

# Environmental, Social and Governance Report

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# CONTENTS

About This Report	01
Letter from the CEO	03
Honours in 2023	05
Appendix I ESG Key Performance	101
Appendix II GRI Content Index	107



# Introduction to ATRenew

Corporate Profile
Corporate Culture
Corporate Governance
Risk Management & Compliance



09

12

13

15

53

63

68

74

# Improved Corporate Governance

ESG Governance	23	
Communication with Stakeholders	24	
Identification of Material Issues	25	
ESG Risk Management	27	



# Customer-oriented Quality Control

Product Quality Control
Responsible Supply Chain
Service Excellency
Product/Service Accessibility

05

# Commitment to Technology and Innovation

R&D Innovations	79	En
Digital Intelligence Upgrade	81	00
Intellectual Property	83	En
		Pu



# Green Development through Circular Economy

Climate Change Management	31
Green Industry	37
Green Operation	40
Green Consumption	45
Green City	47



# Social Responsibility for Co-development

Employees' Rights and Interests	87
Occupational Health and Safety	93
Employee Development	95
Public Welfare	99

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **About This Report**

About This

Report

This is the fourth environmental, social and governance report (hereinafter referred to as the "Report") by ATRenew Inc. and its subsidiaries (hereinafter referred to as "ATRenew", the "Company" or "we"). It aims to elaborate on the Company's systems and performance in environmental, social and governance (hereinafter referred to as "ESG") matters, and to objectively disclose the management and effectiveness of our sustainable development to the benefit of all stakeholders and the public.



#### **Reporting Period**

The Report covers the period from January 1, 2023 to December 31, 2023. In order to provide better backward and forward comparisons for this Report, some information and data may be traced back to 2022 or earlier, or extended to 2024.

#### **References and Principles**

- The United Nations Sustainable Development Goals (SDGs)
- The framework developed by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD)
- The Global Reporting Initiative Standards (GRI Standards) developed by the Global Sustainability Standards Board (GSSB)
- The industrial guidelines issued by the Sustainability Accounting Standards Board (SASB)
- Topics of concern to international rating agencies such as MSCI and Morningstar Sustainalytics

#### Format

The Report is available for online reading in both Chinese and English. However, in case of any discrepancies between the two versions, the Chinese version shall prevail.

#### **Reporting Boundaries**

The Report covers the operations of ATRenew Inc. and its major subsidiaries, including the operations of AHS Recycle, PJT Marketplace, Paipai Marketplace and AHS Device. Any content that diverges from this scope will be explained in the Report.

#### **Data Description**

The information and data disclosed herein are derived from the relevant internal data collection systems, statistical reports, public information and official documents of the Company such as the prospectus and annual report submitted by ATRenew Inc. to the US Securities and Exchange Commission, the Articles of Association, system documents, and publications. Unless otherwise stated, the financial results included in this report are under the U.S. GAAP measures and are the consolidated results of the Company, and the monetary amounts herein are all denoted in RMB. The Company was renamed from "Aihuishou International Co. Ltd." to "ATRenew Inc." in 2021. As a result, internal policies and standards made prior to this were named under the brand "AiHuiShou."

The Report has been prepared following a systematic procedure, including working group formation, identification of important stakeholders, stakeholder interviews, identification and ranking of material ESG issues, determination of the boundary of ESG reporting, collection of materials and data, framework determination, report drafting, report design, review by departments and senior management, etc.

Upon confirmation by the management, the Report was submitted by the ESG Committee (hereinafter referred to as "ESGC") and was approved by the Board of Directors on June 20, 2024.

#### **Contact Us**

For comments or suggestions on our disclosure and performance on environmental, social and governance matters, please contact us via the following methods:

Email: ir@atrenew.com

For more information, please visit our website: https://ir.atrenew.com

Letter from Honours in the CEO 2023

Introduction to ATRenew

Improved Corporate Governance

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Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# Letter from the CEO



#### We implemented a low-carbon strategy to advance green

development. In response to global resource scarcity, ATRenew has actively explored and implemented various measures for efficient resource utilization and carbon reduction. In 2023. we comprehensively identified the physical and transition risks of climate change, and adopted the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to thoroughly analyze, predict, and manage climate change risks and opportunities based on different climate scenarios, so as to enhance our climate resilience. We continuously optimized our environmental management policies and executed green operations and environmental protection actions in five areas: warehousing, packaging, logistics, disposal and office. As a result, our Scope 1 and Scope 2 greenhouse gas emissions intensity decreased by about 6.67% compared with 2022.

#### We improved our recycling network and optimized user

services. ATRenew has innovated the ecological chain of second-hand circulation to support the industry in achieving large-scale development, and continuously expanded service categories and accessibility on the basis of our core business of second-hand consumer electronics. We have attracted more users to join in sustainable consumption by improving user experience. In developing recycling and trade-in channels, we built online transaction scenarios with e-commerce platforms such as JD and smartphone brands such as Huawei and Apple. We also provided diverse recycling channels including physical stores, door-to-door services, express delivery and self-service recycling kiosks. In 2023, we operated 1,819 AHS Recycle stores in 268 cities, and our new multi-category business had expanded to 27 cities in China, with 252 stores in place.

#### We promoted technological innovation and new quality

productive forces. ATRenew has invested heavily in innovation and R&D, and consistently iterated and upgraded the automated quality inspection technology to greatly improve efficiency and accuracy. Meanwhile, we have continuously optimized the quality assurance system, and strengthened our data processing capabilities, contributing to the second-hand consumer electronics industry's digital intelligence development and shift from manual to automated processing. In addition, drawing on years of business practice and experience accumulation. we have developed a set of systematic, standardized product evaluation system to transform "non-standard" second-hand products into "standard" ones. To build an industrial standard system, we are also continuously strengthening cooperation with governments, non-governmental organizations, industry

associations and academic institutions, and supporting industry standardization by participating in the discussion and formulation of industry standards and sharing best practices. Our goal is to address the non-standardization and inefficiency in the traditional second-hand industry chain.

We emphasized the well-being of employees and promoted social equity. ATRenew has placed a high premium on the development and well-being of every employee by maintaining open democratic communication channels, enhancing employee welfare, and implementing a comprehensive health and safety management system. In 2023, our overall employee satisfaction rate increased by about 4.5 percent. We have also given back to society through educational public welfare initiatives, including supporting school construction and teacher training in areas with educational disparities.

We optimized our governance structure to become a model in ESG. ATRenew has consistently integrated social responsibility into our business practices and governance system, prioritizing long-term, compliant, and sustainable development. We have further improved our ESG governance system by clarifying the responsibilities of the ESG Committee and the ESG Working Group, and comprehensively enhancing our ESG governance and risk management capabilities. We have joined the United Nations Global Compact (UNGC) and are committed to developing into an ESG model company in line with the ten UNGC principles.

In the future, ATRenew will continue to deepen our brand strategy of "Recycle more for you", adhere to our mission of "To give a second life to all idle goods" and further our commitment to the circular economy. Our goal is to become an innovator and leader in the global second-hand industry and make greater contributions to global sustainable development. We look forward to working with all stakeholders to make areater contributions to global sustainable development and making the world a greener and better place.





Letter from	Honours in
the CEO	2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

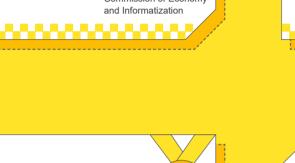
Commitment to Technology and Innovation

# Honours in 2023





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"Highly Commended" by Reuters Responsible Business Awards 2023 in the Circular Transition category ----- Reuters













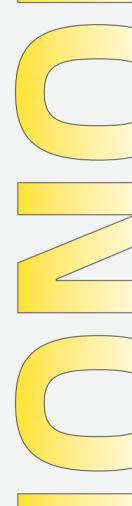














# Introduction to ATRenew

Material issues involved in this chapter:

- ♦ Economic Benefits
- ♦ Corporate Governance
- ♦ Business Ethics

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♦ Compliance and Risk Management

As a leader in the digital recycling economy, ATRenew has built a robust and efficient industrial chain that integrates C2B, B2B, and B2C models. By recycling pre-owned electronic products, we have developed versatile recycling services across various scenarios and categories. We extend the life cycle of these products, giving them a "second life", which reduces resource waste and fosters a highly efficient compliant refurbishment industry chain. This approach unlocks sustained growth potential. In our pursuit of innovation and business development, we consistently adhere to internationally recognized standards and best practices, ensuring efficient corporate governance and achieve sound and sustainable development.

#### Our performance:

- Total net revenue of RMB **12.97** billion and adjusted net profit of RMB **230** million<sup>1</sup>
- Total revenue increased by **31.4%** YoY
- 1,819 physical stores covering 268 cities
- The number of pre-owned products transacted on ATRenew's platforms totaled 32.3 million

#### **Our actions:**

- Improving our corporate governance structure, with a focus on board independence and diversified development
- Building an all-round risk prevention and control system and anti-fraud management system
- Adhering to the multi-category and automation strategy, continuously enhancing the compliant refurbishment capability, and continuously improving the convenience and accessibility of our recycling services to contribute to the longterm development of circular consumption
- Establishing the Information Security and Privacy Protection Risk Management Committee to strengthen the foundation of information security management
- Completing the the communication network protection level III assessment and certification of the AHS Recycle system

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#### SDGs responded in this chapter:



<sup>1</sup>Under the non-GAAP measures



Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

As of the end of 2023:

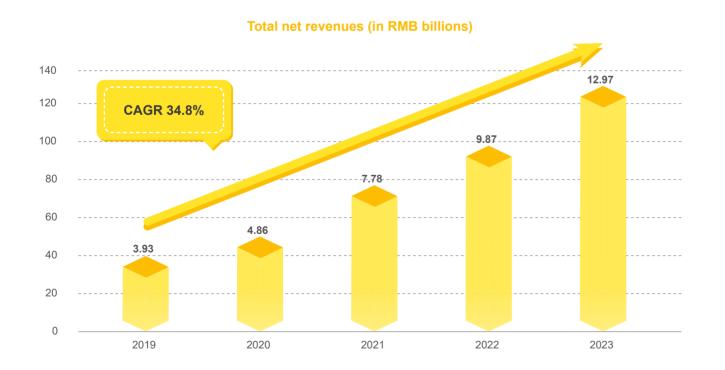
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# **Corporate Profile**

ATRenew Inc. (NYSE: RERE), founded in 2011 in Shanghai, China, has positioned itself in the "Internet + environmental protection" circular economy. As China's leading pre-owned electronics transactions and services platform, ATRenew adheres to "scenarios + supply chain" strategies. We continuously enhance the convenience and accessibility of our recycling services through intelligent and efficient automated quality inspection technology, as well as by improving our compliant refurbishment and repair capabilities. This commitment supports the long-term development of circular consumption. In 2023, we upgraded AHS Recyle's slogan to "Recycle more for you". Leveraging our expertise in used mobile phones and consumer electronics, along with our front-end fulfillment capabilities, we expanded our multi-category recycling strategy and established "AHS Recycle" as a household name in the pre-owned electronics industry.





Since its inception, ATRenew has leveraged its innovative business model and growing resource integration capabilities to build a comprehensive service system. This system covers end-to-end processes, enabling the efficient circular flow of pre-owned products from consumers to enterprises and back to consumers. By doing so, we contribute to the development of a resource-saving society.



By leveraging our extensive network of physical stores and advanced fulfillment capabilities, ATRenew continues to expand our multicategory recycling business. This allows a wider range of products to maximize their value and be put to their best use. Additionally, through our "RERE Refurbed" business, we have enhanced our automation and refurbishment capabilities, strengthening the value of our industrial chain. We have also deepened our collaboration with industry partners to recycle more electronic products and solidify the pre-owned consumer industry chain.

# AHS Recycle - Multi-category Recycling

ATRenew has introduced recycling services for bags, watches, gold, fine wine, shoes, and clothes in pilot stores to better meet the diverse recycling needs of our users. We fully leverage the value of multi-category recycling and collaborate with partners across various industries to unlock the potential of green consumption. Our efforts aim to expand the boundaries of the recycling economy and drive the development of a green industrial ecosystem that efficiently uses resources and is environmentally friendly.

#### The business model of ATRenew

Website and App; 1,819 physical stores covering 268 cities; Brand partners; E-commerce partners; 2,183 self-service recycling kiosks; 252 innovative multi-category recycling stores

#### Proprietary Processing Technologies - Standardized inspection, grading,

Establishment of quality inspection and grading standards and scientific pricing system; 8 regional operation centers;15 city-level operation stations; Used mobile phones (except discarded ones) are classified into a maximum of 36 quality inspection grading tiers; 496,035 units of pre-owned electronic products refurbished

Paipai Selection App & mini program; JD.com; New channels like Douyin and Kuaishou

## Small - Medium Merchants - 596.000 registered and contracted merchants on

Resellers; Mom-and-pop stores; Value-added service providers; Exporters



Green Development through Circular Economy

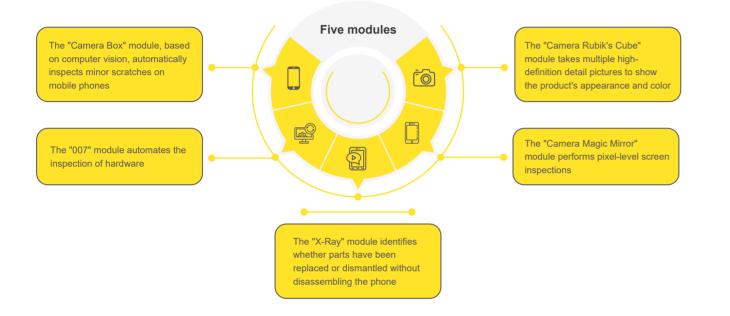
Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Automation Capacity Building**

ATRenew leverages technology centered on algorithms, data, and automation to address common challenges in the pre-owned consumer electronics industry. During the recycling stage, we use big data and algorithmic engines to provide more accurate grading and pricing, minimizing transaction disputes. We have also accelerated the development and implementation of automation equipment, establishing an efficient and collaborative automated disposal network. This network includes eight regional operation centers (located in Dongguan, Changzhou, Wuhan, Chengdu, Tianjin, Xi'an, Shenyang, and Hong Kong, China), as well as 15 city-level operation stations.

#### Automatic quality inspection assembly line, Matrix 3.0



# "RERE Refurbed" Compliance Refurbishment Business

Through the "RERE Refurbed" business, ATRenew continues to strengthen its refurbishment and repair capabilities. This enhancement increases the value and capabilities of our industrial chain, allowing us to recycle more electronic products and give them higher value for use.

# **Expanding Brand Cooperation and User Scenarios**

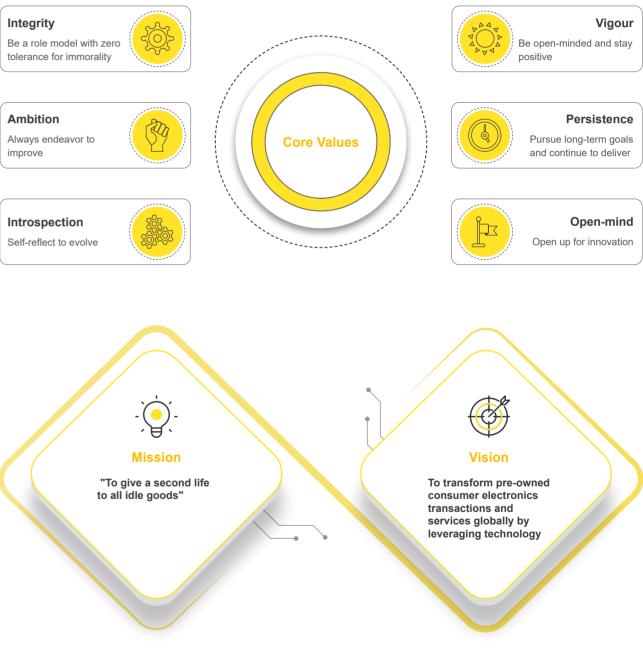
In 2023, ATRenew became a new partner for Apple Trade In service in the Chinese mainland market to serve Apple users who trade in their products through Apple's official website and physical flagship stores. In addition, we signed an official repair authorization with Huawei and explored refurbishment capabilities with multiple Android brands.

