize employee health checkups covering all employees and also provide long-term mental health assistance to all employees and their immediate family members through the Employee Assistance Program (EAP), which provides a professional platform for employees to relieve their emotions, prevent and solve all kinds of psychological distress, and help employees shape a positive mindset.

国贸EAP
传递心关爱

In FY 2022, the EAP was updated, and the online platform achieved linkage with iITG APP, enabling employees and their families to easily and conveniently access professional psychological counseling advice and read relevant articles. Psychological assessment tools are also online within the platform, and employees can participate in mental health condition testing autonomously. Professional counselors will carry out psychological counseling services based on the background monitoring results and proactively conduct crisis intervention to identify and reduce organizational mental health risks effectively.

Through the online platform, we are able to systematically understand employees' demands and conduct return visits for counseling. In general, the psychological assessment results or relevant data of employees are protected for privacy. We can only systematically understand the demands of employees and conduct follow-up visits through the platform with the informed consent of the employees. The online platform currently has an employee satisfaction score of 9.39/10, and the average level of psychological distress after counseling is 5.5/10.

"Awareness and Exploration of Emotions" Mental Experience Workshop

People-Oriented

We are dedicated to providing our employees with a platform for growth, creativity, and sharing, while respecting everyone's ideas. We believe that everyone should have the opportunity to grow into a career partner, business expert, and industry leader on the stage of our company, which is like a big campus and a big home. Our goal is to achieve the co-creation and sharing of personal value and corporate value for our employees.

During 2022, we won a total of 11 Employer Brand Awards.

Human Rights Protection

We adhere to the Universal Declaration of Human Rights (UDHR), the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work regarding internationally recognized human rights, and uphold a people-oriented approach to provide a healthy, inclusive, and diverse work environment for our employees.

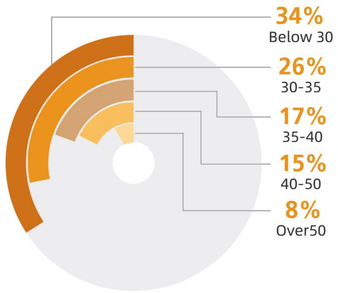
Equal Employment

We insist on the principle of equal recruitment and strictly abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations to create an inclusive employment platform. In the recruitment and promotion process, we promise not to discriminate on the basis of age, nationality, ethnicity, religious beliefs, race, sexual orientation, gender identity and expression, marital status, pregnancy, disability, and other factors, and we insist on equal pay for equal work, guaranteeing employees fair compensation above the local minimum wage. We prohibit child labor or forced labor at any stage of business operations, eliminating workplace bullying and harassment, and respecting and protecting the legal rights and interests of each employee.

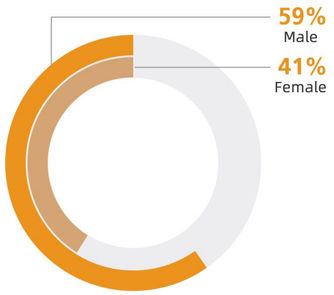
As of December 31, 2022, we have 6,936 employees in China, Singapore, the United States, New Zealand, the United Kingdom, Indonesia, and other countries.

We strictly abide by the law of the people's republic of china on the protection of rights and interests of women and other laws and regulations, prohibit gender discrimination and eliminate gender inequality in the workplace, and effectively protect the rights of female employees through the signing of the "Female Workers' Special Interest Collective Contract." To alleviate the work and family pressure of female employees, we set up baby care rooms, and hold parent-child fun carnivals , to support female employees in balancing work and childcare.

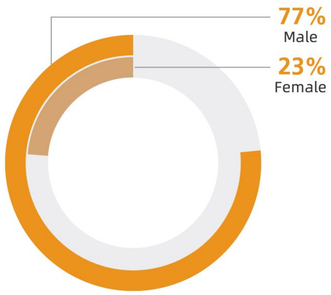
Age Ratio of Employees



Gender Ratio of Employees



Gender Ratio of Management (Mid-level and above)



Democratic Communication

We attach importance to democratic management and employee communication and provide various channels such as employee representative meetings, performance results appeals, "ITG Voice" parties, and employee anniversary activities to encourage employees to actively contribute to the development of the company and fully protect the right of employees to participate in democratic decision-making, democratic management and democratic supervision of the enterprise. We continue to conduct annual employee satisfaction surveys to collect feedback from employees and understand their needs. The surveys cover satisfaction of job content, job rewards, work atmosphere, and existing care programs. In the 2022 employee satisfaction survey, we collected 1,210 valid questionnaires, and 83.38% of employees agreed (with a score of 8 or more) that we have created a positive work atmosphere.

