ITG 国贸控股 | 500 世界500强企业

Leading globally competitive industries
Creating a better life

ITG HOLDING

WHITE PAPER ON NET ZERO ACTION

CONTENTS

PREFACE

The challenges posed by climate change to humanity are real, severe, and long-term. Addressing climate change is not only an inherent necessity for China's high-quality development but also a matter of great significance for meeting the expectations of the Chinese people for a better life and contributing to the well-being of people around the world.

ITG Holding fully recognizes that achieving dual carbon goals is an intrinsic requirement to build a community of life for man and nature, as well as to achieve sustainable development. Practicing a dual carbon strategy is a new mission entrusted to us in the new era, and it is also an inevitable step for us to comprehensively implement the new development concept and build a world-class enterprise. Therefore, we solemnly make a net zero commitment and formulate a net zero strategy and pathway that aligns with our development needs.

Guided by the net zero strategy, we design sustainable products – leveraging technological innovation to create more sustainable products, reducing carbon emissions during the product usage phase, and assisting stakeholders across the value chain in achieving net zero goals. We support decarbonization in the supply chain – partnering with suppliers who utilize sustainable materials, processes, and logistics in their production and operations, building a sustainable value chain to drive overall green and low-carbon transformation in the industry. We use renewable energy – gradually reducing the use of non-renewable energy sources such as fossil fuels and promoting the utilization of renewable energy sources such as solar and wind power in our production and operations. We are strategically positioned in sustainable industries – seizing opportunities for green and low-carbon transformation, actively engaging in circular economy, green construction, eco-friendly transportation, and energy-efficient product development. We undertake sustainable actions– integrating ESG principles into our corporate operations and development, addressing societal needs in education, healthcare, and social protection while promoting economic growth, mitigating climate change, and protecting the environment.

“The journey ahead may be long and arduous, but with sustained actions, we will eventually reach our destination and embrace a brighter future.” While pursuing our own high-quality development, we will continue to prioritize the harmonious coexistence of humans and nature, contributing our efforts to build a community of life for man and nature.

NET ZERO COMMITMENT

02

By **2030**,
we strive to achieve comprehensive peak in carbon dioxide emissions

Our subordinate service companies endeavor to peak carbon dioxide emissions at an earlier stage

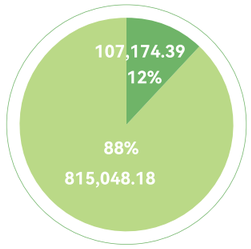
By **2060**,
we aim to achieve our net zero vision

GHG Emissions

To fully understand our greenhouse gas emissions status, we commissioned a professional institution to conduct a greenhouse gas inventory of the activities and facilities within the entities and regions where we own operational control in accordance with the requirements of the ISO14064-1:2018 standard.

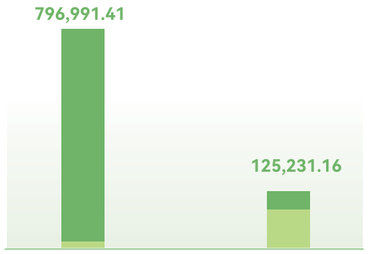
In 2022, our greenhouse gas emissions amounted to 922.2 thousand tCO_2e, of which: direct greenhouse gas emissions (Scope 1) were 107.2 thousand tCO_2e, accounting for 12% of total emissions; indirect greenhouse gas emissions from energy (Scope 2) were 815 thousand tCO_2e, accounting for 88% of total emissions. Our carbon emissions intensity per billion RMB of business income in 2022 was 132.98 tCO_2e/hundred-million RMB.

GHG Emissions (tCO_2e/year)



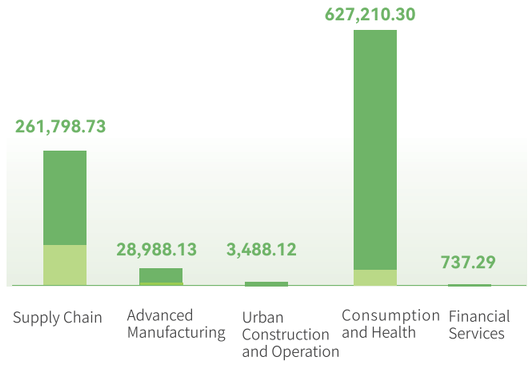
Scope 1 GHG Emissions Scope 2 GHG Emissions

GHG Emissions by Different Types of Business (tCO_2e/year)



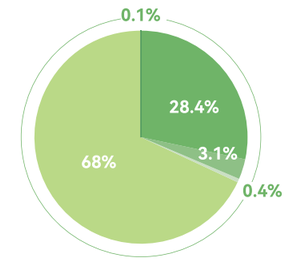
Scope 1 GHG Emissions
Scope 2 GHG Emissions

GHG Emissions of Each Business Segment (tCO_2e/year)



Scope 1 GHG Emissions Scope 2 GHG Emissions

GHG Emissions Proportion by Eac

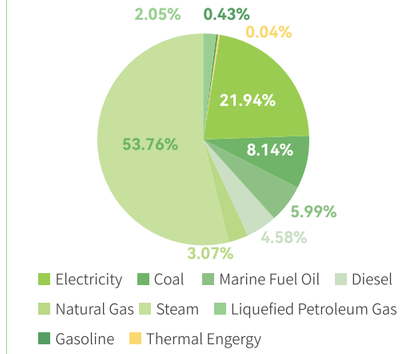


Supply Chain Advanced Manufacturing
Urban Construction and Operation
Consumption and Health Fianancial Services

◎ Energy Consumption

In 2022, our comprehensive energy consumption was approximately 8,507,796.83 GJ. Looking at the structure of energy consumption, the highest proportion of comprehensive energy consumption is steam and electricity, accounting for about 76% in total; from the perspective of greenhouse gas emissions from energy consumption, the greenhouse gas emissions from steam and purchased electricity are relatively high, accounting for 88% of the total greenhouse gas emissions from energy consumption throughout the year. Of which, greenhouse gas emissions from the steam were 513,300 t CO_2e, accounting for 56% and purchased electricity were 301,100 t CO_2e, accounting for 33%.