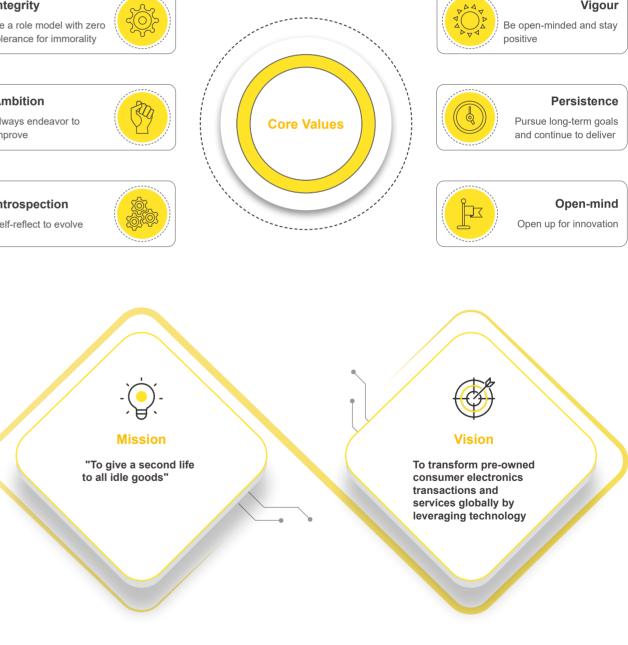
In 2023, we partnered with PurCotton to place used-clothes recycling bins in ten of their physical stores, promoting the recycling of used clothes. We also contributed to CapitaLand's 2023 "Eco Green" campaign by collaborating with eight shopping malls across three cities, offering consumers a new green consumption experience. Furthermore, we teamed up with various sustainable consumption brands and environmentally-conscious public welfare organizations to establish the "Universe Recycling Alliance", advocating for green consumption together.

# **Corporate Culture**

As a leader in the trade and service of pre-owned consumer electronics, ATRenew embraces its social responsibility to revitalize idle goods and foster the growth of the circular economy. By enhancing our supply chain capabilities and developing proprietary industrial chain technologies, we have cultivated a corporate culture grounded in our mission, vision, and core values. This culture drives us to consistently achieve business breakthroughs, promoting a green, circular, and sustainable socio-economic model and making significant contributions to global sustainable development goals.

#### **Our core values**





Appendix

Report

Introduction to ATRenew

Improved Corporate Governance

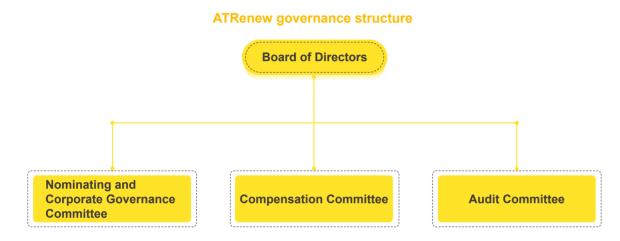
Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Corporate Governance**

ATRenew strictly abides by the laws and regulations in China, the securities laws in the United States, and the rules of the New York Stock Exchange. We have established a sound governance structure. We have established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee under the board of directors. Transparency, impartiality and independence of corporate governance are achieved through the effective operation of these professional committees, and by strengthening the management and monitor of directors and senior management.

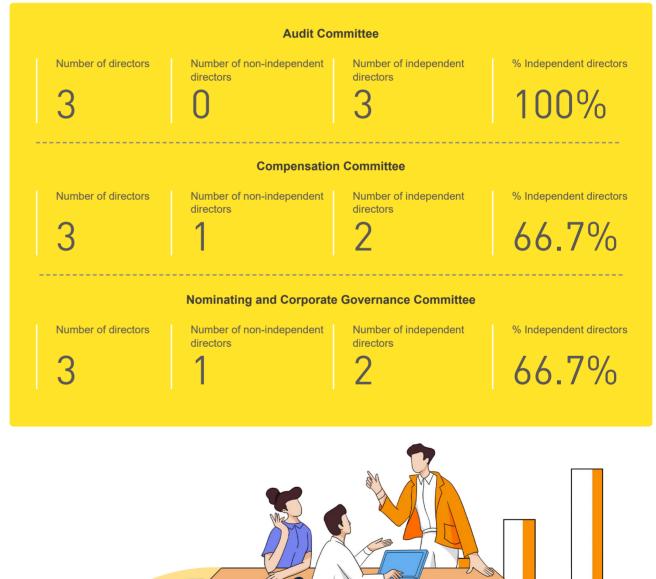


As of May 2024, the Company's Board of Directors consisted of eight members, of which 37.5% are independent directors and 25% are female. The Board members, with in-depth experience in finance, industrial technology, marketing and other fields, bring diversified professional perspectives to the Company's strategic decision-making and operational management to promote business improvement and development in a more comprehensive and effective manner.

#### Members of Board of Directors

				Expertise			
Position / Title	Name	Gender	Education Background	Industry Experience	Risk Management	Financial Experience	
Founder / Chairman / CEO	Kerry Xuefeng Chen	Male	Master's degree in computer science from Fudan University	$\checkmark$	$\checkmark$		
Director / Executive President / COO	Yongliang Wang	Male	Bachelor's degree in economics from University of International Business and Economics	V	V		
Director	Ye Zhou	Male	Ph.D. in the Department of Electrical Engineering and Computer Science, University of California, Berkeley, U.S.A.	V	V	~	
Director	Shuangxi Wu	Female	Master's degree from Beijing Normal University	$\checkmark$	$\checkmark$		
Director / President / CFO	Chen Chen	Male	Bachelor's degree from Shanghai Jiaotong University	$\checkmark$	$\checkmark$	$\checkmark$	
Independent Director	Jingbo Wang	Male	PhD in management studies from the Saïd Business School of the University of Oxford	~	V	$\checkmark$	
Independent Director	Guoxing Jiang	Male	Bachelor's degree in mathematics and computer science from Fudan University	$\checkmark$	$\checkmark$		
Independent Director	Rui Zhu	Female	PhD in marketing from University of Minnesota	$\checkmark$	$\checkmark$		

ATRenew's Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Among them, the Audit Committee is responsible for communication, monitor, meeting organization and verification of internal and external audits of the Company. The Compensation Committee is in charge of establishing and improving the science-based and effective compensation management system and implementing the Company's talent development and utilization strategy. The Nominating and Corporate Governance Committee is responsible for continuously improving the corporate governance structure of the Company, making the election of directors and senior management more science-based and democratic, and optimizing the composition of the Board of Directors and the senior management. All committees have the participation of independent directors to enhance the transparency and credibility of decision-making and to protect the rights and interests of shareholders and other stakeholders.





11

Letter from Honours in the CFO

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Risk Management & Compliance**

ATRenew regards compliance management as the cornerstone of sound corporate development. We have built a high-standard risk defense and compliance management system, comprehensively strengthening our capabilities in early risk warning, prevention, control, and response. This solid foundation enhances our long-term competitiveness in the global market.

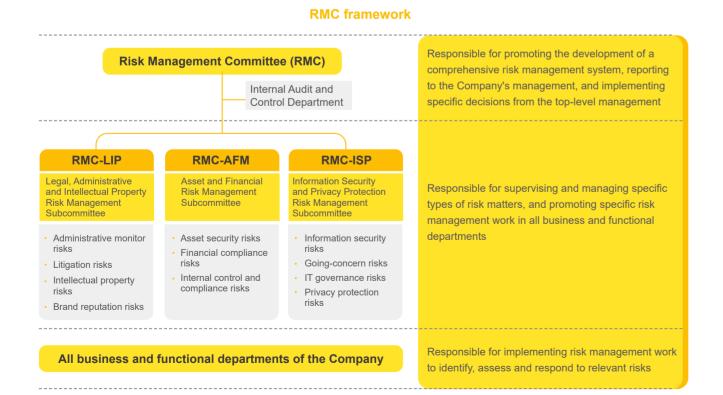
2023

# **Risk Control**

Based on the development of our risk management system, ATRenew has established a comprehensive risk management mechanism and prevention and control system. Adhering to a risk control philosophy of early warning, treatment, and improvement, we accurately identify and proactively respond to various business risks, ensuring science-based decision-making and business safety. We promptly implement effective measures to better control and address risk incidents, and we continually review and refine our optimization strategies to guarantee the continuity and stability of our operations.

#### **Risk Management Organizational Structure**

ATRenew has established a Risk Management Committee (RMC), with senior management managing and supervising the implementation of risk management and internal control systems. We have also formulated the RMC Operation Mechanism to clarify the functions and responsibilities of the RMC and its sub-committees. The RMC holds bi-weekly internal meetings and reports monthly to the general manager's office to ensure timely and comprehensive communication of risk information. We promptly address identified risks, actively promote corrective actions, implement precise measures, and maintain a closed-loop management system. Additionally, we plan and deploy relevant risk control measures to enhance the risk identification and response capabilities of each business line, continually improving our management processes. In 2023, the Company held 9 RMC meetings, identified 25 risk issues through the monthly meeting mechanism, and completed 80% of the risk rectification.



#### Pre-assessment of Risks

Before implementing any major business strategies or model adjustments, ATRenew requires relevant risk pre-assessments to identify potential new risks and to plan for appropriate risk responses in advance. The RMC's pre-assessment scope mainly includes evaluating compliance and legal risks. internal control and information security risks, financial and tax risks, and the impact of government relations. This process alerts business departments to potential risks and assists in designing effective risk response programs.

Additionally, ATRenew regularly promotes RMC risk assessments through communication meetings and other channels for model adjustments and activity programs within existing businesses. During the reporting period, the Company addressed a total of 22 assessment requests related to business model innovations and activity process rules.

## Internal Control and Audit

ATRenew has built a sound internal control system in compliance with US Securities and Exchange Commission (SEC) regulations and the requirements of the Sarbanes-Oxley (SOX) Act. In 2023, we continued our internal control self-assessments, reviewing a total of 23 internal control processes and nearly 600 control points. We identified significant deficiencies, proposed corrective measures, and supervised their implementation, achieving a 100% rectification rate for the deficiencies identified in the SOX internal control project. Meanwhile, the Internal Audit and Control Department meticulously planned and executed various audit projects in strict accordance with the Internal Audit System, submitting the results in the form of reports to the RMC Committee. The department also supervised the business divisions in addressing identified deficiencies. In 2023, we conducted a total of 4 special audit projects.

#### Content of audit programs conducted in 2023

# Special audits of cell phones of unknown origin and with altered serial numbers Reviewing the legality of the source of goods, identity verification, identification of suspicious transactions, and monitoring and recovery of suspicious "cell phones of unknown origin and with altered serial numbers" Special audits of new phone parts Auditing the purchases, stocking, management, and sales of new phone parts, with a focus on understanding the reasons for the significant use of funds for new machine parts Audits of indirect procurement Auditing the indirect procurement processes of each department, including procurement application, supplier selection, procurement contracts, procurement acceptance and payment, and supplier management Audits of rebate programs on PJT Marketplace Auditing activity budget management, program design, implementation, and review, activity cost calculation and payment, activity-related application system authority and data report authority management, and accounting processes for activity-related transactions

In 2023, we invited external consulting organizations to provide specialized IT audit training for relevant business divisions. This training aimed to popularize IT-related internal control regulations, methodologies, and implementation scope, while enhancing departmental awareness and capabilities regarding IT security compliance responsibilities.

Social Responsibility for Co-development

Appendix



During the reporting period, the Company addressed a total of

assessment requests related to business model innovations and activity process rules

Green Development through Circular Economy

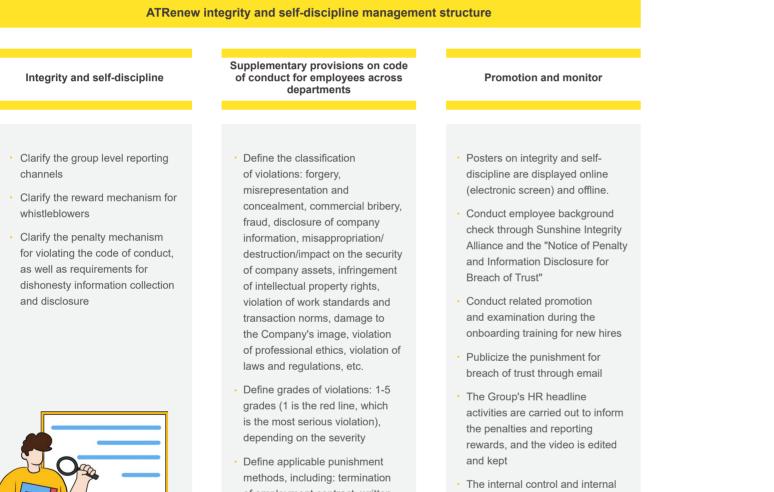
Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Business Ethics**

ATRenew always adheres to high ethical standards and complies with the Anti-Unfair Competition Law of the People's Republic of China, Prevention of Bribery Ordinance, and the laws and regulations of the localities where our business is operated or based. We carry out anti-corruption and anti-bribery compliance management work, strengthen the standardization and institutionalization of the operating process, eliminate commercial corruption and bribery, and ensure compliant and healthy development. In 2023, the Company did not engage in any corruption lawsuits.

#### Three elements for ATRenew integrity and self-discipline management





- of employment contract, written warning, verbal warning
- Distinguish the specific business scenarios of each business department, refine the code of conduct for integrity, formulate the Anti-commercial Bribery Agreement, and put forward integrity requirements for industry chain cooperation
- audit department monitors the function of the code of conduct management system

#### **Performance:**

#### In 2023

- 18 integrity inspections were conducted at the company level
- cases of 1-3 Grade issues detected
- 5 integrity training were conducted at the company level with 168 participants
- 342 training sessions on integrity were conducted at the operation level, with 3,491 participants

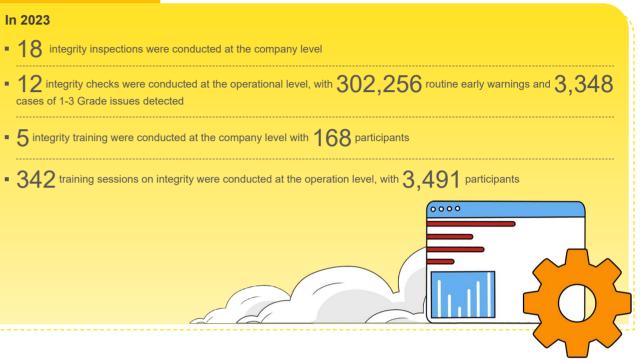
#### **Informer Protection**

ATRenew holds a zero-tolerance attitude towards any fraud committed by its employees. To effectively detect, investigate and punish such behaviors, we have formulated the Informer Protection and Reward System to create reporting channels and investigation mechanisms to deal with internal fraudulent behaviors at the company level and the level of business divisions. We encourage informers to speak out by posting posters about the reward for reporting, creating a dedicated e-mail address (ICAC@atrenew.com) and a special column on our official website for reporting, and publicizing the reporting phone number (+86 15618957708). We attach great importance to each and every report we receive, and implement countermeasures such as tracking, investigating, resolving and processing these reports, and formulating optimization plans. As of the end of the reporting period, all cases had been completed. For confirmed fraud cases, we have implemented appropriate penalties to maintain a fair and just workplace environment.

Meanwhile, we keep the personal information of informers and all reporting information provided by them strictly confidential, and retaliation against them in any form is strictly prohibited. For real-name reporting, we set up a confidential "special protection list" to ensure that its privacy is effectively protected.