Employee Remuneration & Benefits

We are committed to providing employees with competitive remuneration and benefits and continuously promoting the optimization of the remuneration and benefits system. We have formulated the "Performance Management Regulations." Through the guidance and incentive role of performance management, we adopt a combination of positive and negative incentives to promote employees in dynamic competition to form a pattern of the full flow of outstanding talents.

Equity Incentives

To promote the unification of corporate value and employees' personal value, further stimulate employees' enthusiasm, and support the long-term and sustainable development of Xiamen ITG Group, we established an long-term equity incentive mechanism. In March 2022, we launched a new plan to expand the scope of incentive targets to the "backbone level employees," granted 947 incentive targets for the first time, covering 20% of the total number of employees.

947
The first grant of incentive objects

20%
Covering the total number of employees of the company

Employee Care & Welfare

We have set up the "**ITG Love Foundation**" to help the families of employees in need, formulated the "ITG Love Foundation Charter" and regularly publicized the income and expenditure of the foundation. In FY 2022, a total of 6 grants were made to the "ITG Love Foundation", and **70,000 CNY** was disbursed to help the families of employees who had financial difficulties due to high illness treatment costs.

For the international dispatched employees, the Human Resources Department, together with the labor union, continue to improve the protection system by presenting blessing gift and greeting cards to dispatched employees before their trips and purchasing exclusive insurance for them, including personal, property, and emergency medical rescue insurance. We also send holiday greetings and gifts to the families of the dispatched employees on festivals to continuously strengthen the care for them.

In FY 2022, our labor union held a series of "**Heart Guardian**" activities, carrying out free spinal health checkups and distributing San Fu stickers to care for employees' health. Also, the labor union held a series of activities called "Heart Guard" to care for employees' health. The activity included free spine health assessments, distribution of "San-Fu" patches, and other initiatives. Additionally, with the cooperation of ITG Taho Rehabilitation Hospital's rehabilitation therapy team, we established a rehabilitation room in our gym. Employees can book traditional Chinese medicine therapy services through the i ITG application.

Diversified employee activities:

2022 annual basketball tournament and three-on-three basketball tournament

2022 singer competition

Dragon Boat Race

2022 annual badminton team competition

Employee Training and Development

We uphold the talent concept of "matching people with positions and enabling employees to utilize their talents fully." With the strategic leadership of innovation, truth-seeking, perseverance, and win-win in the midst of change and evolution, we continuously optimize the talent development system and career development channels, improve the talent system, empower our members to create a learning organization together, and provides talent support for we to achieve high-quality and sustainable development.

333	5,933	85.54%	73,446	644.00 million RMB
Employee training courses	Employees trained	Employees covered	Total training hours	Total training investment

In FY 2022, we revised our "Internal Trainer Management Measures" and "Training Management Regulations" and established a positive closed-loop training management system that includes training needs analysis, customized training plans, training implementation, and evaluation summary—on this basis, we established an integrated training system that focuses on improving management capabilities, developing professional skills, and digital learning, which is composed of three parts: management ability advancement, professional skill training, and a digital learning ecosystem.

The Reserves Plan - Nurturing New Talents, Unleashing Potential

We have established an "Onboarding Guide" system for new employees and launched the "Starlight Training Camp" and online "Starlight Cloud Classroom" to help employees quickly understand our culture, increase their sense of belonging, and support the growth of new employees in multiple ways, escorting them in the early stages of their careers.

The "Radiant Pioneers in Their Prime" 2022 New Employee Training Camp project has won the "2022 National Enterprise Learning Project Design Gold Award" at the 7th Enterprise Learning Design Competition and the "Excellent Digital Learning Project Gold Award" at the 4th Yun Tu Awards. The project case has been selected for the "Insights Blue Book on Enterprise Digital Learning Trends 2022-2023".

Elite Plan - Middle Management Training Program

The Elite Plan is a training program designed for experienced middle-level managers. Based on our strategy and leadership model, this program empowers senior middle-level managers to continuously exceed themselves and strive for excellence through lectures from renowned experts, practical workshops, and classical readings.

The Elite HR Program

Starting in 2022, we launched the "Elite HR Program", which aims to promote professional development among all employees under the human resources management department through training programs such as internationalization empowerment. The ultimate goal is to enhance the value of our company's human resources management.

Lighthouse Project –The Course Development and Train-the-Trainer Program

The "Lighthouse Project" is a specialized program focused on the development of courses and the training of internal trainers for knowledge management within we. The program organizes participating employees to practice based on their job positions, extracts organizational experiences, and provides systematic guidance on course design, courseware production, and public speaking, aiming to become extractors and disseminators of management knowledge within us.

In FY 2022, the program was honored with the "Brand Learning Project" award in the collection of outstanding cases, projects, and courses for enterprise talent development, as well as the "Innovative Operation Practice Excellence Award" at the fourth YunTu Awards.