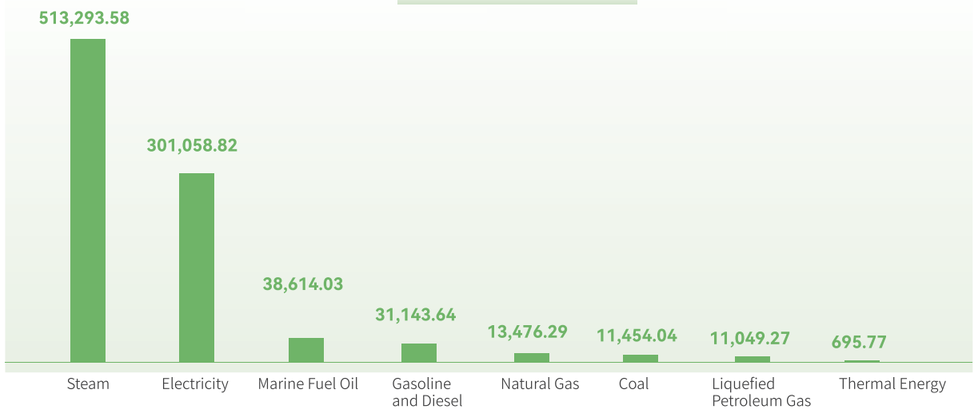
Energy Consumption Proportion



Energy Structure Table of ITG Holding

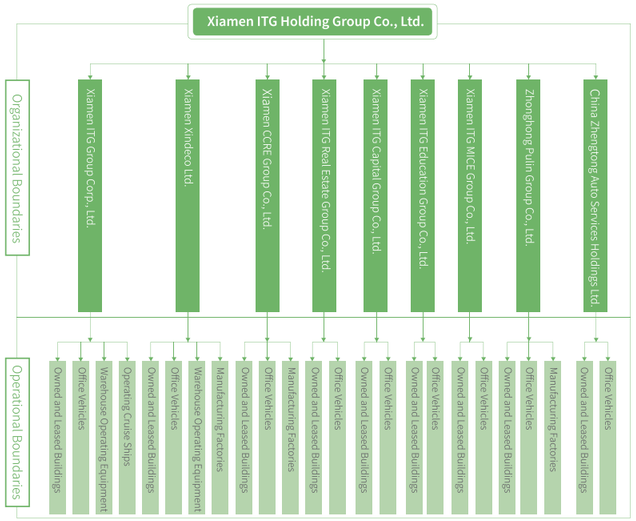
Energy Type	Consumption	Comprehensive Energy Consumption (GJ)	Proportion of Energy Consumption
Steam (t)	1,503,411.85	4,573,378.84	53.76%
Electricity (kWh)	518,185,326.84	1,866,453.82	21.94%
Coal (t)	28,240.30	692,310.95	8.14%
Marine Fuel Oil (t)	12,671.97	509,286.47	5.99%
Diesel (L)	10,620,961.67	390,068.62	4.58%
Natural Gas (m^3)	6,710,707.60	261,254.56	3.07%
Liquefied Petroleum Gas (kg)	3,480,778.00	174,881.25	2.05%
Gasoline (L)	1,071,252.17	36,957.34	0.43%
Thermal Energy (GJ)	3,204.96	3,204.96	0.04%
Total	-	8,507,796.83	100.00%

GHG Emissions(tCO2e/year)



◎ Organizational GHG Inventory

We have applied the operational control method to inventory the greenhouse gas emissions of the following entities within the 2022 consolidation scope:



Our 2022 greenhouse gas inventory scope includes Scope 1 direct emission sources and Scope 2 indirect emission sources. Scope 1 includes emission sources such as natural gas boiler combustion, emission sources from combustion facilities such as ships/vehicles, process emission sources, fugitive emission sources such as air conditioning, and others. Scope 2 includes greenhouse gas emissions from purchased electricity and thermal power.

Explanation of GHG Inventory Scope

GHG Type	Definition	Main Greenhouse Gas Emission Activities
Scope 1	Direct Greenhouse Gas Emissions refer to the greenhouse gas emissions produced by the organization itself, including the emissions produced by burning fossil fuels and industrial processes. They are divided into stationary combustion emissions, mobile combustion emissions, process emissions, and fugitive emissions.	• Natural gas stove • Natural gas boiler • Natural gas for production and processing • LPG stove • Diesel generator • Propane combustion equipment • Acetylene combustion equipment • Gasoline business vehicles • Diesel forklift and other on-site vehicles • Diesel non-site transport vehicles • Marine transportation • CO_2 fire extinguisher use • Operation of air conditioners and other cooling equipment
Scope 2	Indirect Greenhouse Gas Emissions refer to the greenhouse gas emissions generated from the energy consumed by the organization, such as electricity and thermal energy. This includes purchased electricity, purchased thermal power, and others.	• Electricity for production • Electricity for office use • Heating

NET ZERO STRATEGY AND PATHWAY

03

Net Zero Strategy

We adhere to the new development concept of "innovation, coordination, green, openness and sharing", uphold the corporate mission of "Leading globally competitive industries, creating a better life", and propose a net zero strategy which fully implements the United Nations Sustainable Development Goals (SDGs) and assist in realizing the country's "dual carbon" goal.