E-mail address (ICAC@atrenew.com)





Reporting phone number (+86 15618957708)

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

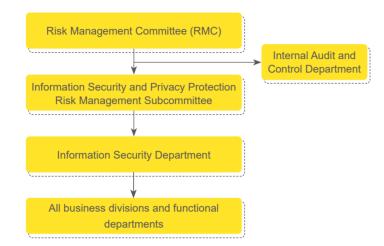
Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Information Security**

We have established the Information Security and Privacy Protection Risk Management Committee to enhance our management of data and information. This committee is the decision-making body of ATRenew responsible for information security and privacy protection. It formulates relevant strategies and promotes their implementation. Under the committee, the Information Security Department manages specific tasks related to information security and privacy protection. This includes creating relevant systems and processes, improving internal information and data use standards, establishing security operation standards, developing an information security technology protection architecture, and implementing an information security governance assessment mechanism. The Internal Audit and Control Department oversees and manages information security and privacy protection, while all business divisions are responsible for developing specific work in this area.

#### Organizational structure of our information security management



At the institutional level, in accordance with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other laws and regulations, we regularly revise the General Rules of Information Security Management, and update management standards such as the Management Standards for Access Control of Business Operation Systems, the Management Standards for Information Security Management of Third Parties, the Management Standards for Third-Party API Docking, and the Security Baseline of Business Systems, so as to guarantee the data security of our business operation systems by means of the latest regulatory requirements and stricter standards and to avoid security risks.

In 2023, at the request of the Shanghai Communications Administration, we carried out data security assessments under the "Data Security Shanghai" Initiative, established an important corporate-level data catalog in accordance with the Guidelines for Identification of Important and Core Data in the Telecommunications Field, and involved third-party companies to assess our important and core data, resulting in a data security assessment report. These efforts allowed us to identify the relevant risk factors, continuously strengthen our information security management responsibility, and enhance our information and data security management capabilities.

#### Level-3 Assessment and Certification of **Communication Network Protection**

To implement the *Measures* for the Administration of Communication Network Security Protection (No.11 Order of the Ministry of Industry and Information Technology) on the relevant requirements for network security protection, in 2023, ATRenew engaged a third-party assessment organization to carry out the level-3 assessment and certification of communication network protection for the AHS Recycle system and obtain the proof of filing.



AHS Recycle obtained Level-3 Assessment and Certification of Communication Network Protection





Management System

# **Privacy Protection**

ATRenew strictly complies with all relevant laws and regulations, including the Measures for the Determination of Illegal Collection and Use of Personal Information by Apps, the Personal Information Protection Law and the EU's General Data Protection Regulation (GDPR). We have formulated a series of personal information protection measures, the most prominent one being "Privacy by Design (PbD)" policy, which ensures the security of personal information and offers improved data backup and recovery mechanisms.

#### AHS Recycle's personal information protection policy

#### **Privacy agreement**

- The privacy agreement includes clear provisions on the collection, use, sharing, transfer and protection of personal information, and it provides suggestions for managing personal information.
- For details: https://m.aihuishou.com/n/#/help/privacy
- For details: https://sjapi-app.aihuishou.com/opt-content/platform-rule/ page/428

#### Personal information collection notification

- We explain the purpose of use, usage scenarios, collection and information content of the collected user location information, device attributes and service logs in the App.
- For details: https://m.aihuishou.com/n/#/help/privacy/ahs-personal-data/ index

#### Minimal personal information sharing

- We clearly provide the name, purpose of use, scenarios, sharing methods, a list of the shared information and the website of the relevant privacy policy of all third-party companies that share personal information, to fully protect the transparency of the use of users' personal information.
- For details: https://m.aihuishou.com/n/#/help/privacy/vendor-personal-data





Material issues involved in this chapter:

- Economic Performance
- ♦ Corporate Governance
- Servironmental and Social Benefits of Products and Services

ATRenew regards sustainable development as a core component of our corporate strategy. Guided by our mission, "To give a second life to all idle goods", we are committed to building an ESG model enterprise and integrating social responsibility into our business practices. By optimizing our ESG governance system, actively promoting communication with our stakeholders, and strengthening ESG risk identification and management, we continuously enhance our sustainability and performance, and realize the common development of long-term corporate value and social value.

#### Our performance:

- Ocnducted in-depth stakeholder research activities and collected **380** valid questionnaires
- Solution State Compact (UNGC)

#### Our actions:

- ♦ Optimizing our ESG governance system
- Facilitating our communication with stakeholders
- ♦ Identifying our annual ESG material issues
- ♦ Conducting ESG risk management

SDGs responded in this chapter:





Letter from the CFO

Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **ESG Governance**

About This

Report



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**WE SUPPORT** 



We have established a sound ESG management structure. The Board of Directors coordinates, approves, and monitors the Company's ESG-related work, regularly reviewing and assessing the progress and plans of ESG objectives and ensuring that the development of ESG strategies is consistent with our business development goals. Our ESG Committee (ESGC) reports to the Board of Directors regularly, executing top-level decisions on major ESG matters made by the Board of Directors, overseeing the implementation of ESG strategies, and monitoring goal progress. The ESGC convenes at least once a year to report on ESG efforts to the Board of Directors. The ESG working group connects all functional departments and business divisions, ensuring the effective implementation of ESG initiatives.

#### ATRenew ESG organizational structure



# **Communication with Stakeholders**

Stakeholders' understanding, recognition, and support of ATRenew's sustainability efforts are crucial for advancing our initiatives effectively and continuously. In 2023, we engaged with various stakeholders through diverse channels to understand and meet the demands and expectations of consumers, platform merchants, employees, shareholders, investors, governments, regulatory bodies, media, communities, suppliers, and partners. This engagement promoted transparency and reinforced our commitment to sustainable development practices.

Stakeholders	Relevance	Material Topics	Communication
Consumers	Provide consumers with high-quality products and services as the basis of brand value.	<ul> <li>Information security and privacy protection</li> <li>Customer responsibility and service</li> <li>Product governance</li> <li>Green packaging and recycling</li> </ul>	<ul> <li>Customer satisfaction survey</li> <li>Customer service hotline (12*7)</li> <li>Online and offline communication channels</li> <li>Responsible marketing and promotion</li> </ul>
Platform merchants	Platform merchants are not only our customers, but also a key channel of our business. Strengthening communication and cooperation with them enhances our brand development and helps us increase commercial and social influence.	<ul> <li>Customer responsibility and service</li> <li>Technology innovation and intellectual property protection</li> <li>Responsible supply chain</li> </ul>	<ul> <li>Merchant conference</li> <li>Merchant training</li> <li>Merchant assessment</li> <li>Digitization of the merchant transaction process</li> </ul>
Employees	Human capital is the core driving force for the development of ATRenew. It is our responsibility to care for and cultivate employees, and to provide them with growth and promotion opportunities.	<ul> <li>Labor management</li> <li>Diversity and equality</li> <li>Employee health and safety</li> <li>Employee training and development</li> </ul>	<ul> <li>Establishing a labor union</li> <li>Conducting employee satisfaction surveys</li> <li>Conducting regular training</li> <li>Regular communication</li> </ul>
Shareholders / Investors	Shareholders/investors are a critical resource for ATRenew's development and the steady growth of the Company is their best benefit.	<ul> <li>Corporate governance</li> <li>Compliance and risk management</li> <li>Economic performance</li> <li>Environmental and social benefits of products and services</li> <li>Climate change management</li> </ul>	<ul> <li>Compliance information disclosure</li> <li>Conducting earnings releases</li> <li>Regular visits and prompt communication</li> <li>Organizing site visits</li> </ul>
Governments and regulatory agencies	ATRenew takes compliance with the law as its responsibility and obligation, and maintains good relationships with local governments.	<ul> <li>Information security and privacy protection</li> <li>Business ethics</li> <li>Corporate governance</li> <li>Compliance and risk management</li> </ul>	<ul> <li>Tax compliance</li> <li>Compliance information disclosure</li> <li>Company visits</li> </ul>
Media	The media is one of the channels through which ATRenew communicates with the public, and is an important driving force for ATRenew to improve information transparency and practice sustainable development.	<ul> <li>Environmental and social benefits of products and services</li> </ul>	Regular information disclosure     Cooperation with media
Community and the public	Community development and public participation are important for ATRenew to promote the development of the circular economy and realize its social value.	Public welfare	<ul> <li>Donation and Assistance</li> <li>Public welfare programs</li> </ul>
Suppliers and partners	ATRenew maintains positive interaction with suppliers and partners to promote the healthy development of the industry chain.	<ul> <li>Responsible supply chain</li> <li>Economic performance</li> <li>Environmental, social benefits of products and services</li> </ul>	<ul> <li>Supplier evaluation</li> <li>Industrial cooperation</li> </ul>

About This

Report

Letter from Honours in the CFO 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# Identification of Material Issues

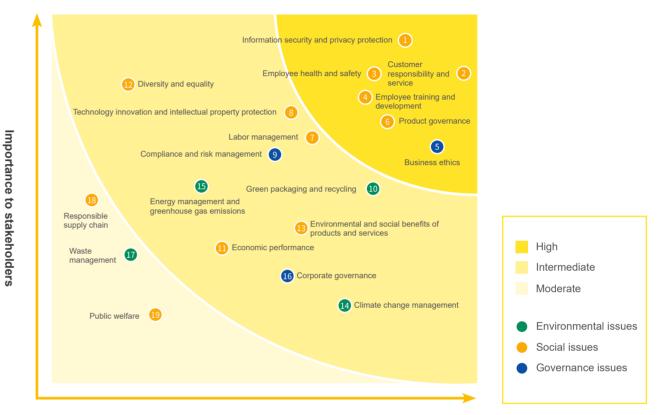
In 2023, ATRenew referred to the Global Reporting Initiative Standards (GRI Standards) formulated by the Global Sustainability Standards Board (GSSB), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the key industry ESG topics highlighted by capital market index ratings such as MSCI, Sustainalytics, and DJSI to summarize 19 ESG material issues in this report, in relation to corporate governance, research and development, operations, customer service, supply chain management, labor management and other value chain areas. To better assess the importance of the topics, ATRenew entrusted an independent consulting agency to conduct in-depth stakeholder research, and collected 380 valid questionnaires.

#### Materiality issues identification process



In 2023, ATRenew identified more environmental issues, placing greater emphasis on green packaging and recycling and climate change management. Meanwhile, we increased our focus on social issues such as labor management, customer responsibility and service, and diversity and equality.

#### **ATRenew ESG materiality matrix in 2023**



#### Importance to the Company's development

ATRenew has identified 6 issues of high importance, 10 issues of intermediate importance, and 3 issues of moderate importance. This report primarily focuses on the issues of high importance for disclosure.

#### Issues of high importance



Waste management 18 Responsible supply chain

About This Report

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **ESG Risk Management**

At ATRenew, we prioritize ESG risk as a key component of our corporate risk evaluation system. We dynamically manage ESG factors according to our business guidelines, aiming to mitigate potential ESG risks and enhance our ESG performance. By identifying critical issues and potential risks, we focus our risk management efforts on six important issues: information security and privacy protection, customer responsibility and service, employee health and safety, employee training and development, business ethics and product governance. Each of these areas is detailed in the corresponding chapters of this report.







#### **Product Governance**

- Improving quality inspection capabilities and providing users with good-quality products, which will enhance the brand image and corporate reputation of ATRenew
- Iteratively upgrading automated quality inspection technology
- Strengthening merchant and supplier management
- Participating in the development of industry standards
- Product quality control
- Product/service accessibility
- Responsible supply chain
- Green industry





# Green Development through Circular Economy

As the first circular economy enterprise integrating "Internet+Environmental Protection", ATRenew continuously revitalizes pre-owned products, reducing greenhouse gas emissions and environmental pollution in the consumer sector. We contribute to the "dual carbon" goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. Building on the TCFD framework, we comprehensively identify and assess the risks and opportunities associated with climate change, develop response strategies, and proactively address these challenges. We continually enhance the quality inspection of pre-owned products and actively participate in establishing industry standards to promote the green industry. We integrate green principles into every stage of the product lifecycle—recycling, quality inspection, warehousing, transportation, and disposal. Through technological empowerment, we minimize the environmental impact across the entire product lifecycle, building a sustainable green recycling industry chain. We embed green and sustainable development philosophies throughout our operations, create a green and healthy office environment, continuously promote green consumption, and actively engage in green public welfare activities. By contributing to the development of green cities, we steadily advance the circular economy.

#### **Our performance:**

- A nearly **6.67%** reduction in Scope 1 and Scope 2 GHG emissions intensity in 2023 compared to 2022
- Participation in the development of 2 group standards and 2 joint enterprise standards in 2023
- Obtainment of ISO 14001 environmental management system certification
- Green disposal of a total of **111,700** units of equipment in 2023, reducing e-waste pollution by **17.83** tonnes

#### **Our actions:**

- Conducting climate scenario analysis, identifying climate risks and opportunities, and strengthening climate change management
- Participating in the development of standards for the pre-owned recycling industry, improving product quality inspection capabilities, and promoting the development of the green industry
- Improving environmental management policies and carrying out green actions in five areas: warehousing, packaging, logistics, disposal and office
- Expanding pre-owned recyclable products and publicizing the philosophy of green consump
- Participating in the development of green cities and working with certified corporations on or community actions

#### SDGs responded in this chapter:



#### Material issues involved in this chapter:

- Waste Management
- Energy Management and Greenhouse Gas Emissions
- Green Packaging and Recycling
- Climate Change Management
- Environmental and Social Benefits of Products and Services



About This

Report

Improved Corporate Governance

# **Climate Change Management**

To address the risks and challenges posed by climate change, we identified and assessed climate-related risks and opportunities faced by our business and operations based on the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. With an active attitude toward climate risks, we have strengthened internal regulations to oversee weaknesses in our climate management and taken targeted initiatives to enhance our climate resilience. We also seize opportunities by closely monitoring government policies and industry trends, continuously adjusting and improving our business strategies for sustainable green development.

In 2023, we continued our Scope 3 GHG emissions accounting, considering all upstream and downstream activities closely related to our operations. Using the Scope 3 emissions quantification tool of the *Greenhouse Gas Protocol* (GHG Protocol), we identified and calculated GHG emissions from our capital goods, upstream transportation and distribution, business travel, employee commuting, downstream transportation and distribution, emissions from the end-disposal of sold products, and franchises - seven key segments that generate GHG emissions in our business.

During the reporting period, ATRenew did not use direct energy sources such as gasoline, diesel fuel, or natural gas, resulting in no Scope 1 GHG emissions. Aligning with the business development, our Scope 2 GHG emissions in 2023 increased by 22.22% compared to 2022, but the intensity of Scope 1 and Scope 2 GHG emissions decreased by approximately 6.67%.

The intensity of Scope 1 and Scope 2 GHG emissions decreased by approximately

22 6.67%

	Indicator	2023	Unit
	Scope 1	0	tCO <sub>2</sub> e
	Scope 2	3,667.84	tCO <sub>2</sub> e
	Greenhouse gas emission intensity (Scope 1 + Scope 2)	0.28	tCO <sub>2</sub> e/RMB 1,000,000
	Scope 3	39,811.02	tCO <sub>2</sub> e
Emission of Greenhouse Gases	Scope 3 - capital goods	8,696.67	tCO <sub>2</sub> e
	Scope 3 - upstream transportation and distribution	3,242.40	tCO <sub>2</sub> e
	Scope 3 - business travel	1,524.93	tCO <sub>2</sub> e
	Scope 3 - employee commuting	3,019.07	tCO <sub>2</sub> e
	Scope 3 - downstream transportation and distribution	8,604.78	tCO <sub>2</sub> e
	Scope 3 - end-disposal emissions of sold products	14,123.62	tCO <sub>2</sub> e
	Scope 3 - franchise	599.54	tCO <sub>2</sub> e

# Climate Governance

ATRenew has refined its climate governance within the existing ESG governance framework, strengthening the oversight responsibilities of the Board of Directors and management on climate change matters. The ESG Working Group, under the ESG Committee, handles specific climate management tasks, establishing a top-down governance structure and creating a reporting mechanism for climate change management.