School-Enterprise Cooperation

We advocate the concept of "bringing in and going out" of school-enterprise cooperation, actively carrying out cooperation with universities. In 2022, we newly established the "Internship and Training Base for College Students" at Ocean University of China and organized activities such as "Xiamen University OPEN DAY" and visiting and exchange activities with Hainan University, promoting the integrated development of production, teaching, and research.

Serve National Full-Growth with Industrial Resource-advantage

We support the country's development and promote the quality and efficiency of grain production from the supply side. We provide agricultural materials and land transfer services for farmers and cooperatives, break the small-scale operation system of scattered households, and adopt standardized crop production and management, significantly improving production efficiency. By leveraging the industrial resource advantages, we built a "digital grain warehouse" to optimize the allocation capacity of grain resources, reduce transportation losses, facilitate domestic circulation, and ensure national food security.

Penetrate in Agricultural Products Industry and Support Domestic & Global Markets

The agricultural products business is a core business in our supply chain management. The subsidiary, Xiamen ITG Agricultural Products Co.,Ltd concentrates on grain planting, storage, trading, fine processing, farming, agricultural financial services, and digitization. We are stimulating business growth and project implementation, delving into the industrialized operation of grain production in Heilongjiang, driving industrial transformation through business upgrading, and bringing high-quality agricultural products in Heilongjiang into a broader market worldwide, benefiting thousands of households.

The formal implementation of the Regional Comprehensive Economic Partnership (RCEP) provides a broad market for the high-quality development of China's agricultural product trade during the 14th Five-Year Plan period. Xiamen ITG Agricultural Products Co. initiatively accelerates the pace of connecting with the RCEP market and explores ways to bring China's high-quality agricultural products to the RCEP market. In 2022, the Xiamen ITG Agricultural Products Co. responded promptly to Xuwen County, Guangdong Province's call and wrote a letter entitled "A Message from the Sea of Pineapples" to global buyers. With less than half a month, it collaborated with its sister company ITG Resources (Singapore) Pte.Ltd to complete the export preparation of Xuwen pineapples, which built up the first bridge between Xuwen pineapples and Singaporean consumers after the RCEP came into effect.

Five thousand kilograms of pineapples from Xuwen County, the home of Chinese pineapples in Guangdong Province, were carefully selected and loaded onto a truck, marking the formal entry to the RCEP market. To ensure the smooth export of Xuwen pineapples, Xiamen ITG Agricultural Products Co. proactively negotiated with ITG Resources Singapore and partner companies to ensure that consumers could receive Xuwen Pineapples in the best-tasting period and enjoy fruits of high quality from China.

A Caring City for Children and Seniors

We are deeply aware of the interdependence between our company's development and the connection with the city and community where we operate. As a responsible corporate citizen, we are committed to establishing positive and open relationships with the city and community while promoting sustainable business practices. Our company aims to support local employment, as well as the economic, educational, and healthcare initiatives of the city, creating a better urban life for all.

Caring for Dreams

In 2005, we created the "Flying Love and Dream" public welfare brand, focusing on the public welfare activities of caring for the healthy growth of children and teenagers. We also released the cartoon image of the public welfare brand, "AMO." For 18 years, "Amo" has traveled throughout cities and villages in Xiamen and surrounding areas, conveying love to left-behind children in rural areas, migrant children in cities, and special groups of children and teenagers.

" AMO"- Caring for Left-behind Children in Rural Areas

Since 2008, we have been conducting volunteer service activities to visit orphans, poor households, and senior people in need in Hugan Village, Xiamen, for 15 consecutive years. In the face of the urgent need to improve children's education in Hugan Village, we sponsored the establishment of the "ITG Love Library" in Hugan Village Primary School and provided cultural supplies and books to outstanding and disadvantaged students there. Through organizing a variety of activities, we took the children of Hugan Primary School to walk out of the village to visit Xiamen Science and Technology Museum, Xiamen Meteorological Museum, Gulangyu Submarine World, Xiamen Old Yard, Lingling Circus, and other places, helping children broaden their horizons and increase their interest and confidence in learning.

" AMO" - Caring for Migrant Children in Cities

For many years, we have been committed to regularly organizing theme-based activities of caring for urban migrant children at the Houbu Public Welfare Library and Hozhai Public Welfare Library, bringing a diverse range of small classes to children. In 2022, our volunteers picked the theme of Beijing Winter Olympics to teach the children to learn Olympic theme songs, draw the Winter Olympics mascot "Bing Duan Duan," and conduct quizzes on Winter Olympics knowledge, harnessing the Olympic spirit with children. Moreover, we also set up "AMO Blind Box" vending machines at ITG Center and Yintai Department Store for charity sales, and donated all the proceeds to the charity library to purchase books for children in urban villages.