Responsibility and Partnership

We have formulated net zero action targets: by 2030, we strive to achieve comprehensive peak in carbon dioxide emissions for our company, while our subsidiary service companies endeavor to peak carbon dioxide emissions at an earlier stage. By 2060, we aim to achieve our net zero vision.

We refer to the nine measures proposed in the "Corporate Net Zero Pathway - Delivering the Paris Agreement and the Sustainable Development Goals" published by the United Nations Global Compact (UNGC) to actively explore the unique "dual carbon" path of our company. We take a people-oriented approach to climate action and, while pursuing our own business development, we examine how our products and business operations can better promote the harmonious development of human society and the natural environment.

ITG Holding's Net Zero Strategy

05 Undertake sustainable action

Integrate the ESG concept into our business development, take a series of actions, and commit to addressing social needs such as education, health, and social protection while promoting economic growth, curbing climate change and protecting the environment, and jointly safeguarding the earth.

04 Develop sustainable industries

Based on two major scenarios, develop green industries. Seize the opportunities for green and low-carbon transformation and development, actively work on the circular economy, green exhibition, green buildings, green travel, energy-saving product development, and other aspects, improve people's well-being, create a better life, and promote high-quality development in five tracks.

ITG

Becoming a word-class enterprise leading competitive industries and a better life

01 Design sustainable products

Through technological innovation, we incorporate green design concepts into every stage of the product life cycle, design more sustainable products, reduce carbon emissions during the product use phase, and help stakeholders in the value chain achieve their carbon neutrality goals.

02 Promote supply chain decarbonization

We select suppliers that use sustainable materials, processes, and logistics in production and operation, build a sustainable value chain, and work closely with supply chain partners to jointly promote the industry chain's overall green and low-carbon transformation.

03 Leverage renewable energy

In production and operation, we promote renewable energy such as solar and wind energy, gradually reduce the use ratio of non-renewable energy such as fossil fuels, and promote energy transformation.

LEADING GLOBALLY COMPETITIVE INDUSTRIES, CREATING A BETTER LIFE

2012

The company published its first Social Responsibility Report in 2012.

Since 2012, the company has compiled a Social Responsibility Report every year.

2021

The company released its first ESG report in 2021.

2022

With 2022 as the baseline year, the company conducted a greenhouse gas inventory for enterprises within the scope of consolidation, comprehensively understood its own greenhouse gas emissions status, and provided a scientific data basis for developing the carbon neutralization path.

The development of the company's various business segments will lead to a corresponding increase in greenhouse gas emissions. The company will continue strengthening its green and low-carbon operation capabilities through energy transformation and smart digital empowerment.

In 2022, the company's greenhouse gas emissions were **922.2** thousand tCO_2e.

2022 GHG emissions by category

107.2 thousand tCO_2e
Direct greenhouse gas emissions (Scope 1)

815.0 thousand tCO_2e
Indirect greenhouse gas emissions from energy(Scope 2)

ITG Holding's Net Zero Pathway

The company takes concrete actions to achieve its own green and low-carbon transformation while driving upstream and downstream partners in the industrial chain towards more sustainable development goals. Through the following five carbon-neutral actions, it achieves harmonious coexistence between humans and nature:

- Design sustainable products
- Promote decarbonization in the supply chain
- Utilize renewable energy
- Develop sustainable industrial layout
- Formulate sustainable action plans

CO_2 Carbon Peaking

Strive to achieve group's comprehensive carbon peak by **2030**.

By **2060**, the company aims to achieve a net-zero greenhouse gas emissions target.

CO_2 Net Zero

2012 2021 2022 2030 2060

NET ZERO ACTION

04

Design Sustainable Products

Green Building

ITG Real Estate, a subsidiary of ITG Holding, adheres to the concept of "O.C.E.A.N." and the design principles of green buildings derived from marine culture, integrating green environmental philosophy into the design of buildings, interiors, and outdoor landscapes, and is committed to creating eco-friendly residences in line with the spirit of the ocean. It adopts prefabricated construction technology, sponge city design, intelligent integrated systems to improve construction efficiency and project quality, maximize resource conservation, minimize environmental impact, build safe and comfortable green buildings, and achieve harmony between man and nature.