#### Climate governance organizational structure



The Board of Directors, as the highest decision-making and governing body for climate change management, is primarily responsible for our climate initiatives and regularly monitors climate-related activities and goal achievement. The ESG Committee views climate change as a critical issue, conducting annual reviews of our climate management efforts and thoroughly evaluating the associated risks and opportunities. The ESG Working Group implements these initiatives, ensuring that decisions from the Board of Directors and the ESG Committee are carried out. This group also regularly identifies and assesses climate risks, developing strategies to enhance ATRenew's resilience to climate change.



### Identification and Management of Climate Risks and **Opportunities**

Climate change may present significant uncertainties for ATRenew's medium and long-term operations. To prepare for future climate conditions, we conducted climate scenario analyses to identify potential impacts of climate risks and opportunities on our business operations. Based on these analyses, we adopted appropriate strategies to mitigate financial and operational impacts, enhancing our resilience to climate change.

#### **Climate Risk Management Process**

Based on the TCFD recommendations and the Enterprise Risk Management (ERM) framework, ATRenew has established a climate risk management process consisting of identification, assessment, management, and monitoring, and for the first time, systematically identified climate risks and opportunities to comprehensively improve its climate risk management capabilities.



We identify physical risks (such as heat, extreme cold, prolonged precipitation, extreme snowfall, floods, and wildfires) and transition risks (including policies and laws, technology, market, and reputation impacts) that could affect our operations and business objectives. We analyze their potential causes and consequences to create a comprehensive list of climate risks and opportunities.

We measure the physical risks of climate change to ATRenew using "fixed assets" and "income" as key indicators, prioritizing them on a scale of "low, medium, high, and very high". We qualitatively analyze transition risks to assess the impact of potential policies, technological advancements, and market changes under different climate scenarios.

We monitor developments in climate-related regulations, policies, and markets, regularly assessing the impacts of physical and transition risks. We implement response measures to reduce or avoid these risks.

Our management team regularly monitors the effectiveness of climate risk response measures and the progress towards related goals, optimizing strategies to ensure we achieve our climate objectives as planned.

#### Identification and Management of Physical Risks

In accordance with the TCFD recommendations, ATRenew conducted scenario analyses based on potential global warming scenarios of 1.5°C (NGFS 1.5) and 3°C (NGFS 3 NDC) by 2050, as predicted by the Central Banks and Supervisors Network for Greening the Financial System (NGFS). These analyses help us identify the intensity of physical disaster risks to our administrative offices, operation centers, and stores, informing our risk response decisions and optimizing resource allocation.

#### Table of assessment of physical risks arising from climate change for ATRenew

	Chinese Mainland		Hong Kong, Macau and Taiwan		Overseas			
	NGFS 1.5	NGFS 3 NDC	NGFS 1.5	NGFS 3 NDC	NGFS 1.5	NGFS 3 NDC		
Chronic Risks								
Extreme Heat	•••	•••	•	•	•	•		
Extreme Cold	• •	• •	•	•	•	•		
Extreme Precipitation	•	•	•	•	•	•		
Extreme Snowfall	•	•	•	•	•	•		
Extreme Winds	•	•	•	•	•	•		
			Acute Risks					
Coastal Flooding	•	•	•	•	•	•		
Fluvial Flooding	• •	• •	•	•	•	•		
Tropical Cyclones	• •	••	•	•	•	•		
Wildfires	•••	• • •	•	•	•	•		
River Low Flow	• •	•	•	٠	٠	٠		
		L	.ow-risk • Mediu	um-risk • • High-ris	sk 🔹 🔹 Very	r-high-risk ● ● ●		

For stores, operation centers, and administrative offices in China's mainland, we identified higher risks of extreme heat and wildfires, and moderate risks of extreme cold, fluvial flooding, and tropical cyclones. Due to fewer locations in Hong Kong, Macao, Taiwan, and overseas, ATRenew faces relatively lower physical climate risks in these areas at present.

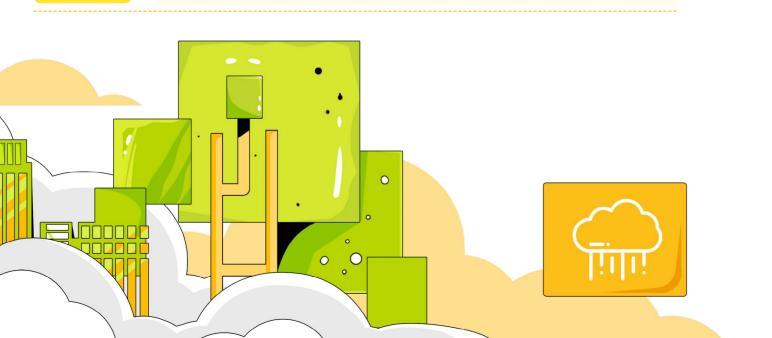
About This

Report

Improved Corporate Governance

#### ATRenew's climate change physical risks and measures

Risk Type	Potential Impacts	Response Measures
Chronic Risks	<ul> <li>Extreme weather events, such as extreme heat, cold, and snowfall, can increase the risk of business interruptions. These disruptions can affect the smooth operation of our operation centers and stores, destabilize the supply chain, and raise the Company's insurance and operating costs.</li> </ul>	<ul> <li>Avoiding high-risk areas for extreme weather when building new operation centers, stores, and administrative offices and implementing defensive measures and contingency plans to ensure the smooth operation of stores and operation centers during extreme weather events.</li> <li>Improving the energy efficiency of our facilities and adopting energy-saving technologies and equipment</li> </ul>
Acute Risks	<ul> <li>Events such as floods, tropical cyclones, and wildfires can severely impact the stability of our supply chain and the health and safety of our employees. These events may lead to the suspension of store operations and front-end services, disrupting our warehousing and logistics network and potentially causing a decline or even interruption in business.</li> <li>Extreme weather events, such as floods and tropical cyclones, can damage our operation centers and store facilities, leading to increased infrastructure maintenance, repair, and insurance costs.</li> </ul>	<ul> <li>The operations team formulates comprehensive emergency management plans and operation manuals, with control measures for various acute climate changes to prevent safety accidents involving employees and contractors.</li> <li>Equipping operation centers with additional emergency equipment, such as drainage systems and door and window protection, to reduce the impact of extreme weather events; increasing commercial insurance for operation centers and stores in high-risk areas to minimize post-disaster operational and recovery costs.</li> <li>Reducing reliance on any single high-risk areas by diversifying our supply chains, ensuring the uninterrupted supply of essential goods and services during acute risk events.</li> </ul>



#### Transition Risks and Opportunities Identification and Management

The Paris Agreement, adopted at the 2015 Climate Change Conference in Paris, aims to achieve carbon neutrality and keep global temperature rise below 2°C above pre-industrial levels by 2050, with an ambitious target to limit the rise to 1.5°C. Based on this framework, global climate policies, clean energy technologies, and economic markets will undergo significant changes, presenting both transition risks and vast opportunities for green development. China has set a goal to peak carbon emissions by 2030 and has issued the Action Plan for Carbon Dioxide Peaking Before 2030. By 2030, China is expected to make substantial progress in restructuring its national industry, with the initial establishment of a clean, low-carbon, safe, and highly efficient energy management system. Key areas will adopt low-carbon development models, and the energy utilization efficiency of key energy-consuming industries will reach internationally advanced levels.

To better analyze the potential impact of the low-carbon economic transition on ATRenew and to identify the potential risks and development opportunities arising from policy changes, technological developments, shifts in energy structures, and market preferences, we have conducted a comprehensive analysis. We identified risks and opportunities across various dimensions, including policy and law, technology, market, reputation, investment, and financing. Based on this analysis, we formulated response strategies to guide our decision-making, enabling us to achieve a low-carbon transition and seize opportunities for green development.

#### Transition risks from climate change and response measures

Risks	Potential Impacts		el of bact	Response Measures	
			2050		
Policy and Law	<ul> <li>Governments and regulatory agencies are gradually introducing more stringent policies and regulations on climate change, green packaging, and data center energy management. These regulations may require increased investment in equipment upgrades and research and development to comply with low-carbon policies and improve information disclosures</li> </ul>	• • •	•••	<ul> <li>Continuously monitor the latest regulatory policie and changes in requirements in the regions whe we are listed and operate. Promptly updating our climate change action management plan and corresponding management standards, strengthening the transparency and accuracy of our information disclosures to ensure compliant operations</li> </ul>	
	<ul> <li>Companies that fail to meet policy compliance requirements or violate laws and regulations face increased risks of violations and fines</li> </ul>	••	••		
Technology	<ul> <li>Companies need to implement energy-saving and emission-reduction projects or new energy initiatives, which may increase procurement and management costs</li> </ul>	• • •	• • •	<ul> <li>Strengthening research and development in automation technology to promote energy saving emission reduction, and operational efficiency in routine operations, thereby enhancing green offic practices and green operations</li> </ul>	
				<ul> <li>Gradually deploying new energy projects to optimize our energy use structure</li> </ul>	
	•As user preferences shift toward green products and consumption, companies need to accelerate the adoption of green equipment, potentially increasing material procurement, management, and operating costs during the low-carbon transition	•••	•••	<ul> <li>Implementing greenhouse gas emission management throughout the entire product life cycle, assessing energy consumption intensity and risk levels across different segments, identifying key areas for energy saving and emission reduction, and developing correspond improvement plans</li> <li>Strengthening supplier management in logistics transportation, and packaging materials by assessing their green development efforts and requiring them to implement green transition plans and disclose relevant information to reduced</li> </ul>	
Market	•With more companies entering the pre-owned and circular economy market, the competitive landscape is changing, leading to more intense market competition	•••	••••		
	•An increasing number of partners are demanding green transitions from their suppliers. Companies must investigate and analyze high energy-consuming equipment, and upgrade their own facilities used in packaging, storage, and transportation, which might raise operating costs and management pressure	•••	•••	upstream carbon emissions •Optimizing the customer feedback mechanism to promptly understand customer expectations regarding ATRenew's green and low-carbon transition, ensuring that our green transition align with customer needs	
Reputation	•The development of green policies and mandatory disclosure requirements by regulators increases the reputational risk for companies that fail to disclose their energy consumption and carbon emissions annually as required by the stock exchange	•••	•••	<ul> <li>Building a sophisticated carbon data manage system to improve our carbon data managem capabilities and data accuracy. We regularly disclose relevant information through multiple channels, including our official website and WeChat official account, to actively address</li> </ul>	
	<ul> <li>As public concern about climate issues grows, companies' reputations will suffer if they mishandle climate-related events or fail to meet heightened expectations</li> </ul>	•••	<ul> <li>the concerns of investors, users, and the pregarding our climate initiatives</li> <li>Incorporating climate risks into our public or monitoring, ensuring we promptly respond to public concerns about climate issues an minimize negative impacts</li> </ul>		

About This Report

Letter from the CFO

Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

#### **Opportunities from climate change**

Onnerturities	Transition Stratem	Level of Impact	
Opportunities	Transition Strategy	2030	2050
Products and Services	<ul> <li>Intelligent recycling for greater operational efficiency: Leveraging our leading technology and extensive experience in recycling pre-owned electronic products, ATRenew has continuously improved recycling efficiency and reduced operational costs. By utilizing AI, IoT, and other technologies, we enhance our revenues and competitiveness in the industry</li> </ul>	••••	••••
Market	<ul> <li>Creating green products: ATRenew's environmentally friendly products effectively reduce electronic waste pollution. By improving carbon emission management throughout the product life cycle and minimizing resource waste, we further strengthen the green attributes of our products and enhance our market competitiveness</li> </ul>	••••	••••
	<ul> <li>International market development: Shifting our market strategy towards the international market, we aim to leverage our innovative business models in pre- owned product recycling to address more global and regional environmental issues</li> </ul>	•••	••••
Investment and Financing	<ul> <li>Developing green financing: We are seizing green financing opportunities to promote business expansion and upgrading, providing financial support for the growth of the green industry</li> </ul>	•••	••••
Carbon Trading	•Carbon asset development and trading: We are identifying potential emission reduction scenarios that can be developed into carbon assets, aiming to generate additional benefits for ATRenew through carbon asset development and participation in carbon market trading		••••

Low-risk • Medium-risk • • High-risk • • • Very-high-risk • • •

# **Green Industry**

As trade-in and pre-owned consumption gain popularity, e-commerce platforms and service operators have introduced online valuation and offline recycling services, effectively recycling more goods and increasing consumer interest in these products. Committed to the philosophy of green and sustainable development, ATRenew leverages its leading industry position to make impactful efforts at both the "industry" and "green" levels. We are dedicated to building a product and service system that positively influences the environment and climate

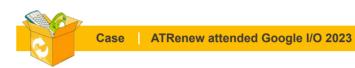
# **Enhancing Green Business Capabilities**

We have established a comprehensive system for recycling, inspection, and re-sale, ensuring quality assurance through multiple recycling sources from both users and merchants. By implementing strict quality control and automated quality inspection, we guarantee accurate product grading and pricing. These efforts enhance the consumption experience for both buyers and sellers, strengthen user trust in the recycling economy and pre-owned trading system, increase interest in pre-owned trading, and guide users towards green and low-carbon consumption behaviors.

In 2023, ATRenew continued to advance the "Multi-Category Recycling" strategy by launching door-to-door and store recycling services for small household appliances, shoes, and clothes. This initiative enriches our service offerings and promotes the sustainable development of consumer goods. We hope our efforts inspire others in the industry to explore innovative business growth opportunities within the green sector, collectively expanding the range of services and advancing deeper into green and sustainable development.

## **Promoting Communication and Cooperation within** the Industry

As a leader in the pre-owned economy and industry, ATRenew is dedicated to fostering communication and cooperation within the industry to help the green sector thrive. We have published industry insight reports to guide the healthy development of the industry. Additionally, we actively participate in various professional organizations, groups, and associations, advocating for the establishment and improvement of industry standards. We also promote the innovation and upgrading of equipment and technology through broad platforms. Our leadership aims to drive the industry towards a more standardized, efficient, and sustainable future, leveraging advancements in science and technology to benefit more people.



In 2023, ATRenew was invited to Google I/O and delivered a keynote speech on "Using Machine Learning to Improve the Efficiency of Automated Mobile Phone Quality Inspection Equipment." Experts, scholars and industry elites present actively engaged in extensive exchanges and discussions on mobile development, Web development, AI development, Cloud development and other fields.

As an important participant of the conference, we expected to learn the latest technology dynamics and industry trends at the conference, promote the popularization of intelligent quality inspection equipment, improve the productivity and quality control of the cell phone manufacturing industry, and create opportunities with our industry partners to realize diversified progress together.

In 2023, ATRenew participated in the formulation of four standards: the group standards T-SZEIA013-2023 Standards for Second-hand Mobile Phone Transactions and T-SZEIA013-2023 Quality Requirements for Exported Second-hand Mobile Phones, both of which were jointly drafted with the Shenzhen Electronics Industries Association; and joint enterprise standards Second-hand Electronics Testing Grading Specification for Mobile Phones and Specification for Second-hand Electronics Inspection Services, drafted by the Reverse Logistics and Low-Carbon Supply Chain Industry Alliance, with ATRenew as a council unit. We also worked with the Shenzhen Electronics Industries Association to promote the implementation of Shenzhen Second-hand Electronic Products Refurbishment Standard, which filled the gap in industrial standards. From 2017 to 2023, ATRenew had participated in the development of 17 standards, namely 1 industry standard, 14 group standards and 2 joint enterprise standards.