" AMO" - Caring for Special Groups of Children

We have been sponsoring a special education school in Xiamen for many years, calling for society to care for these "children from the stars." In 2022, the company partnered with the special education school to launch a public welfare flash store themed "AMO and Friends." The public appreciated the oil paintings, brick carvings, and 3D paper toys these special young children created. The fundraising sales reached a new high of 31,300 RMB, which inspired the teachers and students of the special education school. We also supported the "Starlight Volunteer Group" of Xiamen Foreign Language School to organize the "Stars Hang over the Plain, Love Knows No Boundaries" charity sale and performance event for autistic children. By promoting autism-related knowledge and the current situation of autistic children, we endeavor to consolidate social resources for rehabilitating autistic children.

Smart Senior Care and Healthy Latter Years

As a state-owned enterprise growing together with Xiamen, we continue to push the development of Xiamen's health and senior care industry. Through our subsidiary, Xiamen ITG Health Technology Co., Ltd., we have created an integrated smart aging service platform to connect government, businesses, families, and various industries in society to build a senior care service ecosystem and advance the evolution of the senior care industry chain. Based on the smart aging service platform, our subsidiary Xiamen ITG Elderly Care Industry Co., Ltd. (ITG Elderly Care), rendered senior people with specialized and diversified senior care services such as rehabilitation care, personal daily care, health management, age-friendly renovations, senior products, cultural entertainment, and retirement living. We are building a senior care service system that integrates institutions, communities, and home-based care, creating a quality and healthy urban living environment.

In 2022, ITG Elderly Care officially launched its comprehensive health and wellness platform for the seniors, providing intelligent scheduling for 59 types of senior care services and linking 22 types of smart devices to serve 390,000 senior people in Xiamen. As the director unit of the "Xiamen Senior Care Service Promotion Association--Neighborly Health and Wellness Professional Committee," ITG Elderly Care actively participated in various neighborly senior care initiatives and boosted the senior care industry in Xiamen to serve the community.

In 2022, the Xiamen Jinshan Street Elderly Care Center, supported by Guomao Health and Care, was awarded the "Five-Star Home-based Community Senior Care Service Center" in Fujian Province. The service center's information platform uses a "1+9+n" model to build a layered innovative senior care cloud platform from the street care center to nine community senor care service stations, and then to the homes, providing more convenient "two-entry services" for the seniors in the Jinshan Street area and achieving a "smart senior care brain". By utilizing information technology such as the Internet, big data, and artificial intelligence, the service center's information platform provides more comprehensive, caring, and convenient services to the senior people. The center's supporting smart senior care products enable the senior people to experience a new mode of intelligent senior care, such as whole-house intelligent management, which uses an IoT monitoring platform for real-time management to ensure the privacy and sleep of the seniors, creating a safe and comfortable living space. Features such as facial recognition access control, "Xiao Yi" intelligent robot, an intelligent sleep monitoring mattress, and a human-machine interaction monitoring device meet the comprehensive senior care service needs through intelligent mode, making home-based senior care more convenient and efficient. The center is also equipped with the latest international-standard aging-friendly smart bathroom products, allowing people with disabilities and the seniors in the area to experience the comfort and convenience brought by high-end intelligent bathing products.

In 2022, we combined our medical and health resources with those of Xiamen Hong'ai Hospital, Xiamen Traditional Chinese Medicine Hospital, and Xiaxin Hospital Medical Health Service Center. With the support of the Jinshan Street Senior Care Service Center, we collaborated with nine community-based senior care service stations to provide 94 free medical consultations and health lectures to 8,520 senior people and their caregivers, with 2,343 persons joining the lectures. We enriched our specialized medical consultation resources for commonly concerned health issues among the seniors, such as dental, ophthalmological, cardiovascular, and thoracic medicine. We provided on-site diagnosis and treatment of cardiovascular diseases such as coronary heart disease and hypertension, as well as health guidance, and conducted blood pressure and blood sugar measurements. Additionally, the company's subsidiary, ITG Taho Rehabilitation Hospital, provided medical consultation services to answer health-related questions from 1,800 senior people in the community.

94
Conducting medical consultations and lectures

2,343
Total number of participants

In 2022, ITG Elderly Care collaborated with the Jinshan Street Community Health Service Center, Nanputuo Traditional Chinese Medicine Hospital, and several dental hospitals to leverage medical resources for a series of lectures on improving the nutrition of senior people, traditional Chinese medicine therapy, prevention and treatment of cardiovascular and cerebrovascular diseases, as well as controlling blood sugar and blood pressure for senior people. ITG Elderly Care intended to provide capacity-building training for community seniors and caregivers to strengthen their ability to provide health care services. The company held a total of 24 health lectures throughout the year, with approximately 550 individuals attending the seminars.