2022

1
Three-Star green building project

2
Two-Stargreen building projects

11
One-Stargreen building projects

1
Green building of basic level project

Total area of newly added green buildings
1,975,125m^2

Green Building Projects of ITG Real Estate in 2022

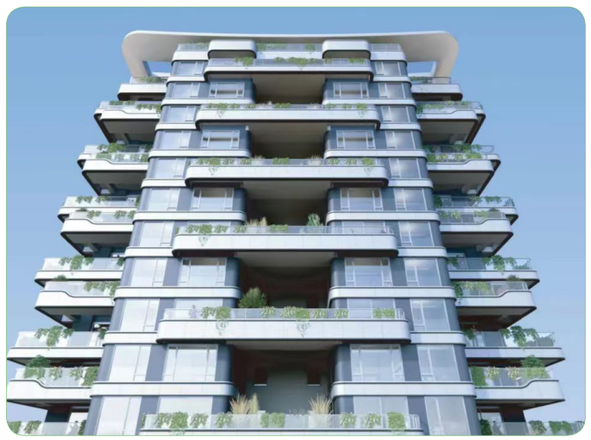
Projects	Green Building Grade
Ningbo ITG Yongshangfu	Three-Star Green Building
Fuzhou ITG Tianqinwan	Two-Star Green Building
Shanghai ITG Luyuan	Two-Star Green Building
Chengdu ITG Zhenyuan	One-Star Green Building
Fuzhou ITG Jiangyuyuan	One-Star Green Building
Fuzhou ITG Xueyuan Phase III	One-Star Green Building
Fuzhou Xingjingyuan	One-Star Green Building
Xiamen ITG Haiyuyuan	One-Star Green Building
Xiamen ITG Jinliyuan	One-Star Green Building
Xiamen ITG Tianqin	One-Star Green Building
Xiamen ITG Tianqinhai	One-Star Green Building
Xiamen Poly · ITG Qinyuan	One-Star Green Building
Xiamen Xueshili	One-Star Green Building
Zhangzhou ITG Longshang	One-Star Green Building
Fuzhou Poly · ITG Tianqinhu	Basic Level

Note: The statistics are based on the star rating of projects that have passed green construction drawings review or pre-certification evaluation within 2022.

We are committed to cultivating eco-friendly and low-carbon design concepts for our three-dimensional ecological residences. The vertical forest vegetation system integrated into these residences not only enhances the greenery of the residential area but also contributes to microclimate development. It absorbs CO2 and dust particles while producing oxygen, promoting the realization of a green and low-carbon lifestyle.

Highlight Fuzhou ITG Tianqinwan

As one of the first pilot projects for vertical ecological architecture in Fuzhou city, the Fuzhou ITG Tianqinwan combines nature with large flat floors, adopting a staggered structure design for sky gardens. With a ceiling height of approximately 6.2 meters, the sky gardens transfer the traditional courtyard, which belongs to the ground, to the sky. By achieving an increase in the greenery rate of the community and improving customer comfort, it also helps to reduce greenhouse gas emissions.

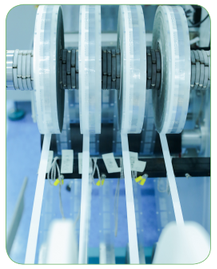


Green Electronic Tag

The electronic tag is a crucial information carrier and one of the most fundamental elements of RFID data sensing systems. Xindeco IoT, the subsidiary of our invested entity-Xindeco, has independently developed a paper-based antenna of RFID tag, abandoning non-degradable PET materials and adopting the paper substrate of the Forest Stewardship Council (FSC) as the carrier. By adopting green production processes and reducing the use of chemicals, it has minimized energy consumption and achieved environmental functions of degradability, recyclability, and reduced consumables. Meanwhile, it has also improved product performance, like tag conductivity and stability, and contributed to promoting green manufacturing and production.

Highlight Paper-Based Antenna of RFID Tag

- 100% application of environmentally friendly paper substrates without PET materials.
- Adopting green production processes without adding chemical corrosives, achieving zero discharge of production wastewater, and fully protecting the occupational health of employees.
- Reducing energy consumption and saving 40% of electricity consumption in production.
- Completing a carbon footprint assessment by Carbon Footprint Ltd.



Decarbonization in Supply Chain

"Forest-Pulp-Paper" Supply Chain

Xiamen ITG Group, a subsidiary of our company, brings 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 of "forest-pulp-paper".

Xiamen ITG Group prioritizes procuring sustainable wood from secondary forests or planted forests upstream of the industry. The company participates in chemo-mechanical pulp trading in the industry's midstream, which allows high fiber resource utilization and only 1/4 of the pollutant emissions compared to traditional chemical pulping methods. It collaborates with paper mills downstream of the industry to sell waste paper and promote resource recycling. In 2022, Xiamen ITG Group' s 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.

2022

Recycled paper sale exceeded **1.5** million tons

Reduced logging of around **25.5** million trees

Protected approximately **900** square kilometers of forest

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

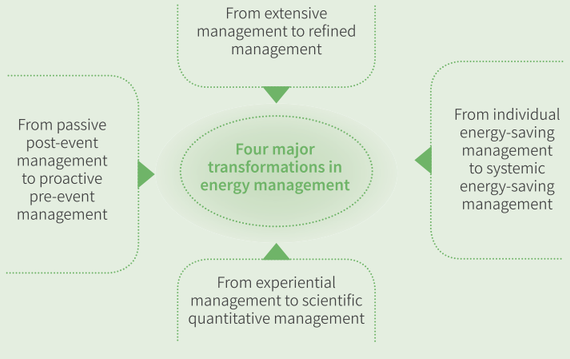
The intelligent energy and carbon management system, "ITG Carbon Chain," takes the industrial internet as its foundation to carry out net zero projects. It selects warehouses, factories, and ships as carbon emission reduction pilots, aiming to offer digital tools for energy and greenhouse gas emission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

Highlight Rizhao Wulian Tire Factory

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 of the heating station, reducing approximately 35,000 tons of carbon emissions every year.

Digital Energy Management Platform

Zhonghong Medical, through the construction of a digital energy management platform, enables the intelligent management of workshop electricity and steam, among other energy sources, through digitalization. The energy management platform, centered around the Internet of Things (IoT) access platform, achieves unified connectivity of devices. It provides data presentation and application from various perspectives based on actual conditions, facilitating the statistical analysis, warning, and display of electricity and steam energy consumption data for different production lines and high-energy-consuming equipment across the entire workshop.