# From 2017 to 2023 ATRenew had participated in Including the development of

# dev + ATRenew representative was invited to deliver a technical speech



Letter from the CFO

Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Customer-oriented Quality Control

Commitment to Technology and Innovation

Innovative compliance refurbishment management to effectively respond to risks in the Case second-hand electronics industry

In 2023, the Company and the China Trading Center of Second-hand Consumer Electronics (Shenzhen) cohosted the Compliant Refurbishment Conference in conjunction with Shenzhen Electronics Enterprises Association. At this conference, we shared compliant refurbishment cases and insights with consumer electronics merchants in Shenzhen and surrounding regions, and provided compliant refurbishment resources for them. At the same time, as a council unit to the Shenzhen Electronics Industries Association, we have led the development of six standards in the field of electronic product compliance refurbishment, covering the terminology, general technical requirements, guality management requirements, organizational and technical specifications, technical specifications (mobile phones), and access norms for homogeneous accessories,

contributing to refurbishment compliance in the second-hand industry.

ATRenew plays an important role in promoting the compliant refurbishment of electronic products. By organizing the Compliance Refurbishment Conference and developing the six standards, we have both raised merchants' compliance awareness and ability, and provided clear guidance and standards for the development of compliance in the second-hand industry. These efforts help build a more standardized and sustainable used electronics market, protect consumer rights, and promote the healthy development of the industry.



Case ATRenew actively participates in industry association activities

ATRenew actively participates in domestic and international exchange activities in the second-hand industry to convey its corporate philosophy. Jiwei Wu, the operation director of PJT Marketplace, made a speech themed "Device Hero Empowers the Second-hand Ecosystem" at the First Second-hand Industry Exchange Conference organized by Liang Ji Hui, which inspired industry practitioners to give more focus to the empowerment of science and technology. In addition, our Overseas Business Department participated in the Japan Exchange Conference, following the cooperation on emerging technologies and market expansion, and showcasing our emphasis on the international market.



Jiwei Wu, the operation director of PJT Marketplace, made a speech on the theme of "Device Hero Empowers the Secondhand Ecosystem"



٠ Overseas business department participated in the Japan Exchange Conference

# **Green Operation**

ATRenew is dedicated to minimizing the environmental impact of our operations, strengthening environmental management, and collaborating with the industrial chain to build a sustainable market environment. We strictly adhere to environmental laws and regulations in all regions where we operate and have developed the ATRenew Environmental Policy to enhance environmental awareness and behavioral standards among our employees. Additionally, we have obtained ISO 14001 environmental management system certification to promote energy saving and environmental protection through concrete actions, ensuring green development throughout our operations.

We have integrated advanced digital management systems and intelligent equipment to promote the industry toward intelligent, systematized, large-scale and low-carbon development. To practice low-carbon and green operations effectively, we have enhanced energy efficiency across our operations, including warehousing, packaging, logistics, processing, and office activities. We also work closely with our upstream and downstream partners in the supply chain to foster a sustainable market environment.

# **Green Warehousing**

ATRenew has adopted digital tools to accurately monitor and predict warehouse inventory. By implementing strategic planning and layout, updating storage containers, optimizing the electronic shelf management system, and standardizing operations, we have improved warehouse space utilization and staff picking efficiency. These measures have reduced handling workloads and minimized wear and tear on equipment, materials, and energy during transportation and storage. In our overseas warehouses, we use intelligent energy management systems to monitor and control energy consumption, effectively avoiding unnecessary energy waste.

During the reporting period, we optimized the layout of our Tianjin operation center to accommodate increasing demand. The original warehouse space was insufficient, and the expandable space was limited. Therefore, we re-planned the layout by adjusting inefficient logistics lines and increasing the number of workstations and shelves. These adjustments resulted in a 24.15% increase in workstations, a 44.00% increase in shelves, a 74.82% increase in warehouse capacity, and a 35.54% decrease in the daily workload capacity of our employees.





the CEO

Improved Corporate Governance

Customer-oriented Quality Control

Commitment to Technology and Innovation

# Green Packaging

ATRenew has deeply embedded the philosophy of green development into our daily operations, promoting green packaging and recycling through innovative operational models and material applications. We have reduced the use of packaging materials and minimized their environmental impact by carefully selecting packaging materials, implementing innovative packaging solutions, and enhancing packaging recycling and reuse.

In the procurement process, we prioritize selecting environmentally friendly and durable packaging materials to reduce the impact of plastic packaging on the environment. We focus not only on the environmental performance of these materials but also on promoting the standardization, greening, recycling, and reduction of item packaging. Our goal is to maximize resource use and minimize environmental impact.

To help merchants reduce the use of packaging materials, we have launched the OPT Returned Items Packaging Solution. This initiative saves merchants on packing and express delivery costs while reducing packaging material consumption in the logistics process. Additionally, we have introduced the POP consignment project, which extends goods originally limited to B2B sales on the PJT Marketplace to B2C sales on the Paipai Marketplace. This connects B2B and B2C (PJT Marketplace to Paipai Marketplace) sales channels for merchants, shortens the B2C transaction process for sellers on the platforms, reduces packaging material consumption in logistics, and lowers carbon emissions during transportation.

We have continuously improved the recycling and reuse rate of express packaging waste, actively practicing green consumption and circular economy principles. We established the Consumables *Recycling Specification SOP*, which mandates the reuse of cartons that meet certain quality and appearance standards and the reuse of qualified packaging fillers, thereby reducing resource waste. Additionally, we upgraded our operations by introducing advanced automation technology, enabling automated packaging processes and improving efficiency. In 2023, we established sealing bag facilities, optimized the decision-making on their use, and reduced their use for low-value items, ultimately eliminating more than 1,180,000 sealing bags. These efforts contribute to building a sustainable society.

Green packaging and recycling Amount of packaging fillers reused in B2B business





Green packaging and recycling Number of packaging materials recycled and reused in B2C business

192,000 units



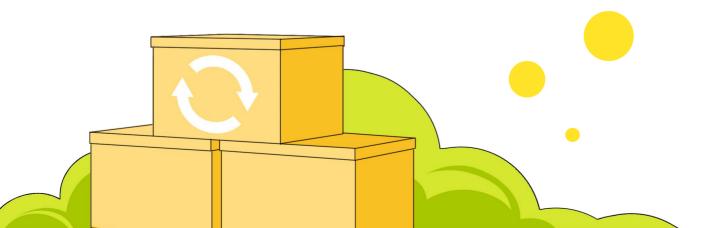
Through technological innovation and careful selection of contractors, ATRenew actively engages in green practices within the logistics sector, aiming to reduce the environmental impact and energy consumption of product recycling and transportation in both upstream and downstream segments.

To reduce carbon emissions during goods distribution, we prioritize logistics providers with industry-leading environmental and climate performance. Our main logistics contractors, SF Express and JD Logistics, have both obtained ISO 14001 environmental management system certification, ensuring their compliance with environmental laws and the effectiveness of their environmental management. We collect and calculate statistics on the carbon emissions (Scope 3 - upstream and downstream transportation and distribution) generated by logistics companies and the consumption of packaging materials involved. This data serves as a basis for forecasting carbon emission reduction across the industry chain in our future operations.

# **Green Disposal**

ATRenew strictly complies with waste treatment and disposal laws and regulations in all regions where we operate, emphasizing comprehensive lifecycle management of our products. We take the heavy metal pollution caused by discarded mobile phones and other electronic products seriously, and take responsibility for their end-of-life disposal. To achieve this, we partner with qualified thirdparty recycling operators to carry out environmentally friendly dismantling of recovered devices that have quality defects or are outdated and have no market value. We further classify, recycle, and reuse the dismantled metal materials to meet national green development standards. This initiative not only reduces the environmental hazards caused by heavy metals in electronic products but also enhances resource utilization.

	Indicator			
		Number of devices dispo 20	osed of in a gree 023	
	Waste Management		Gold	
		Reduction in heavy metal contamination	Silver	
			Сорре	
			Palladiu	
		Reduction in e	-waste pollution	



	2023 Unit		
en way in	111,700	Unit	
ł	0.61	kg	
er	4.29	kg	
er	5,149.08	kg	
ium	0.02	kg	
	17.83	Tonne	

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Improved Corporate Governance

# **Green Office**

Report

ATRenew actively practices the philosophy of green and low-carbon development by implementing green office strategies to reduce office energy and resource consumption. We leverage our unique capabilities by installing intelligent self-service recycling machines for the recyclables in our office areas, encouraging employees to raise recycling awareness and develop good recycling habits. This initiative integrates the philosophy of green development into their daily work and lives.

To create a greener office environment and raise employees' awareness of environmental protection, we have formulated the following energy-saving and emission-reduction measures in our routine operations:

#### Air conditioning management in the workplace

During working hours, the office building property manages centralized control of AC temperatures, and individual air-conditioning systems within the Company are turned off to save energy. During non-working hours, independent air-conditioning systems can be used in specific areas as needed. Employees working overtime can apply to the Administration Department for this purpose.

#### Implementing paperless office

In 2023, we introduced the invoice cloud function in our reimbursement OA system to streamline the reimbursement process. This initiative makes the process more convenient and efficient, eliminating the need for printing paper receipts and documents, and thus reducing paper consumption.

#### Adopting water-saving facilities

In 2023, we installed two sets of water purification equipment in our operation center office premises, replacing the original bucket water facilities. This initiative allowed us to set and successfully achieve our target of controlling water consumption within 1.5 kilotonnes per month

#### Ē Building staff canteens

To reduce the use of disposable takeaway packaging, ATRenew has launched the "ATRenew Staff Lunch Service" for employees, replacing disposable tableware and packaging with reusable options. The canteen offers a variety of nutritious dishes, including both meat and vegetables, and allows employees to weigh and pay for their meals to avoid food waste. We also regularly survey employee satisfaction with the canteen through questionnaires to make timely adjustments and improvements.

#### Encouraging low-carbon business travel

The Company implements a strict approval process for travel orders to minimize unnecessary travel. We use a travel management platform to control costs in a unified manner, eliminating the need for employees to pay travel expenses upfront and then seek reimbursement with printed documents. We encourage employees to prioritize high-speed rail over air travel to reduce greenhouse gas (Scope 3) emissions associated with business travel, promoting lower carbonintensity travel options.

#### Promoting environmentally friendly products

ATRenew partnered with Tesla to launch the "ATRenew & Tesla Car Purchase Discount Exclusive Project," offering employees corporate discounts on Tesla vehicles. Additionally, the charging stations in our office parking areas provide convenience for employees commuting by electric vehicles. In addition, we promote environmental protection by offering a series of eco-friendly customized gifts, such as RPET backpacks made from recyclable materials, coffee grounds cups, DuPont paper computer bags, concrete wireless chargers, and cooling tech cloth masks.

Indicator		2023	Unit
Energy Management	Electricity consumption	6,440,419.44	kWh
Water	Water consumption	16,879.85	Tonne
	Water consumption - municipal water	16,010.41	Tonne
	Water consumption - bottled water	869.44	Tonne
Management	Water intensity	1.30	Tonne/RMB 1 million
	Sewage discharge	13,503.88	Tonne
	Sewage discharge intensity	1.04	Tonne/RMB 1 million
Waste Management	Amount of non- hazardous waste (office waste) discharged	31.99	Tonne
	The amount of recyclables collected	551.46	Tonne

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Green Consumption**

About This

Report

ATRenew actively promotes green consumption and advocates for an environmentally friendly lifestyle. We collaborate with various partners to popularize the philosophy of green consumption and promote eco-friendly products through a variety of ways, such as online activities, on-site thematic meetings, and recycling projects. We showcase our achievements and philosophies to the public, guiding them to practice green consumption, convey social values, and contribute to the development of the circular economy. Additionally, we actively participate in exhibitions to raise public awareness of green consumption and offer innovative green consumption ideas, strongly promoting the overall development of the green and circular economy.



#### Case ATRenew actively participated in the Shanghai "May 5 Shopping Festival"

ATRenew actively participated in the 4th Shanghai "May 5 Shopping Festival" organised by the Shanghai Municipal People's Government in 2023. We successfully drove real-economy consumption through online traffic, and increased consumption and potential. In addition, we participated in the "Green Consumption Season," a special event of the festival, and made a declaration as an enterprise representative of the industry at the opening ceremony of the event.

Through our participation in the "May 5 Shopping Festival" and the "Green Consumption Season," we have successfully promoted the consumption recovery and potential, and brought new consumption patterns and experiences to the public. At the same time, we have actively developed a low-carbon recycling model, leading a new trend of green and low-carbon living and contributing to the building of a sustainable society.



Our poster of "May 5 Shopping Festival"

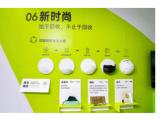
#### Case | ATRenew participated in green exhibitions and contributed to cities' green development

As an active promoter of low-carbon living and green consumption, ATRenew participated in various important events such as the first national-level Carbon Expo, China Brand Day, Shanghai "May 5 Shopping Festival" and Shenzhen (International) Urban Environment and Landscape Industrial Exhibition. On these occasions, we communicated key philosophies of the circular economy, green consumption and green cities to the public, aiming to raise public awareness of environmental protection and encourage a more environmentally friendly and low-carbon lifestyle.

We advocate waste reduction and recycling and encourage the use of environmentally friendly products to minimise damage to the environment. Our goal is to make more people aware of the importance of environmental protection so that they can actively engage in low-carbon living and green consumption, and work together contribute to building a better homeland.



 ATRenew participated in the first nationallevel Carbon Expo and was selected into the first Carbon Expo Case Collection



 ATRenew participated in Shenzhen (International) Urban Environment and Landscape Industrial Exhibition



Case ATRenew participated in the "Green Plan" to create a low-carbon consumption experience

In 2023, ATRenew actively participated in JD's "Green Plan" to enhance the public's enthusiasm for green consumption through the launch of trade-in services and online and on-site environmental activities.

We provide diverse services for consumers, and facilitate the public's participation in green consumption through the "recycling + trade-in" service. Meanwhile, we have launched a wide range of consumer products, with more than 90,000 products available and a full coverage of the environmentally friendly marks. Through our communication and cooperation with JD, we have achieved multi-scenario interaction with consumers and raised public awareness of green consumption.



In 2023, we continued our efforts to account for and disclose individuals' carbon emission performance. At the end of the year, PJT Marketplace released an annual report to our merchants on our App, which visually displayed their annual transaction volume and reduced carbon emissions. This initiative not only raises platform merchants' awareness of their contributions to carbon emission reduction and their sense of honour, but also strongly guides users to lead a green and low-carbon life and develop consumption habits, and strengthens society's awareness of energy saving, emission reduction and green development.



ATRenew is committed to integrating the philosophy of environmental protection into the daily lives of citizens and making green consumption a new fashion. Therefore, we partnered with Dingdong Maicai to launch an innovative eco-friendly campaign. During the campaign, when users in Shanghai dropped off recyclables at the recycling machines of AHS Recycle, they had the opportunity to earn "Dingdong Coupons," which can be deducted when paying for Dingdong Maicai groceries. Through cross-sector cooperation, ATRenew provided practical benefits to users who participated in recycling, increased the motivation of citizens to participate in environmental protection actions, and allowed them to enjoy the fun of green consumption while contributing to environmental protection, and promoting the popularity of the green consumption philosophy.

# PJT Marketplace released an annual transaction report to merchants, helping users raise



PJT Marketplace's annual report interface

<u> 叮咚! 买菜</u> 福利随机道 

ATRenew and Dingdong Maicai collaborated campaign poster

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Green City**

About This

Report

LOVERE is a green urban industry chain business incubated and invested in by ATRenew. Its "Internet + garbage sorting" model leverages technological innovation to drive efficient operations. We transform the traditional "dirty, messy, and poor" scavenging industry into a market-oriented, standardized, and tech-driven manner. LOVERE provides residents with one-stop service stations for recyclables classification, delivery, and points exchange. By offering simple and convenient recycling services through an Internetbased intelligent trading system, standardized rubbish removal, and end-of-pipe treatment, LOVERE effectively reduces domestic waste at the source.