In 2022, the Party branches of ITG Health Technology, ITG Taho Rehabilitation Hospital, and Lianhua Village Party Committee in Tong'an District jointly organized a "Caring for the seniors, Bringing health home" free clinic event. Members of the ITG Taho Rehabilitation Hospital and voluntary party members of ITG Health Technology provided free medical consultations and distributed medicines to the senior people, children, and sub-healthy populations in Lianhua Village, serving more than 60 persons.

Rural Revitalization

As a responsible state-owned enterprise, we consistently satisfy the requirements of rural revitalization of our country. We fulfill our social responsibility and the role of state-owned enterprises with practical actions. We enhance the achievements through industrial and cultural revitalization and give back to society with love and efforts.

Industry Revitalization

Our subsidiary, ITG Futures Co.,ltd. (ITG Futures), pursues rural revitalization in all aspects with the support and collaboration of domestic commodity futures exchanges, futures companies, insurance companies, and local governments. The company has launched several "insurance + futures" projects, with a total guaranteed amount of more than 150 million RMB and a highest payout rate of 139%, to protect farmers' income by giving full play to its professional risk management capacity with financial attributes. ITG Futures fully leverages the functions and advantages of the financial market and actively explores modern financial means to protect farmers' income. It allocates more resources to critical fields and weak points in rural areas and uniquely pushes forward rural revitalization and healthy development of rural industries. In 2022, the "Insurance+Futures" project of ITG Futures was selected as an excellent practice case for the rural revitalization of listed companies.

We took the responsibility to develop the economy of Hu Gan village, a designated vital town for receiving assistance. In 2022, we leveraged our own diverse industrial advantages and the abundant resources of Huqian Village to focus on developing differentiated rural economy. We worked closely with the local government and integrated our supply chain strength in primary raw materials with the industrial distribution, supporting construction, and investment of Hu Gan village and surrounding areas to fully support the development of Hu Gan village's featured industries. We promote innovation in the development model of the collective economy of Hu Gan village to ensure that the income from businesses run by village collectives would reach more than RMB 500,000 within three years.

Culture Revitalization

On the occasion of World Book Day 2022, our subsidiaries Fujian Sansteel International Trade and Xiamen ITG Mining Resources jointly launched the "Mining World Wonders, Inspiring Future Dreams" public welfare donation campaign through the "Mineral Processing Plant" reading club, calling on employees to join the book or monetary donations and share the love. Our employees strongly supported the public welfare donation campaign, with 354 books donated to Guanqiao Middle School in Haiyuan County. A book corner called the "Mineral Processing Plant Book Corner" was set up in the school's classrooms, providing reading enrichment for children in Haiyuan, Ningxia. After the campaign, we plan to utilize the subsequent donations received for future public welfare activities.

Data Overview

Environmental

Indicators	Unit	2021	2022
GHG			
Scope1-Direct GHG emissions	tCO_2e	1,274.64	77,422.27
Scope2–Indirect GHG emissions		2,192.67	183,283.14
Total GHG emissions		3,467.31	260,705.41
Total GHG emissions intensity	tCO_2e /hundred-million RMB of operating revenue	0.75	49.95
Vehicle equipment fuel consumption			
Gasoline consumption	Litre	45,387.06	2,649.08
Diesel consumption		437,563.47	8,691.61
Energy consumption			
Electricity consumption	kWh	3,773,953.58	271,331,451.20
Electricity consumption density	kWh/hundred-million RMB of operating revenue	812.03	51,987.37
Liquefied petroleum gas consumption	Ton	/	4.27
Coal consumption	Ton	/	8,012.84
Packaging materials consumption			
Plastic products	Ton	1.00	3.03
Paper products		3.00	2.50

Description:GHG Emissions and Energy Consumption in 2021 are only available for the company's headquarters and some major subsidiaries.

Employment

Indicators	Unit	2021	2022
Employee composition			
Total employees	Person	5,504	6,936
Employee gender distribution			
Male	Person	3,393	4,134
Female		2,111	2,802
Employee age distribution			
Under 30	Person	1,672	2,387
30-50		3,320	3,994
Over 50		512	555
Employee educational background distribution			
Doctors	Person	3	4
Masters		497	663
Bachelors		2,289	2,960
Junior College		842	912
Below Junior College		1,873	2,397