Leverage Renewable Energy

Distributed Photovoltaic Project

◆ ITG New Energy - Xindeco Information Industrial Park Photovoltaic Project

ITG New Energy is a subsidiary of CCRE Group, a subsidiary of ITG Holding. The Xindeco Information Industrial Park Photovoltaic Project, as ITG New Energy's first clean energy project that has commenced construction, has an estimated total investment of approximately 3.6 million RMB, with an installed capacity of 0.72 megawatts (MW). It is expected to generate approximately 840,000 kilowatt-hours (kWh) of electricity annually. The project has already successfully connected to the grid in one go and officially entered its operational phase. This project's implementation represents the company's proactive response to the national carbon peaking and carbon neutrality call and a concrete step in the development of the new energy sector. It signifies ITG New Energy's acceleration in the operation of the new energy industry and propels green development onto the fast track.

total investment of about **3.6** million RMB

installed capacity of **0.72** MW

estimated generated electrcity **840,000** kWh/year

◆ ITG New Energy - Hainan ITG Logistics Photovoltaic Project

As the first clean energy and internal collaboration project of ITG New Energy in a different location, the Hainan ITG Logistics Photovoltaic Project has officially commenced. The total estimated investment for this project is approximately 18 million RMB, with an installed capacity of 4 megawatts (MW). Once completed and connected to the grid, it is expected to generate an annual electricity output of approximately 4.51 million kilowatt-hours (kWh).

total investment of about **18** million RMB

installed capacity of **4** MW

estimated generated electrcity **4.51** kWh/year

Sustainable Community

Our subsidiary, ITG Real Estate, actively promotes photovoltaic technology in the design and construction of residential projects. In 2022, ITG Real Estate built photovoltaic panels on the roofs of Ningbo Yongshangfu and Shanghai Luyuan projects, achieving an annual photovoltaic power generation of 833,000 kWh, which is used for lighting in public areas of the community. In 2023, Hefei ITG Tiancheng Residential Community and other projects are further promoting the construction of photovoltaic panels. In addition, some of the communities of the company's projects apply solar street lights and gradually promote the application of technologies such as solar water heaters and air-to-water source heaters, actively using green and clean energy to create sustainable communities.

achieving an annual photovoltaic power generation

833,000 kWh

Develop Sustainable Industries

Circular Economy Development

Our subsidiary, Xiamen ITG Group, is deeply rooted in the field of black metals, continuously leveraging the core role of the "iron ore-steel" vertical industry chain in integrated supply chain services, and driving the goal of achieving low-carbon development in the steel industry.

Upstream in the industrial chain, the company cooperates with green mines focusing on sustainable development, refines ore selection, and helps downstream steel mills reduce energy consumption and solid waste emissions during production. At the manufacturing end, it promotes the use of renewable resources, establishes in-depth cooperation with multiple scrap steel processing bases nationwide, and carries out the recycled steel materials trade. During the reporting period, the scrap steel business volume reached 742,400 tons, decreasing the use of 1.19 million tons of iron concentrate powder, 300,000 tons of coke/742,000 tons of raw coal, and reducing carbon dioxide emissions by approximately 1.19 million tons. At the sales end, it supplies high-strength, high-corrosion-resistance, high-performance green steel to steel industry terminal processing plants and large infrastructure projects, avoiding dust and VOCs pollution brought by the anti-corrosion and fire-proof coating process of general steel materials.

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

Scrap steel business volume reached **742.400** tons

Reduced **1.19** million tons of iron ore powder

and **740,000** tons of raw coal used

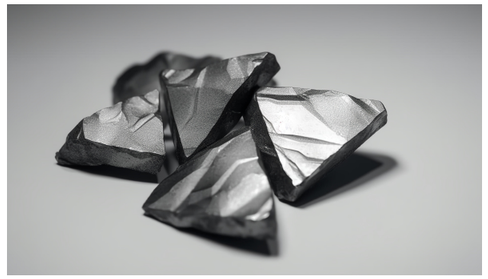
Reduction equivalent to **1.19** million tons of carbon dioxide emissions

"Clean and Fresh 2022 Green Practice Pioneer Project"

Connect the Green Energy Industry Chain

The photovoltaic industry chain includes five major segments: photovoltaic silicon materials, silicon wafers, solar cells, modules, and photovoltaic power stations. In 2017, Xiamen ITG Group established Nujiang ITG Silicon Industry Co., Ltd. in Nujiang, Yunnan, known for its abundant silicon ore reserves. The primary product of this company is various specifications of metallurgical silicon. By entering the silicon production field, we achieved integrated development with hydropower resources, fully leveraging the advantages of clean energy in the silicon industry chain. In 2023, Xiamen ITG Group established Inner Mongolia ITG Silicon Industry Co., Ltd. which produces various photovoltaic raw materials, including organosilicon and polycrystalline silicon, with an estimated annual production capacity of 120,000 tons. Leveraging its own advantages in the industrial chain, Xiamen ITG Group integrated into the silicon industry cluster in Baotou, Inner Mongolia, and engaged in the deep processing of metallurgical silicon powder using the region's abundant solar energy resources. This move contributes to the high-quality development of the silicon industry chain.

From Nujiang ITG Silicon Industry to Inner Mongolia ITG Silicon Industry, from hydropower to solar energy, from silicon production to photovoltaic raw materials manufacturing, Xiamen ITG Group's non-ferrous segment has consistently bridged the green energy industry chain upstream and downstream, achieving a complete industrial chain layout, transitioning "from a piece of stone to a kilowatt-hour of green electricity."