To promote recycling and enhance residents' sense of achievement in environmental protection and enthusiasm for waste classification, LOVERE launched the "One Decibel Plan" in 2023 in collaboration with various certified B corporations. This initiative includes a series of green public welfare actions such as resource recycling, environmental protection and regeneration, and environmental public welfare activities. Residents can participate in the "One Decibel Plan" by dropping off recyclables at intelligent self-service recycling machines, thereby contributing to environmental protection through their actions. The profits generated from these recyclables are used to install eco-friendly public facilities in the community, recognize individuals who excel in waste classification, and support disadvantaged groups. Through the installation of recyclable public facilities and the implementation of environmentally friendly, animal friendly and earth friendly projects, LOVERE provides green care for special populations, creates green and low-carbon spaces, and raises public awareness of environmental protection in various community and non-community settings. The "One Decibel Plan" allows community residents to experience the benefits of waste classification, transitioning from low-value to high-value development, and turning waste into visible and tangible "physical objects" that serve residents. LOVERE has installed 556 environmental regeneration facilities in 423 communities across 12 cities nationwide, with over 45,000 residents participating and generating 2.25 million recycling deliveries.



#### In 2023

Number of intelligent self-service recycling machines cumulatively installed by LOVERE

21,038 units



15 million

LOVERE's annual recycling volume

410,000 tonnes

Number of environmental regeneration facilities installed by LOVERE

556 units



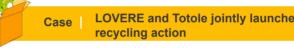
From March to November 2023. LOVERE and Tetra Pak jointly carried out the "One Decibel Plan" in 38 communities in Shanghai and Xiamen by making 40 leisure benches out of milk cartons and beverage cartons collected from the communities and installing them into these communities. to further enhance the sense of achievement of environmental protection and motivation of residents in waste sorting. In addition, the two companies are working on milk carton sorting in 13 cities, including Shanghai, Xiamen, Chengdu, Jinan and Wuhan, to make further refinement.





Milk carton recycling in communities

Leisure benches



From April 2023 to February 2024, LOVERE and Totole jointly carried out the "One Decibel Project" to recycle low-value plastic flexible packaging in the community, used it and recycled clothing fibres to make 85 leisure benches, and put these benches into more than 60 communities in Shanghai and Chengdu. This effort ensured the reduction, resourcefulness and harmless treatment of plastic flexible packaging waste





+ Flexible plastic packaging activity in communities

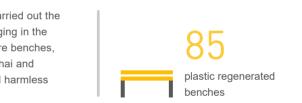


#### Case LOVERE and Tetra Pak jointly launched a community milk carton recycling action





#### LOVERE and Totole jointly launched a community-based flexible plastic packaging





Regenerated eco-friendly plastic benches

About This Report

Letter from Honours in the CEO 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation



LOVERE created a low-carbon space based on recycled lunch boxes in Jiaxing Road, Hongkou District, Shanghai, with the local community. The space not only facilitates residents to drop off recycled items and raises their awareness of environmental protection, but also provides a platform for residents to interact and communicate with each other, enhancing the connection between neighbours and the cohesion of the community.

The construction of this low-carbon space has attracted widespread attention, with residents and the media visiting the space in droves. This space enriches the green cultural life of the residents in the community, integrates the lowcarbon philosophy into daily life, and brings environmental protection actions closer to the residents. Its existence not only gets residents closer together, but also strengthens the community's sense of belonging, creating a vibrant and affectionate community environment.



"Low Carbon Space" created by LOVERE and the community



Case LOVERE cooperated with Freshippo to carry out an environmental exhibition

In June 2023, LOVERE and the Shanghai Binjiang Centre Store of Hema Xiansheng jointly opened the "Sustainable Model Supermarket" and "Recycling Environmental Protection Exhibition," bringing products made from recycled waste packaging into the supermarket. The two parties jointly advocate sustainable lifestyles, and inspire environmental protection to be shared and practiced through the fun and youth-oriented communication of the green development philosophy. We put recycled products made from consumer waste such as milk cartons, beverage bottles, paper packaging, laundry detergent bottles and coffee grounds on the shelves to attract the public to learn about the "consumption-recycling-regeneration" cycle behind them. Through the zerodistance "touchable" environmental protection value, we raised the awarenwss of classification action after consumption. This event is also an extension of LOVERE's "Use from the Useless" environmental exhibition to the circulation scene.



Photo of the environmental exhibition

50

#### Case LOVERE worked with a community to create a "Low Carbon Space" in the community



# Customeroriented Quality Control

ATRenew places product quality at its core. We have developed a comprehensive, customer-oriented product quality control and service system that covers the entire life cycle, including collection, quality inspection, refurbishment, and sales. We continuously optimize supplier and merchant management and establish effective customer communication and feedback channels to protect the rights and interests of all stakeholders. Additionally, we have rolled out initiatives from multiple dimensions to make our premium products and services accessible to more user groups, enhancing consumer and merchant recognition of our brand value.

#### **Our performance:**

- Matrix 3.0 quality inspection accuracy up **10%**, and inspection efficiency up **50%**
- Second-hand devices legally refurbished: 496,035
- Multi-category recycling business underpinned by 252 stores across 27 cities
- Complaint resolution satisfaction rates of C2B, B2B, and B2C: **98.38%**, **98.16%**, and **92.90%** respectively
- iCleanMaster received verification of ADISA
- Paipai Marketplace merchants receiving training: 2,186, and average training hours: 4
- PJT Marketplace merchants receiving training: 5,621, and average training hours: 7.5

#### **Our actions:**

- Upgrading automated quality inspection techniques, and refine the quality inspection guarantee system
- Sestablishing cooperation with Apple Inc in collection and "trade-in" in Chinese mainland market
- Signing the repair authorization agreement with Huawei
- Introducing a new door-to-door optimizing program in 1st-tier to 5th-tier cities

#### SDGs responded in this chapter:



#### Material issues involved in this chapter:

- Product Governance
- Oustomer Responsibility and Service
- ♦ Information Security and Privacy Protection
- Responsible Supply Chain

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Environmental and Social Impact of Products and Services



# **Product Quality Control**

About This

Report

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ATRenew is dedicated to becoming a trusted enterprise. We emphasize spreading the concept of "clear and transparent quality inspection," assuring both buyers and sellers. We continuously establish and maintain a robust product quality system and enhance our quality control capabilities. To improve product quality control, ATRenew has developed comprehensive standards for the full life cycle of product quality management, covering collection, logistics, quality inspection, value-added services, and sales. These standards include the *Product Quality Standard Catalog* and *Standards and Testing Items of Quality Inspection*. Additionally, we have established and practiced quality inspection standards, grading, and procedures for non-standard products, along with a robust after-sales system. In 2023, we issued our *Responsible Marketing Policy* to protect consumers' right to know. We also focused on upgrading automated quality inspection techniques to minimize potential issues caused by subjective factors, ensuring the second-hand consumer electronics industry develops on a transparent, standardized, and professional basis. Notably, we obtained the ISO 9001 Quality Management System certificate.



We have developed a nationwide offline store network that utilizes multiple channels to collect secondhand devices. We identify devices from unknown sources and employ privacy protection and data-wiping tools to ensure information security. We have established uniform and standardized criteria for grading product quality and advocate for automated quality inspection to ensure effective assessment, enabling more accurate grading and pricing of products.

We guarantee the legal and compliant traceability of all refurbished devices, ensuring that refurbished parts comply with national certification standards. We clearly describe any replaced parts and offer comprehensive after-sales and maintenance services. Each second-hand product comes with a transparent quality inspection report, detailing product specifics, and we implement a robust after-sales quality guarantee mechanism to ensure a satisfactory transaction experience for consumers.

# Reliable Recycling

#### **Origin Control**

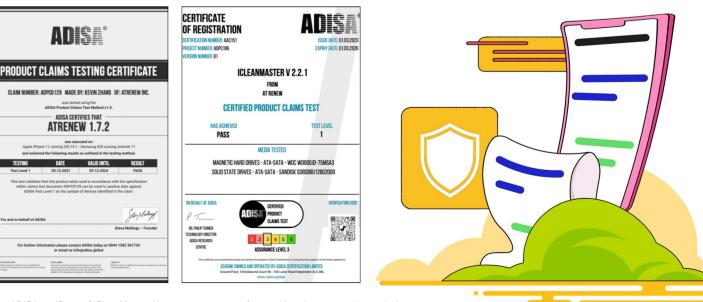
ATRenew adheres to strict requirements for device sources, ensuring effective control of their origins while collecting devices from diverse channels. Specifically, we check the general information of devices and reject those with unknown serial numbers or abnormal factory settings. Additionally, we maintain high vigilance by verifying customer identities and refusing products with information inconsistent with user identity or that pose risks of privacy leaks.

#### **Privacy Protection**

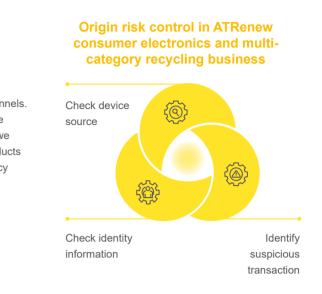
ATRenew independently developed the multi-drive privacy erasure system, iCleanMaster. This system has been ADISA-certified, recognizing its advanced data overwriting and erasing technology. iCleanMaster supports numerous international mainstream wiping standards and is applicable to various electronics, including phones, tablets, laptops, desktops, and hard drives. It is designed to eliminate the possibility of malicious data recovery, effectively preventing user privacy breaches and data security incidents at their source.

In 2023, ATRenew was proud to be designated as a collection partner of Apple. Devices collected from Apple's official website or offline stores are first subjected to privacy erasure in specialized areas of our AHS Recycle operation centers. These areas follow stringent management requirements for space layout, permissions, and internal procedures. Devices that do not have their privacy data completely erased are not allowed to proceed to quality inspection or any other stages. If privacy wiping fails, the devices are sent to disassembly providers assigned by Apple to ensure they are not disassembled, have components replaced, or sold by third parties.





+ ADISA certificate of iCleanMaster (data erasure system of second-hand consumer electronics)



#### **Compliant Quality Inspection**

#### Systematic Quality Inspection

We provide third-party merchants with unified quality inspection standards and tools to ensure consumers receive services of consistent standards and value.

Self-operation End

We have worked out a catalog of quality inspection standards targeting at non-standard products, including 34 testing items such as startup status, call, fingerprint, and charging functions.

Based on inspection results, the quality of used mobile phones (except discarded ones) is classified into a maximum of 36 quality inspection grading tiers.

We give third-party merchants access to quality inspection standards, empowering their inspection capabilities, to allow consumers to enjoy products and services with equal standards. This will effectively build consumer trust.



We have established a transparent quality inspection standard transmission mechanism to help thirdparty merchants quickly learn. Thus, the stable and effective transmission of various standards can be achieved, and their quality inspection capabilities enhanced.

We have developed and provided a new portable intelligent quality inspection tool called "Device Hero" for a wide range of small and medium-sized merchants. This tool is able to check hardware replacement, maintenance, functions, and battery life of pre-owned iPhones, as well as key functions of second-hand devices. After data is loaded, it provides a real-time quote and can issue a quality inspection report equivalent to the official one. It helps merchants efficiently make quality inspections and pricing.



Device Hero boasts two major features, namely intelligent quality inspection of second-hand phones, and inventory and sales management. It enables merchants to collect, inspect, manage, and sell pre-owned devices effectively. As of the end of 2023, the number of registered users has topped 198,000.

#### Collection

This tool empowers assistants in retail stores to inspect device quality more easily, and introduces real-time bidding to offer consumer electronics stores reference collection prices.

#### Quality Inspection

This tool is equipped with a new service of PC inspection, and better search function, which caters to more application scenarios, and improves matching between ports/search results and standards. Thus, it advances automated quality inspection.

#### Inventory Management

This tool has two new functions, auto exporting of PJT Marketplace orders and that of retail collections, allowing users to manage inventory effectively.

#### Sharing Sales

This tool is additionally developed with PJT Marketplace POP and strengthen source management efficiency.





57

Honours in 2023

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

#### Automated Quality Inspection Upgrade

To ensure consistent implementation of quality inspection standards, ATRenew has pioneered the introduction of an automated quality inspection system, transitioning from manual to automated inspections. We have developed and upgraded the fully automated quality inspection line, "Matrix 3.0", which enables automatic collection, conveyance, inspection, sorting, and storage. This system minimizes human interference and errors from subjective judgment, resulting in more accurate product grading and pricing.

"Matrix 3.0" seamlessly integrates several automated steps, including unpacking, X-ray scanning, App installation, function testing, deep cleaning, and appearance quality inspection. Leveraging information networks, it combines automated inspection, precise positioning, and robotic assistance to create an intelligent, digitally managed system. As of the end of 2023, the inspection accuracy rates of the "007" system, "Camera Box" and "Camera Magic Mirror" have been higher than those of manual inspections.

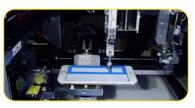




"Matrix 3.0" automated quality inspection system 

We continuously align with market demands and promptly respond to business changes by optimizing our quality inspection system and software. In 2023, we launched the "Structured and Objective Presentation of Automated Quality Inspection Results" program. This initiative uses image algorithms to present inspection results as parameters and provides an operable software regulation tool, enabling standardized and consistent quality inspections.

#### Examples of ATRenew back-end automated inspection functions





Auto test of hardware functions

"007" module

#### **Quality Inspection Guarantee System**

To effectively enhance manual inspection performance, ATRenew has formulated a random inspection strategy to meet quality inspection accuracy requirements. Independent random inspection teams are responsible for randomly inspecting items that have undergone quality inspection in operation centers to verify compliance with quality standards and prompt necessary improvements.

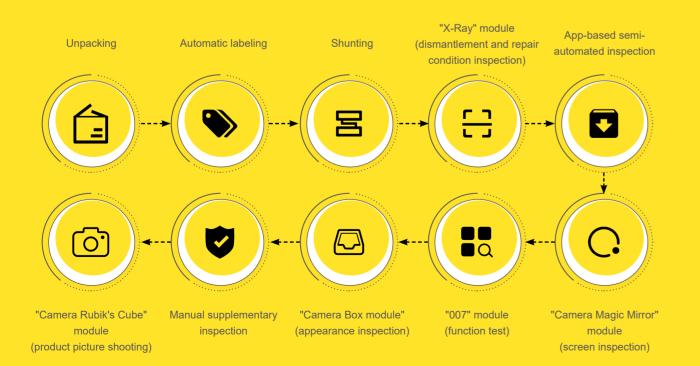
As of the end of 2023, random inspections were fully implemented across warehouses in all operation centers nationwide, and a remote random inspection system for operation stations was in development.

#### Random inspection technological input



During the reporting period, ATRenew updated the Rules for Deductions Due to Quality Problems and Incentives. This document reinforces accountability for high-risk inspection items and introduces quality solutions, such as Lighthouse Program (The system automatically warns employees of error-prone points to assist them in improving quality inspection accuracy) Additionally, we introduced a quality control system (QCS) and developed quality strategies to more precisely manage quality inspection performance.

#### Dongguan "Matrix 3.0" for procedures integration



Customer-oriented Quality Control

Commitment to Technology and Innovation

## Value-added Services

About This

Report

The refurbishment of second-hand consumer electronics is an effective way to promote resource recycling. However, this rapidly growing sector faces compliance risks related to product quality and security, environmental protection, trading transparency, and consumer rights. To regulate the development of the refurbishment sector, the State Council's Action Plan for Promoting Largescale Equipment Renewals and Consumer Goods Trade-ins mandates standardized trading of second-hand consumer electronics to prevent user information leaks and malicious data recovery. Additionally, the Criminal Compliance Guidelines for Intellectual Property Rights in the Electronics Refurbishment Industry, published by the People's Procuratorate of Shenzhen, emphasizes enhancing practitioners' awareness of prevention, addressing industry issues, and helping the refurbishment sector build capabilities to manage and mitigate operational compliance risks.