Indicators	Unit	2021	2022
Employee functional distribution			
Sales	Person	3,677	2,813
Technical staff		145	172
Financial staff		317	409
Administration staff		1,365	752
Production staff		0	2,790
Employment of people with disabilities			
Ratio of employees with disabilities	%	/	0.12
Management gender distribution			
Male management	Person	109	110
Female management		33	32
Female management ratio	%	23.24	22.54
Contract signing			
Employees with employment contracts	Person	5,504	6,936
Ratio of employees with employment contracts	%	100.00	100.00
Ratio of contractor and part time workers		/	3
Employee turnover			
Total resigns	Person	924	602
Total employees at the beginning of the year		5,256	5,504
Total new recruiters in the year		1,172	1,633
Annual turnover rate	%	14.37	8.43
Employee training			
Total employee training input in the year	Ten-thousand RMB	220.50	644.00
Total number of employees trained	Person	/	5,933
Employee training coverage rate	%	/	85.54
Percentage of Female employees trained	%	/	39.14
Total number of training hours for employees	Hour	/	73,446
Average training hours of employees		/	10.59
Compensation and benefit			
Ratio of standard entry level wage compared to local minimum wage for Male	%	/	380.95
Ratio of standard entry level wage compared to local minimum wage for Female		/	380.95

Data Overview

Market

Indicators	Unit	2021	2022
Complaint resolution			
Total number of complaints	Case	8	0
Total number of resolved complaints		8	0
Complaint resolution rate	%	100.00	
Supplier			
Total suppliers	Count	/	47,525
Total suppliers in the province where the company is located		/	7,966
Total suppliers in mainland China		/	38,375
Total audited suppliers in the year		/	8,617
Total newly reviewed and admitted suppliers in the year		/	6,673

Indicators	Unit	2021	2022
Community engagement			
Public welfare investment	Ten-thousand RMB	/	784.29
Total number of employee volunteers	Time	/	962
Total volunteering hours	Hour	4,614	6,735

GRI Standards

GRI Standards	Disclosure	Location	Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	Message from the Chairman Sustainable Business	
	2-2 Entities included in the organization's sustainability reporting	About This Report	
	2-3 Reporting period, frequency and contact point	About This Report	
	2-4 Restatements of information	This Report Does Not Cover It	
	2-5 External assurance	This Report Does Not Cover It	This report is not subject to third-party attestation
	2-6 Activities, value chain and other business relationships	Message from the Chairman Sustainable Business Responsible Supply Chain	
	2-7 Employees	People-Oriented Data Overview	
	2-8 Workers who are not employees	Responsible Supply Chain	
	2-9 Governance structure and composition	Sustainable Development Management	
	2-10 Nomination and selection of the highest governance body	Sustainable Development Management	
	2-11 Chair of the highest governance body	Sustainable Development Management	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management Risk Management and Compliance	
	2-13 Delegation of responsibility for managing impacts	Sustainable Development Management Risk Management and Compliance Occupational Health and Safety	
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Management	
	2-15 Conflicts of interest	Sustainable Development Management	
	2-16 Communication of critical concerns	Stakeholders Engagement	
	2-17 Collective knowledge of the highest governance body	Sustainable Development Management	
	2-18 Evaluation of the performance of the highest governance body	This Report Does Not Cover It	Not yet implemented during this reporting period
	2-19 Remuneration policies	Sustainable Development Management	
	2-20 Process to determine remuneration	Sustainable Development Management	
	2-21 Annual total compensation ratio	This Report Does Not Cover It	Not available in this report
	2-22 Statement on sustainable development strategy	Message from the Chairman	
	2-23 Policy commitments	Sustainable Development Management Business Ethics and Anti-Corruption Whistleblower Protection Addressing Climate Change Sustainable Products & Service Water Conservation Pollutants Management Human Rights Protection Responsible Supply Chain	

GRI Standards	Disclosure	Location	Omission
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Sustainable Development Management Business Ethics and Anti-Corruption Whistleblower Protection Addressing Climate Change Sustainable Products & Service Water Conservation Pollutants Management Human Rights Protection Responsible Supply Chain	
	2-25 Processes to remediate negative impacts	Business Ethics and Anti-Corruption Information Security Whistleblower Protection Responsible Supply Chain People-Oriented	
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholders Engagement Whistleblower Protection	
	2-27 Compliance with laws and regulations	Sustainable Development Management Business Ethics and Anti-Corruption Information Security IPR Protection Tax Compliance Whistleblower Protection Water Conservation Pollutants Management Responsible Supply Chain Occupational Health and Safety Human Rights Protection	
	2-28 Membership associations	Responsible Supply Chain	
	2-29 Approach to stakeholder engagement	Stakeholders Engagement	
	2-30 Collective bargaining agreements	This Report Does Not Cover It	Not available in this report