New Ecology of Urban Exhibition

The Xiamen International Expo Center, developed and planned by our subsidiary ITG MICE, is the largest professional exhibition and conference center in Fujian Province. Adhering to the principles of green design, the Xiamen International Expo Center embraces the ITG-iMICE concept and integrates seamlessly with the intelligent Internet operation platform of ITG Holding, enhancing system integration innovation capability, construction and development capability, and maintenance service management capability, achieving the integration of intelligent venue construction and operation, intelligent and digitalized venue with smart city, system development with innovation, and system development with operational maintenance. By creating a dynamic and intelligent digitalized venue, it aims to provide a comprehensive one-stop exhibition service, leading the way in exhibition operation with a new model.

Green 4S Store

Xindeco ITG Automobile and Zhengtong Auto actively respond to the automotive industry's first dealer sustainability service system project - "BMW Network Transformation Green Star. " Through optimizing and upgrading in four dimensions: "green environment, green energy, green operation, green initiatives", we aim to enhance the green experience at the retail end and are committed to building green 4S stores.

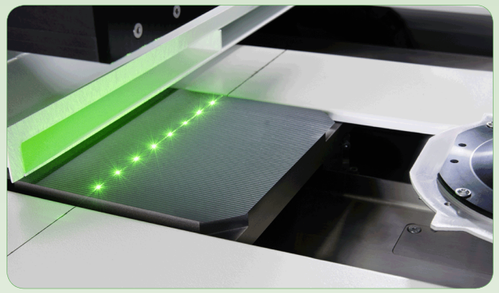
Highlight Guangzhou Baoze BMW Brand Green Star Leading Store

In December 2022, Guangzhou Baoze opened and became the first BMW brand Green Star Leading Store in Liwan District.

- Durable perimeter guardrails are used on the exterior, and there is a nano-insulation mat on the roof perimeter.
- Indoor lighting and air conditioning can be controlled in different zones, with clear indications.
- Disposable items and bottled water are generally not provided, and all utensils are high-temperature disinfected, promoting the use of reusable items.
- Reusable and degradable three-piece after-sales kits are used by after-sales service advisors when evaluating vehicles for customers, and environmentally friendly car wash liquid is used in the car wash room.
- 80% of the entire store's electricity is sourced from green power.

Green Investment

We actively practice ESG investment principles, leveraging the strength of state-owned capital to support economic activities that contribute to environmental improvement, address climate change, and promote efficient resource utilization. Our subsidiary, ITG Capital, with industrial funds as the main investment vehicle, is intensifying its support for key areas of low-carbon transformation. This effort aims to foster a close integration of technology, industry, and finance, creating a virtuous cycle and contributing to the realization of net zero, shared prosperity, and the United Nations Sustainable Development Goals.



The Gold Stone (Fujian) Energy Co., Ltd., invested by us through Xiamen ITG Industry Development Equity Investment Fund Partnership(L.P.), is a leading company in the field of core equipment of photovoltaic cell production in China. It takes the lead in establishing the "National Engineering Research Center for High-Efficiency Solar Cell Equipment and Technology", which is the first national engineering research center in China's photovoltaic industry.

Through Xiamen ITG Haitong Equity Investment Fund Partnership, we have invested in Hebei Gellec New Energy Science and Technology Co.,Ltd. The company holds leading positions in the industry in both the core capabilities of membrane and coating processes. Its primary customers include top-tier lithium battery companies such as BYD, CATL (Contemporary Amperex Technology Limited), and EVE Energy Co., Ltd. Revenues from BYD and CATL together account for over 60% of the company's income.

We participated in the Series B financing of Vital Thin Film Materials Co. Ltd. through our invested entity, Guangyu Investment Partnership. Vital Thin Film Materials Co. Ltd., is the world's most giant ITO target and solar energy target and material manufacturer. Its heterojunction technology ranks first in the photovoltaic field ITO target industry.

Green Financial Products

Our subsidiary, ITG Capital, actively carries out green financial business, continuously supports green industry customers, and increases the intensity of financing and credit input for green environmental protection industries. It responds to ESG initiatives with practical actions, enhances local economic growth potential, and helps build the nation's ecological civilization.

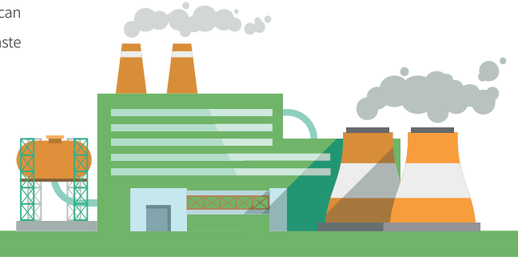
Highlight Recycled Zinc Production and Processing Project

ITG Capital's subsidiary, Hengxin Leasing, has provided a financing lease limit of 50 million RMB to support a technology and environmental protection company in the construction of a "100,000-ton Annual Output of Recycled Zinc Production and Processing Project." The project utilizes secondary zinc-containing resources, using environmentally friendly zinc ash and zinc slag as raw materials to produce zinc ingots and other zinc-containing products. The raw materials are sourced from regions including Guangxi and consist of zinc dust, ash, and zinc oxide generated during the smelting processes of steel, lead, zinc, copper, and other non-ferrous metals. This project falls under solid waste recycling, and it can recycle approximately 250,000 tons of zinc-containing waste materials annually, addressing environmental concerns for waste-producing enterprises in multiple regions, including Wuzhou, Guangxi. Furthermore, the project's industrial processes are designed around the concept of "energy conservation and environmental protection." It generates virtually no industrial wastewater throughout its operation, and all emissions from waste gases are compliant with standards. The small amount of waste residue produced contains high concentrations of valuable metals, making it suitable for sale to qualified enterprises for recycling. This aligns with the national policy requirements for "harmlessness, reduction, and resource utilization" in solid waste treatment.