In response to policy directives, ATRenew has actively aligned its internal business operations with the provisions outlined in these documents. We have launched our "Compliant Refurbishment" strategy to provide value-added services to customers. Our key priorities include ensuring legal origins, providing clear product descriptions, maintaining general repair standards, guaranteeing quality, and offering explicit information to users. Following these principles, we have implemented rigorous compliance management across various areas: controlling suppliers who provide replacement parts, ensuring maintenance quality, disclosing refurbishment information to users, guaranteeing after-sales service, using accurate promotional language, and adhering to industry standards.

#### In-house regulations and management measures of "Compliant Refurbishment"



All devices to be refurbished require compliant and legal origins that are traceable.

Parts to be refurbished shall comply with national certification standards, come from independent brands and trademarks, and meet the requirements of third-party brands and quality standards.

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#### Refurbishment

We engage in screen and battery replacement, as well as screen polishing and other appearance recovery services.

Truthful description In sales, clear and detailed

quality inspection reports are required to provide truthful description of all replaced parts for consumers.



#### After-sales guarantee

After sales, a 365-day-warranty is promised for products and for their replaced parts.

In 2023, we enhanced our compliant refurbishment operation capabilities across our major warehouses nationwide and signed a repair authorization agreement with Huawei, offering users more refurbishment options. We conducted compliance refurbishment to 496,035 second-hand devices, generating RMB 810 million in revenue from our self-operated refurbishment business.



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Generating RMB 2 million

in revenue from our self-operated refurbishment business



Compliant refurbishment site

Social Responsibility for Co-development

Appendix





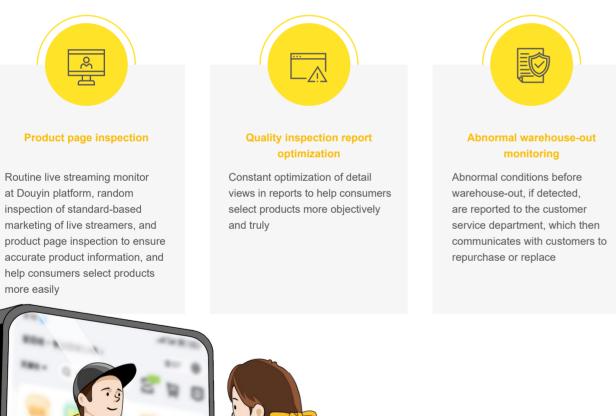
# Responsible Sales

ATRenew continues to standardize and optimize our service processes to enhance user experience. We have intensified efforts to ensure authentic product information, improve after-sales quality guarantee policies, protect the after-sales rights and interests of users, and open up after-sales channels. These initiatives aim to improve our platform services and increase user recognition and trust in the ATRenew brand.

#### **Transparent Quality Inspection Information**

ATRenew is committed to providing real and accurate product information. To achieve this, we have implemented the "one quality inspection report for one product" approach, giving consumers detailed insights into product quality and attributes. We have also developed efficient, equitable, and transparent merchant management mechanisms. In 2023, we introduced stricter product quality measures before transactions, including product page inspections, quality inspection report optimization, and abnormal warehouse-out monitoring, to ensure customers receive objective and accurate product information.

#### Quality inspection guarantee of products from Paipai Selection



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#### **Reliable After-sales Warranty**

ATRenew has formulated after-sales policies to protect the legitimate rights and interests of users. These policies are presented on our public account platform, making them easily accessible for users to quickly look up and understand. Our after-sales policies are as follows:

#### After-sales policies of Paipai Selection and PJT Marketplace

Paipai Selection

- 1-year warranty, and 7-day free return
- [Beyond 7 days, but within 1 year] Support 1-year repair service in stores (mail for repair, or visiting repair in some cities)
- [Beyond 1 year] or [man-made damage] Support paid repair
- Battery replacement program for "RERE Refurbed" labeled products: Replace batteries once within 1 year for "RERE Refurbed" labeled products (provided battery efficiency is less than 85%)

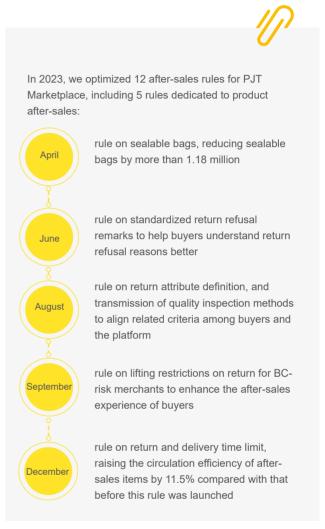
#### PJT Marketplace

- 6 major policies: PJT Marketplace After-sales Specifications and Rules for Buyers, Platform After-sales Process, Limitations on After-sales Services, Detailed Instructions on Claiming After-sales Services, Penalties for False Returns, and Restrictions on Returns for Type B/C Buyers
- POP model: review of device returns, regulations on seller responsibilities and seller complaints

#### Protection of After-sales Rights and Interests

Disputes in second-hand B2B transactions often occur due to issues with documentation or evidence, such as malicious package exchanges, non-standard video recordings, and failure to link video evidence to orders. To tackle these problems, ATRenew has developed an intelligent video forensics system for product verification. This system ensures that each transaction is supported by easily accessible documented evidence, protecting the rights and interests of users. Our intelligent video forensics tool matches each product with its item number or tracking number. When the order code or item number is scanned, the unpacking video is automatically uploaded from cloud storage, and the system retrieves the corresponding video. This prevents fraudulent video manipulation, a common issue in the traditional pre-owned device market.

In our B2B business, we offer merchants a no-hassle return policy and an unpacking-free after-sales video service. These services make it easier for buyers to access after-sales support and reduce the costs associated with quality inspection and forensics after delivery.



Report

B2C business (Paipai Marketplace)

Number of trained merchants

2.186

Improved Corporate Governance

Average training hours for merchants

Ξlì

Green Development through Circular Economy

practices.

collaboration with our suppliers.

Supplier Selection and Access

Customer-oriented Quality Control

**Supplier Management** 

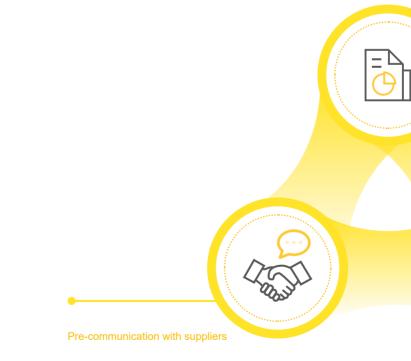
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# **Responsible Supply Chain**

A sustainable supply chain system is crucial for the long-term development of an enterprise. ATRenew practices sustainable development in supply chain management, focusing on key aspects such as performance appraisal of suppliers and merchants, and risk management. Our goal is to create a stable, superior, efficient, and mutually beneficial supply ecosystem.



# in supplier access. ATRenew pre-assessment mechanism of indirect procurement projects



Communicate with suppliers over key elements such as business process, service quality, payment, and business scale to ensure smooth cooperation.

ATRenew emphasizes mutually beneficial cooperation and operational integrity. We have developed comprehensive supplier management regulations and procedures that cover supplier access, contract performance, assessment, penalties, and elimination. Additionally, we have implemented an audit mechanism to monitor product and service quality during contract performance by suppliers. We are committed to establishing and maintaining a vigorous, transparent, ethical, and sustainable business environment in

ATRenew continually refines its procurement regulations. We have formulated the Procurement Policy of ATRenew and the ATRenew Anti-Bribery Policy to strengthen supplier access qualification reviews. At the access stage, we prioritize assessments of suppliers' basic information, qualification certificates, reputation, supply capacity, contract performance capability, compliance, and employment

In 2023, we introduced a new procurement pre-assessment mechanism to facilitate communication with suppliers. For important procurement projects, the Group procurement department collaborates with technical, legal, financial, and internal control departments to conduct comprehensive assessments and select suppliers based on business cooperation plans. This approach enhances risk control

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#### Market pre-survey

Research the market situations of various products sufficiently assess the scale and contract performance of suppliers thoroughly, and have a full picture of ATRenew's current capacity and strengths.

#### Risk pre-assessment

Communicate with competent departments over risk assessment, and refine procedures of requests for quotation, and targeted procurement to ensure compliant and efficient procurement.

About This Report

Improved Corporate Governance

Commitment to Technology and Innovation

#### **Supplier Assessment and Elimination**

ATRenew has implemented a closed-loop supplier management system, covering all stages from supplier access to elimination. During cooperation, we conduct performance appraisals every six months, evaluating suppliers based on lead time, price, quality, and service, using specific, clear, and quantitative assessment criteria established by our business departments as outlined in our procurement policies.

We have also established and upgraded our supplier elimination mechanism. If suppliers fail to meet our requirements or have a negative environmental and social impact, we initiate elimination procedures. This process involves communicating with underperforming suppliers about the issues and providing opportunities for rectification. If necessary, we terminate cooperation with them. By introducing both incentive and elimination mechanisms, we aim to foster a harmonious and stable supply chain in collaboration with our partners.



Case ATRenew raises high requirements for its suppliers of refurbishment business

We have expanded our value-added services, including refurbishment involving the replacement of batteries and screens, which requires suppliers to provide higher-quality products. To ensure this, we have developed targeted policies to review and manage supplier qualifications, specifying the following requirements for suppliers and their products:



In addition to reviewing basic qualifications, delivery quality, and service capabilities, we assess whether suppliers own any trademarks, have obtained brand certification, and are involved in any trademark-related IPR litigation.

Due to the high compliance requirements and potential infringement risks associated with the refurbishment business, we do not cooperate with suppliers involved in patent and trademark-related property litigation.

#### For products

In addition to basic quality and warranty, we focus on:

- Ownership of trademarks;
- · Compliance with international and industry standards, verified by professional testing institutions and CMA certification reports;
- Traceable codes linking products to their production and inspection batches;
- · Passing 14 specific test items, including product performance, display, compatibility, and sensitivity;
- Providing a one-year warranty and having rapid response procedures in place.

# **Merchant Management**

Platform merchants are both ATRenew's customers and vital channels for delivering our value. Recognizing this, we understand that improving the management of these merchants is crucial for advancing our brand development and creating a healthy industry ecosystem. To achieve this, we regularly assess merchants at three stages: entry, daily operations, and exit. These assessments ensure that merchants maintain operational compliance and product quality, enhancing user experience and boosting ATRenew's commercial and social influence.

Management Stage	Management Item	Detail	Merchant
	Entrance qualification inspection	<ul> <li>Verify business licenses, legal and valid sources of goods, and ensure no infringement of others' intellectual property rights</li> </ul>	Paipai Marketplac merchants
Entry Management		<ul> <li>OPT merchants: Require real-name authentication before supplying goods;</li> <li>POP merchants: Only excellent OPT merchants can apply to upgrade to POP status. This process includes checks of transaction history, assessments of quality inspection capabilities, and field visits by the sales department.</li> </ul>	PJT Marketplace merchants
	Training and assessment	· Online training and assessment for new merchants	Paipai Marketplac merchants PJT Marketplace merchants
Daily Management	Product review	<ul> <li>New merchant sellers of consumer electronics shall send the goods to ATRenew's operation centers for quality inspection before obtaining verifications of equivalent inspection capabilities in three months; vintage liquor sellers shall send products to specialized institutions for product inspection;</li> <li>Dual review combines automatic screening with manual research and evaluation;</li> <li>Dedicated third-party testing centers are employed to conduct secret shopping exercises and random inspections of platform merchants' products.</li> </ul>	Paipai Marketplac merchants
		<ul> <li>Items from OPT merchants: sent to operation centers for quality inspection by FQC quality teams in centers</li> <li>IItems from POP merchants: Products launched receive random inspections to assess the supply quality.</li> </ul>	PJT Marketplace merchants
	Merchant grading	<ul> <li>Platform grades merchants into six tiers, from L1 to L6, based on merchants' transaction volume, and service and marketing capabilities. The platform also grants certain rights to merchants based on the quality of their products and customer reviews. The platform aims to advance the grading tiers of merchants with specific assistance.</li> </ul>	Paipai Marketplac merchants
		<ul> <li>Grade merchants from V1 to V5 according to transaction volume, with special rights and benefits for each grade;</li> <li>Establish gray lists and blacklists for high-risk merchants;</li> <li>Update the reputation score algorithm, and improve the reputation policy.</li> </ul>	PJT Marketplace merchants

About This Report

Letter from the CEO

Honours in 2023

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

# **Service Excellency**

As a commercial and technological platform serving millions of users and thousands of corporate customers, ATRenew is dedicated to offering proactive, excellent, and warm services. During the reporting period, we leveraged professional service processes and platforms and optimized our response speed to enhance customer experience and satisfaction.

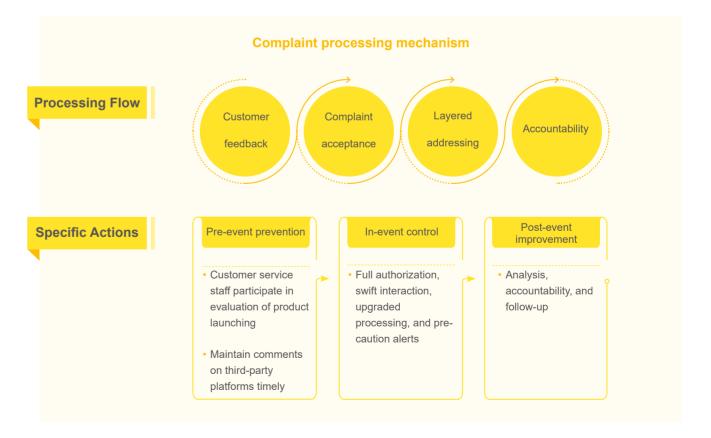
#### Communication with Customers

We have proactively established brand channels through JD.com, the official AHS Recycle website, phone brand partners, Douyin, and Xiaohongshu. Additionally, we have set up multiple communication channels, including telephone, email, and live broadcasts, to quickly respond to customers' problems and provide consulting and troubleshooting services.

Customers can reach us through online customer service from 9:00 to 21:00. Our customer service staff are required to assess and respond to customer inquiries within 30 seconds, assisting with pre-sale, in-sale, and after-sale issues.

#### **Complaint Processing**

ATRenew places great importance on customer complaints, striving to respond quickly, address customer requests promptly, and prevent complaints at their source. In 2023, our processing rate of customer complaints exceeded 99.9%.



Management Stage	Management Item	Detail	Merchant
Daily Management	Performance monitoring, and indicator assessment	<ul> <li>Monitor merchant activities and product quality daily through after-sales data, return data, and product comments to identify risks;</li> <li>Evaluate 5 dimensions: customer service consulting, after-sales service, logistics performance, transaction disputes, and user evaluations, and take actions against poorly performing merchants, such as reducing their transaction volume and restricting their activity.</li> </ul>	Paipai Marketplace merchants
		<ul> <li>Implement a risk control strategy to monitor merchants' activities daily and identify fraud risks.</li> </ul>	PJT Marketplace merchants
	Merchant training	<ul> <li>Conduct offline and online training sessions (on platform rules and major requirements every 2 weeks).</li> </ul>	Paipai Marketplace and PJT Marketplace merchants
	Penalty against merchants	<ul> <li>Remove prohibited products (involving pornography or violence) from the platform, strictly penalize rule-violating merchants, and issue notices of criticism.</li> </ul>	Paipai Marketplace merchants
		<ul> <li>Impose restrictions on high-risk merchants' rights, including but not limited to activity, inquiry, and advance payment rights.</li> <li>Restrict the supply of goods for merchants involved in serious issues.</li> <li>Strictly penalize rule-violating merchants and circulate notices of criticism.</li> </ul>	PJT Marketplace merchants
Exiting Management	Elimination of merchants	• Calculate a comprehensive score for each merchant using a weighted method based on merchant violations, industrial and commercial complaints, and weathervane ranking. We implement stratified elimination for merchants who rank in the bottom 5% for three consecutive months.	Paipai Marketplace merchants

PJT Marketplace has OPT and POP merchants. Both OPT and POP merchants are eligible to sell second-hand consumer electronics in their stores on the PJT Marketplace. However, OPT merchants must send all products to the operation centers for quality inspection and deliver products to consumers from these centers, while POP merchants are authorized to conduct quality inspection and product delivery by themselves. For these two different merchant types, risk review and monitoring mechanisms have been refined separately in terms of products and operation locations to ensure the operational compliance and product quality of merchants. As of the end of 2023, PJT Marketplace has 596,000 registered and contracted merchants.