GRI Standards	Disclosure	Location	Omission
GRI 3:Material Topics 2021	3-1 Management of material topics	Stakeholders Engagement	
	3-2 List of material topics	Stakeholders Engagement	
	Economic performance		
GRI 3:Material Topics 2021	3-3 Management of material topics	Sustainable Development Management Risk Management and Compliance Stakeholders Engagement	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2022 ESG Key Performance Indicators	
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management and Compliance	
	201-3 Defined benefit plan obligations and other retirement plans	This Report Does Not Cover It	The company is not currently involved in a retirement plan
	201-4 Financial assistance received from government Market presence	2022 ESG Key Performance Indicators	
	Market presence		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Data Overview	
	202-2 Proportion of senior management hired from the local community indirect economic impact	This Report Does Not Cover It	Not available in this report
	Indirect economic impact		
GRI 3:Material Topics 2021	3-3 Management of material topics	Serve National Full-Growth with Industry and Support Domestic & Global Markets Rural Revitalization	
GRI 203: Indirect Economic Impacts 2021	203-1 Infrastructure investments and services supported	Serve National Full-Growth with Industry and Support Domestic & Global Markets Rural Revitalization	
	203-2 Significant indirect economic impacts	Serve National Full-Growth with Industry and Support Domestic & Global Markets Rural Revitalization	
	Procurement practices		
GRI 3:Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Rural Revitalization Data Overview	
	Anti-corruption		
GRI 3:Material Topics 2021	3-3 Management of material topics	Business Ethics and Anti-Corruption	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and Anti-Corruption	
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Anti-Corruption	
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Anti-Corruption	
	Anti-competitive behavior		
GRI 3:Material Topics 2021	3-3 Management of material topics	Business Ethics and Anti-Corruption	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Anti-Corruption	
	Tax		
GRI 3:Material Topics 2021	3-3 Management of material topics	Tax Compliance	
GRI 207: Tax 2019	207-1 Approach to tax	Tax Compliance	
	207-2 Tax governance, control, and risk management	Tax Compliance Risk Management and Compliance	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Compliance Stakeholders Engagement	
	207-4Country-by-country reporting	This Report Does Not Cover It	Not available in this report

GRI Standards	Disclosure	Location	Omission
	Material Topics		
GRI 3:Material Topics 2021	3-3 Management of material topics	Sustainable Products & Service	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Data Overview	
	301-2 Recycled input materials used	Sustainable Products & Service	
	301-3 Reclaimed products and their packaging materials	Sustainable Products & Service	
	Energy		
GRI 3:Material Topics 2021	3-3 Management of material topics	Sustainable Products & Service	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Data Overview	
	302-2 Energy consumption outside of the organization	This Report Does Not Cover It	Due to the privacy policies of some of our customers, this report is not able to provide reliable statistics on the external energy consumption of the organization at this time
	302-3 Energy intensity	Data Overview	
	302-4 Reduction of energy consumption	Sustainable Products & Service	
	302-5 Reductions in energy requirements of products and services	This Report Does Not Cover It	Not available in this report
	Water and effluents		
GRI 3:Material Topics 2021	3-3 Management of material topics	Water Conservation Pollutants Management	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation	
	303-2 Management of water discharge-related impacts	Pollutants Management	
	303-3 Water withdrawal	Data Overview	
	303-4 Water discharge	Data Overview	
	303-5 Water consumption	Data Overview	
	Biodiversity		
GRI 3:Material Topics 2021	3-3 Management of material topics	Sustainable Products & Service Passion for Nature and Dreams for Future	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	This Report Does Not Cover It	None of the Company's business operations are located in or adjacent to protected areas and biodiversity-rich areas outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity	This Report Does Not Cover It	The company's activities, products and services do not affect or damage biodiversity
	304-3 Habitats protected or restored	This Report Does Not Cover It	None of the Company's business operations are located in protected or
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	This Report Does Not Cover It	The company's business operations and surrounding areas do not involve affected habitats
	Emissions		
GRI 3:Material Topics 2021	3-3 Management of material topics	Addressing Climate Change	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change, Data Overview	
	305-2 Energy indirect (Scope 2) GHG emissions	Addressing Climate Change, Data Overview	
	305-3 Other indirect (Scope 3) GHG emissions	This Report Does Not Cover It	Not available in this report
	305-4 GHG emissions intensity	Data Overview	
	305-5 Reduction of GHG emissions	Sustainable Products & Service	