Provided a financinglease limit of **50** million RMB

Support the construction of a "**100,000**-ton recycled zincproduction and processing project."

This project is categorized as solid waste recycling and can annually recycle approximately of zinc-containing waste **250,000** tons



Undertake Sustainable Actions

◆ ITG SUSTAINABLE DEVELOPMENT ACTION ◆

ITG SDA (ITG Sustainable Development Action) is a series of actions taken by the company based on the ESG concept, responding to the United Nations Sustainable Development Goals (SDGs), integrating the ESG concept into our operations and development, aiming to promote economic growth while addressing education, health, social protection and other social needs, curb climate change and protect the environment, and jointly guard the Earth.

ITG Sustainable Development Action

Our subsidiaries, Xiamen ITG Group and ITG Real Estate, have also established the " Flying Love and Dream" and "Too Good to Sea You" philanthropic brands respectively. They engage in various green philanthropic initiatives, collectively contributing to the development of environmental protection philanthropy and promoting collective efforts in safeguarding the beauty of our blue skies, green land, and clear waters through action.

Protect the Coastal Wetland

Wetlands are often dubbed the "kidneys of the Earth" due to their multiple ecological functions, such as water conservation, climate regulation, and biodiversity maintenance. Coastal wetlands play an essential role in mitigating climate change and preserving biodiversity at local, regional, and global scales. Recently, they have gained worldwide attention for their role in carbon sequestration and climate change mitigation.

Highlight Xia Tan Wei Coastal Wetland Park Protection

The ITG Real Estate, a subsidiary of our company, has taken on the operational promotion and facility management of Xia Tan Wei Mangrove Park. In collaboration with academic institutions like Xiamen University, Third Institute of Oceanographic and Jimei University, it assists in conducting comprehensive resource surveys, protective restoration, ecological monitoring, value assessments, and scientific utilization of the mangrove resources. Leaning on the wealth of mangroves, bird species, and marine life in the park, ITG Real Estate is using marine science education as a cornerstone and collaborating synergistically with core tourist destinations like Xiamen Gulangyu and Sha Po Wei to cultivate the awareness among students for caring, loving, understanding and leveraging ocean, inspiring them to feel a sense of responsibility and mission towards ocean exploration and conservation. It aims to transform Xia Tan Wei Mangrove Park into “Fujian's most expansive mangrove ecological park that integrates both coastal and freshwater wetlands, emphasizing environmental protection, scientific research, public education, and leisure activities”.

Highlight Xiamen Garden Expo Wetland Protection

The ITG Real Estate undertakes the operation of the supporting service facilities in the Garden Expo. Centered around the architectural landscaping, aquatic ecosystems, cultural tourism industry, and other aspects of urban life, it makes full use of diverse resources such as natural landscapes, architectural styles, and island topography to meticulously plan spatial layouts with a scientific approach. It infuses humanistic philosophies of "harmonious coexistence and heritage-driven development," blending the marine water systems into urban life so that the sea and the shore are no longer isolated from each other. It revitalizes the relationship between humans and nature and augments the "scientific" and "cultural" value of the park. It aims to bring to life a range of culturally integrated services, thereby creating high-quality tourism projects with superior ecological environments and rich cultural implications, all under the value proposition of "Island Fun: Infusing Beauty into Everyday Life."

Voluntary Tree Planting Initiatives

For several years, we have consistently engaged in voluntary tree planting efforts that span forests, parks, office complexes, collaborative communities, villages, and schools. These patches of "ITG Forests" serve to activate the intrinsic motivation among corporate staff to adhere to ESG principles, thereby better facilitating the development of ecological civilization.

Highlight Green Coastal Barriers of Mangroves

Mangroves can purify seawater, absorb pollutants, reduce the level of eutrophication in seawater, and prevent the occurrence of red tides. Therefore, along with seagrass beds and salt marshes, they are known as one of the Earth's "three major blue carbon ecosystems." According to statistics from UNESCO, the ability of mangroves to absorb carbon dioxide from the atmosphere is five times greater than that of traditional forests. Every hectare of mangrove forest can store 3,754 tons of carbon, which is equivalent to the annual emissions of more than 2,650 cars.

To protect marine wetland ecosystems, we organized a volunteer initiative involving more than 60 party members and youth volunteers to carry out the volunteer tree planting activity themed "Planting Green Here, Creating Beauty Together" in 2013. We planted several hundred mangrove saplings like Avicennia marina at Xia Tan Wei Mangrove Park, thereby making a meaningful contribution to the creation of a greener home.

Advocate Eco-Friendly Concept

We advocate environmental-friendly principles, encouraging green office practices and implementing energy-saving and emission-reduction measures. Our headquarters at the ITG Center adheres to a green and sustainable design philosophy, taking into full account elements like energy-saving, water-saving, and material-saving, and has received a two-star national green building rating. The ITG center achieves water-saving effects through the implementation of heating, ventilation and air conditioning (HVAC) systems, rainwater recycling systems, and water-saving products.

Over the years, we have launched various environmental campaigns around themes like National Low-Carbon Day, World Environment Day, and Earth Hour. Leveraging our industry influence, we call on the public to save energy and have organized multiple offline activities like turning off lights to save energy and eco-friendly walks, actively practicing environmental protection actions.