GRI Standards	Disclosure	Location	Omission
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	This Report Does Not Cover It	The company's operations do not involve relevant emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data Overview	
	Waste		
GRI 3:Material Topics 2021	3-3 Management of material topics	Pollutants Management	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related	Pollutants Management	
	306-2 Management of significant waste-related impacts	Sustainable Products & Service Pollutants Management	
	306-3 Waste generated	Data Overview	
	306-4 Waste diverted from disposal	Data Overview	
	306-5 Waste directed to disposal	Data Overview	
	Supplier environmental assessment		
GRI 3:Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Data Overview	
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	
	Employee		
GRI 3:Material Topics 2021	3-3 Management of material topics	Equal Employment	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Data Overview	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Remuneration & Benefits Data Overview	
	401-3 Parental leave	This Report Does Not Cover It	Due to the privacy policies of some of our subsidiaries, we are unable to provide comprehensive and reliable information on parental leave in this report
	Labor management relations		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	This Report Does Not Cover It	There are no operational changes in the company for the time being
	Occupational health and safety		
GRI 3:Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
	403-6 Promotion of worker health	Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	
	403-9 Work-related injuries	Occupational Health and Safety	
	403-10 Work-related ill health	Occupational Health and Safety	

GRI Standards	Disclosure	Location	Omission
	Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Training and Development	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development Data Overview	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Rights Protection Employee Training and Development Data Overview	
	Diversity and equal opportunity		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Rights Protection	
	405-2 Ratio of basic salary and remuneration of women to men	Data Overview	
	Non-discrimination		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights Protection	
	Freedom of association and collective bargaining		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 407: Freedom of Association and Collective Bargaining2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Democratic Communication	
	Child labor		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights Protection Responsible Sourcing	
	Forced or compulsory labor		
GRI 3:Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Protection Responsible Sourcing	
	Security practices		
GRI 3:Material Topics 2021	3-3 Management of material topics	This Report Does Not Cover It	Not available in this report
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	This Report Does Not Cover It	Not available in this report
	Right of indigenous peoples		
GRI 3:Material Topics 2021	3-3 Management of material topics	A Caring City for Children and Seniors	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	A Caring City for Children and Seniors	
	Local communities		
GRI 3:Material Topics 2021	3-3 Management of material topics	Rural Revitalization A Caring City for Children and Seniors	

GRI Standards	Disclosure	Location	Omission
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Rural Revitalization A Caring City for Children and Seniors	
	413-2 Operations with significant actual and potential negative impacts on local communities	Rural Revitalization A Caring City for Children and Seniors	
	Supplier social assessment		
GRI 3:Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Data Overview	
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain	
	Public policy		
GRI 3:Material Topics 2021	3-3 Management of material topics	This Report Does Not Cover It	The company is not involved in related matters
GRI 415: Public policy 2016	415-1 Political contributions	This Report Does Not Cover It	The company is not involved in related matters
	Customer health and safety		
GRI 3:Material Topics 2021	3-3 Management of material topics	Sustainable Products & Service Responsible Products and Services	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Responsible Products and Services	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible Products and Services Data Overview	
	Marketing and labeling		
GRI 3:Material Topics 2021	3-3 Management of material topics	Responsible Products and Services	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Responsible Products and Services	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Responsible Products and Services Data Overview	
	417-3 Incidents of non-compliance concerning marketing communications	Responsible Products and Services Data Overview	
	Customer privacy		
GRI 3:Material Topics 2021	3-3 Management of material topics	Responsible Products and Services	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Overview	

TCFD Recommendations

TCFD Core Elements of Recommendations	Recommended Disclosures	Locaton
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	Sustainable Development Management
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainable Development Management
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	This Report Does Not Cover It
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Addressing Climate Change
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Addressing Climate Change
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management and Compliance
	b) Describe the organization's processes for managing climate-related risks.	Risk Management and Compliance
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management and Compliance
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	This Report Does Not Cover It
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Addressing Climate Change Data Overview
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Occupational Health and Safety

SASB Index

SASB Topics	Accounting Metrics	Location
Energy Management in Retail & Distribution	CG-MR-130a.1: (1)total energy consumed, (2)percentage grid electricity, (3)percentage renewable	Data Overview
Data Security	CG-MR-230a.1: Description of approach to identifying and addressing data security risks	Information Security
	CG-MR-230a.2: (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Information Security
Labor Practices	CG-MR-310a.1: (1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	This Report Does Not Cover It
	CG-MR-310a.2: (1) Voluntary and (2) involuntary turnover rate for in-store employees	Data Overview
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	This Report Does Not Cover It
Employee Diversity & Inclusion	CG-MR-330a.1: Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Human Rights Protection Data Overview
	CG-MR-330a.2: Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	This Report Does Not Cover It
Product Sourcing, Packaging & Marketing	CG-MR-410a.1: Revenue from products third-party certified to environmental and/or social sustainability standards	This Report Does Not Cover It
	CG-MR-410a.2: Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Responsible Products and Services
	CG-MR-410a.3: Discussion of strategies to reduce the environmental impact of packaging	This Report Does Not Cover It
	CG-MR-000.A: Number of: (1) retail locations and (2) distribution centers	Not Applicable
	CG-MR-000.B: Total area of: (1) retail space and (2) distribution centers	Not Applicable