Highlight Green Campus

ITG Education actively responds to the national call for low-carbon environmental protection and energy-saving, starting from the daily management of its schools and kindergartens to improve campus resource conservation and recycling awareness.

- ITG Education's affiliated kindergartens extensively promote waste utilization and energy-saving and emissions reduction education, offering parent-child handicraft courses using recycled materials, strengthening parent-child relationships, and enhancing children's and parents' environmental protection awareness.

- Xiamen ITG-SUIS High School delivers a flag-raising speech with the theme "Embrace the Sustainability, Protect the Environment" to establish a green and environmentally friendly concept among the entire school's teachers and students.

- ITG Study offers green and environmentally friendly themed courses to help students establish the concept of caring for the environment, nurturing the homeland, and protecting the Earth.

- Hong Kong Chu Hai College has comprehensively strengthened energy consumption management and prioritizes the purchase of various appliances with high energy efficiency, strictly implementing multiple measures for energy saving and low carbon emissions on campus.

Highlight ITG Recycled Book Fair

We innovatively launched the "ITG Recycled Book Fair" charity event, in conjunction with "World Book Day," "Mother's Day," "Children's Day," and weekends. The event takes place in ITG Center, CCRE Building, Xiamen Experimental Primary School, and multiple communities, and promotes the concept of sustainable development to employees and the general public by exchanging idle books for new "mystery bags" of books.

The "ITG Recycled Book Fair" uses recycled waste materials from the supply chain logistics, reassembling old wooden boards, PVC mesh boxes, and corrugated cardboard to give them a second life. It reproduces newspaper kiosks at a 1:1 ratio and sets up second-hand book exchange stands. Visitors to the book fair gain a subtle understanding of the sustainable development concept of "recycling and regeneration."

Old books are exchanged for new ones... as books drift from one reader to another, the concept of sustainable development is thus communicated. All books collected during the event are donated to Xiamen's first "Library + Art Gallery in the Community" project, which is initiated by ITG Real Estate, the Neighborhood Book House of ITG Grand Mansion. The event also includes eco-friendly experiences like planting succulents in used coffee grounds, further conveying the concept of environmental protection and harmonious coexistence.

Adopt Nature-Based Solutions to Remove Carbon from the Atmosphere

Natural ecosystems are deeply involved in the global carbon cycle. They play a significant role in absorbing carbon dioxide, thus contributing substantially to neutralizing carbon emissions. Nature-based solutions refer to the protection, restoration, and sustainable management of these ecosystems, aiming ultimately at carbon sequestration and climate change mitigation. On top of striving for green operations and reducing our own greenhouse gas emissions, we are actively offsetting our carbon footprint by purchasing oceanic and forestry carbon sink to move towards the net zero.

Highlight Zero-Carbon Community

Xiamen, known as a maritime garden city, leverages its naturally abundant marine resources to make a significant contribution to carbon sequestration. Research shows that marine organisms—especially coastal mangroves, seagrass beds, and salt marshes—are capable of capturing and storing large amounts of carbon. Ocean carbon sinks refer to the processes and activities through which marine organisms absorb and store atmospheric CO_2 via photosynthesis and the food chain. Adhering to its brand mission of "Co-creation of a better world with the city," ITG Real Estate, under the expert guidance of Xiamen’s Carbon and Pollution Rights Trading Center, has created the country’s first ocean carbon-neutral community—ITG Tiancheng Community. This is also Xiamen's first zero-carbon community.

In addition to professionally managing marine carbon sinks, ITG Tiancheng learns from advanced domestic and international experiences in building "zero-carbon communities." The community profoundly adopts energy-saving and environmentally-friendly building materials to enhance the quality and comfort of the indoor environment, thereby effectively reducing carbon emissions. It employs an open architectural design to introduce ample natural light and ensures good ventilation, significantly reducing energy consumption and creating a comfortable living environment. High-quality trees and shrubs are planted along with native plants, creating a complex and layered landscape, enhancing community greenery, and shaping a green living environment. A comprehensive and smooth green travel pattern is established to offer residents convenient metro transportation and a "five-horizontal, five-vertical" urban road network, guiding them towards adopting a low-carbon lifestyle.

Highlight Zero-Carbon Building

Our headquarters, ITG Center, has offset its greenhouse gas emissions by purchasing carbon sinks, thus achieving the “Net Zero” and becoming Xiamen’s first zero-carbon building.

Highlight Zero-Carbon Exhibition

In 2022, we took over the operation of the 22nd China International Fair for Investment and Trade, incorporating the concepts of "green and energy-saving exhibition" into booth designs, construction plans, event management, noise control and transportation. The Net-Zero service provider for this investment fair, Xiamen ITG Tongxin Industrial Co., Ltd., a subsidiary of Xiamen ITG Group, records data from various channels during the investment fair, including electricity consumption at the venue, the fuel consumption of service vehicles, waste management, etc. The carbon emissions during the fair are analyzed and calculated. After the fair, the company offsets the carbon emissions by purchasing forestry carbon sink from Fujian Province, aiming to achieve net zero for this investment fair and create a zero-carbon exhibition.

OUTLOOK

Where there's a will, there's a way. We sincerely believe that each firm step towards a green future will become the driving force behind our sustainable development. ITG Holding will adhere to the net zero strategy and pathway, focus on designing sustainable products, assist supply chains in decarbonization, use renewable energy, develop sustainable industries, and carry out sustainable actions. We continue to strive towards our mission of "Leading globally competitive industries, Creating a better life". We aim to be a practitioner and demonstrator of green development and are willing to deepen global cooperation with all stakeholders to march together towards a zero-carbon future.