Paipai Marketplace works with Paipai self-operated stores and third-party merchant stores. We manage these third-party merchants by evaluating product quality, service levels, and logistics capabilities through entry qualification reviews, quality inspection requirements, quality training, and data monitoring to ensure their operational compliance.



C2B (AHS Recycle)

Resolution rate of

customer complaints

Average resolution time

48 hours

Letter from the CEO

Honours in 2023

ATRenew complaint processing data

B2B (PJT Marketplace)

complaints

Resolution rate of customer

Average resolution time

hours

Introduction to ATRenew

Improved Corporate Governance

B2C (Paipai Marketplace)

Resolution rate of customer

99 98

Average resolution time

31 16 hours

complaints

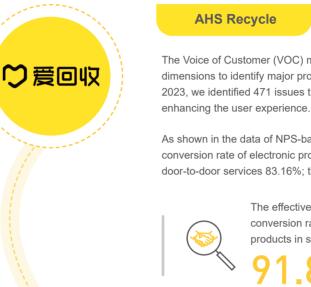
Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

## Satisfaction Survey

To actively identify problems and improve customers' Net Promoter Score (NPS), we collect users' suggestions and insights through a series of customer satisfaction tracking and research mechanisms. These include customer complaint processing satisfaction surveys and non-satisfaction evaluation surveys. Based on the survey results, relevant departments continuously upgrade their workflows according to their specific conditions. Additionally, we conduct internal and external surveys to assess the current service situation and develop targeted, standardized, and feasible training solutions to address the issues identified in the surveys.



**序拍拍** 

**AHS Recvcle** 

As shown in the data of NPS-based omni-channel orders in 2023, the effective NPS-based conversion rate of electronic products in stores reached 91.83%; that of electronic products in door-to-door services 83.16%: that of luxuries in stores 82.04%.



### **PJT Marketplace**

Based on the business process of PJT Marketplace, we have divided the entire collection process into five transaction nodes to enhance user experience. Additionally, we have built a user experience model to facilitate comprehensive analysis by considering actual scenarios, service indicators, and cost estimation (consulting volume, satisfaction, and complaint rate), helping us identify priorities.

In 2023, we identified 503 problems through the VOC model, and addressed 385 problems.



We identified

## Paipai Marketplace

Paipai Marketplace conducts quarterly customer satisfaction surveys covering product quality, shopping process, customer services, product categories, delivery, and after-sales services. The surveys are followed by NPS analysis and breakdown, leading to improvement actions in collaboration with other internal departments to enhance customer experience and foster strong customer relationships.

In 2023, we refined our complaint processing mechanism by adopting hierarchical management for different complaint types and properly assigning professional customer service teams to address complaints. This strategy has significantly improved our processing efficiency, follow-up timeliness, and user satisfaction. In addition to timely complaint processing, we have proposed solutions to high-value complaints beyond

We have also made sustained efforts to expand online dispute resolution (ODR) channels, prioritize external complaints, and achieve amicable settlements. In 2023, we significantly enhanced our processing efficiency for government-related complaints, reducing processing time by 32%.

expectations through internal discussions, thereby increasing user trust and satisfaction.



 2023 Excellent Unit Granted by Baoshan District (Shanghai) Consumer Council

In 2023, we were devoted to stepping up after-sales service capabilities, practicing fine management, and opening up convenient aftersales consulting, right safeguard, and refund channels to address users' worries.

### Paipai Selection after-sales service guarantee

Improve after-sales capabilities

In 2023, Paipai Selection adopted a new exchange policy related to product quality issues. Besides, we made efforts to expand repair coverage in stores, renew the on-site return policy for stores, enable transparent disclosure of service progress, and enhance technical troubleshooting abilities.

We allocated posts dedicated to refund review, comments

and complaints, and puzzling problems for the purpose of

fine after-sales management.

Conduct fine management



The Voice of Customer (VOC) model has been established from business and operational dimensions to identify major problems by analyzing complaints, opinions, and comments. In 2023, we identified 471 issues through the VOC model and addressed 422 of them, significantly

> The effective NPS-based conversion rate of electronic products in stores reached





Electronic products in door-to-door services reached







Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

### Measures of Paipai Marketplace to enhance customer satisfaction

### Survey system

About This

Report

· Collect customer service needs from service data, NPS, field visits, outbound surveys, and industry/competitive product surveys, upgrade customer service capabilities, and improve customer purchasing power and service experience.

### User survey

· Hold bi-weekly customer experience meetings for all business verticals to discuss customer service problems, and optimize operating processes accordingly.

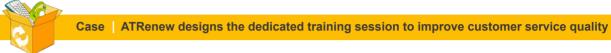
· In 2023, customer satisfaction surveys included NPS quarterly surveys, VOC analysis, and field visits.

### Rectification according to survey output

We have upgraded photography devices, and launched defect charts to rectify user experience problems found in full-category surveys.

• We have improved product page details, after-sales policies, delivery experience, and consulting experience targeting issues related to risk identification and brand recognition.

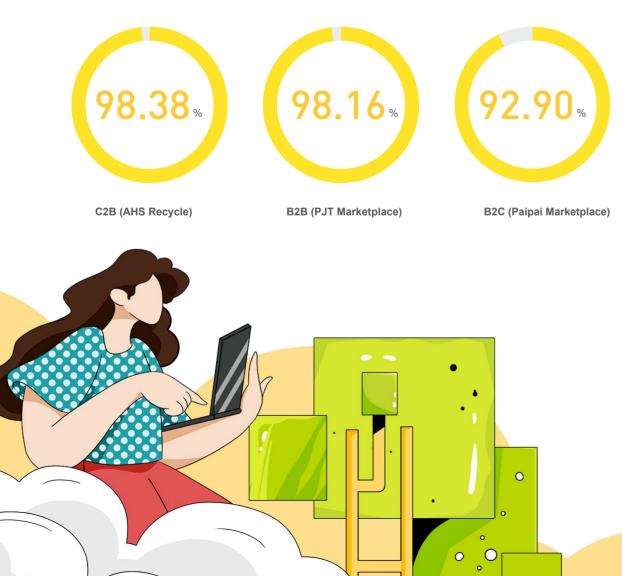
We are committed to organizing customer service training sessions to provide professional and standardized services for a satisfactory user experience. In 2023, our business development department formulated targeted, standardized, and feasible training solutions based on the results of internal and external service surveys.



The training session "7-Step Service+" has been designed for front-line personnel by reference to excellent cases in the industry to enhance customer service experience in our collection business. Following the "peak-end" rule, our personnel are required to welcome customers by making timely eye contact with customers, expressing proper greetings, guiding customers by actions, giving or taking articles with two hands politely, and informing customers of waiting time, and seeing customers out by asking for customer experience, and thanking customer for their coming. These simple but polite welcome and farewell ways will give customers the warm first impression, and satisfactory collection experience.

This training session received 2,944 trainees. After this session, the NPS response rate raised from 3% to 10%; the customer satisfaction rate increased from 90% to 95%; user experience and satisfaction were improved due to our warm services.

### Complaint resolution satisfaction data of business verticals in 2023





Introduction to ATRenew Improved Corporate Governance Green Development through Circular Economy Customer-oriented Quality Control Commitment to Technology and Innovation

## **Product/Service Accessibility**

We believe technological and commercial advancements should be more inclusive, benefiting society as a whole instead of widening the digital divide. ATRenew operates 1,819 AHS Recycle stores across 268 cities in China, along with our self-operated official website, App, and online stores on JD.com. These platforms facilitate the collection and trade-in of second-hand phones, consumer electronics, and other categories, meeting the needs of numerous users nationwide. Through our WeCom account, we enhance user relationships and disseminate collection and trade-in information to a broader audience, ensuring that more users benefit from our services.

### **One-stop Trade-in Service**

ATRenew continues to strengthen its cooperation with e-commerce platforms and consumer electronics enterprises to provide users with more affordable quality product and service options.

AHS Recycle, a business under ATRenew, offers a high-quality one-stop trade-in service in collaboration with JD Retail's Consumer Electronics Business Division. This service provides consumers with safe, convenient, and economical recycling and replacement solutions. When consumers buy new products (such as phones, computers, or digital devices), they can place trade-in orders, and the estimated value of their old products is directly deducted from the price of the new devices. Additionally, replacement subsidies are issued, allowing consumers to pay only the price difference. Once orders are placed, new products are delivered from JD Logistics warehouses to distribution sites. Authorized AHS Recycle engineers then pick up the new products and complete the delivery by bringing the new devices to consumers and recycling the old ones.

In 2023, we increased replacement allowances, issued trade-in coupons, and provided value-added services such as free data migration, data wiping, and screen protector applications to enhance service convenience for our consumers.

### Multi-category Recycling Business

In 2023, ATRenew advanced its "Multi-category Recycling" strategy. Beyond our core second-hand consumer electronics business, we expanded our recycling services to include photographic equipment, bags, watches, gold, prestige liquor, shoes, and clothing in selected stores. This initiative aims to broaden our recycling service coverage and delivery capabilities, meeting the diverse collection needs of our users.



### Partner of Apple Trade In Service

In June 2023, ATRenew proudly became a trade-in service partner for Apple, managing trade-in services for the Apple official website and 47 offline flagship stores in Chinese mainland.

This partnership marks a significant milestone, as we are the first new trade-in partner in Chinese mainland since Apple launched the trade-in service there in 2015, reflecting Apple's recognition of our AHS Recycle competence and service quality. The trade-in service offers users more options and easier access to green consumption. It facilitates the recycling of old electronics, thereby reducing electronic waste pollution and contributing to environmental sustainability.





ATRenew multi-category recycling business

### Luxuries

Establish a remote authentication system, authorize 55 stores to collect luxuries by on-site payment, and increase eligible stores

### Gold

Allocate spectrum analyzers in stores to ensure objective and fair gold collection

### Small appliances

In 2023, we focused on the business of collecting small appliances, such as Dyson hair dryers and vacuum cleaners, as well as Ecovacs robot vacuum cleaners, and would expand product lines to meet increasingly diverse needs of consumers About This Report

Letter from Honours in the CFO 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

## **Door-to-door Optimizing Service**

In 2023, we launched the door-to-door optimizing service program to enhance customer experience. We defined door-to-door service areas based on the density of express orders, increased face-to-face transactions, and strengthened our door-to-door service capabilities. This program now covers 1 to 5-tier cities, resulting in a 25% increase in door-to-door delivery scope compared to the previous period.

In 2023, we expanded our JD.com-based door-to-door service to more cities, increasing coverage from 79% to 94%. This expansion contributes to broader product and service coverage for AHS Recycle. The door-to-door service model shortens transaction times by eliminating the need for express delivery and reduces the consumption of cartons and bubble wrap, making our services more environmentally friendly. In the future, we plan to upgrade our intelligent order assignment and route planning systems to improve delivery efficiency and contract performance. This will allow users in more cities to enjoy timely door-to-door recycling and payment services.



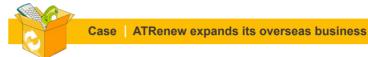
## Case We expand delivery coverage upon user need and order analysis

We have implemented a series of strategies to optimize delivery efficiency targeting our consumers in JD.com. We analyze the densities of population, business areas, and express orders to define door-to-door service areas, increasing the door-to-door delivery scope by 25% over last period. This improvement not only enhances delivery efficiency, but also provides consumers with more convenient service experience.



## **Overseas Business Expansion**

Our international business, AHS Device, is headquartered in Hong Kong, China and extends across Southeast Asia, Latin America, and Africa. In the future, we will continue to empower overseas merchants with our newly proven domestic technologies and platforms. This will facilitate more efficient circulation of second-hand consumer electronics worldwide, extending their service life and promoting sustainable development in growing global markets.



In 2023, ATRenew deepened its cooperation with Swappie, a renowned European platform for the collection and sale of second-hand phones, to facilitate the deployment of self-service recycling kiosks in Sweden. This initiative aims to provide Swedish consumers with more convenient and efficient phone collection services, promoting a green and environmentally-friendly lifestyle.

The first batch of self-service recycling kiosks has been launched in ICA stores in Stockholm, Uppsala, Helsingborg, and Malmo to serve local consumers. This successful collaboration showcases our innovation strength and underscores our profound commitment to environmental protection.



## Friendly Service to the Elderly

ATRenew is dedicated to creating an information-accessible world, especially for the elderly and other special groups. To achieve this, we continually improve our services and establish elderly-friendly service standards to help them navigate the digital world.

In 2023, understanding that delivery via mobile phones can be challenging for many older adults, we launched a dedicated recycling channel for low-value products specifically for the elderly in certain regions. This initiative ensures they can easily access our recycling services without being hindered by the digital divide.

Overseas self-service recycling kiosks

# **Commitment to Technology and Innovation**

Scientific and technological innovation is the driving force behind ATRenew's high-quality growth and core competitiveness in our sustainable development. As an innovator and leader in the second-hand industry, ATRenew places great importance on research and development of scientific innovation, continually increasing investment in scientific and technological innovation. We leverage cross-sector applications and open-source technology to extend the benefits of our innovations to more areas. We are committed to promoting digital intelligence upgrades to enhance operational efficiency across the industry chain while mitigating potential digital risks. Additionally, we strengthen our intellectual property management system to protect the legitimate rights and interests of IPR holders and foster overall improvement in scientific innovation capabilities within the industry.

### Our performance

- R&D investment of RMB 200 million in 2023, 412 full-time R&D staff
- In 2023, there were **46** newly granted intellectual property rights

### **Our actions**

- Regularly organizing internal innovation competitions and providing positive incentives
- Overseas MTA self-service recycling kiosks project: using the same set of algorithm models to support different inspection schedules and business requirements
- Structured and objective expression of automated quality inspection results: delivering an operable structured adjustment tool for effect size
- Developing the data permission management platform and data warehouse governance accelerator, and upgrading the digital quality assurance system

### Material issues involved in this chapter

Technology Innovation and Intellectual Property Protection

### SDGs responded in this chapter



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Customer-oriented Quality Control

Commitment to Technology and Innovation

## **R&D** Innovations

About This

Report

ATRenew's leadership in industry innovation is driven by our rich application scenarios, technology-driven models, and an exceptional team of core technical personnel. As of the end of 2023, we had 412 full-time R&D employees. In 2023, we invested RMB 200 million in R&D for technological advancements and innovations







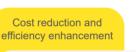
## Internal Technology Innovation Competition

ATRenew promotes both internal and external technical exchanges by regularly conducting submissions and evaluations of independent innovation projects and providing incentives to relevant innovators. This approach encourages the implementation and promotion of practical technologies. In 2023, our Technology Center organized the PK Competition of the Coding Power Alliance Project, which allowed employees from production and research departments to voluntarily form groups and submit projects that support business or optimize and improve technology. This competition fostered technical exchanges and interactions among employees, helping them gain a deeper understanding of different technical fields and sparking inspiration for further innovation.

## Types of the PK Competition of the Coding Power Alliance Project organized by Technology Center

Experience optimization

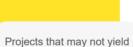
Projects that effectively optimize user experience



Projects related to process optimization, efficiency improvement, and cost saving

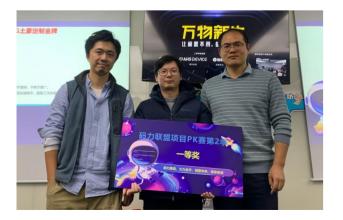


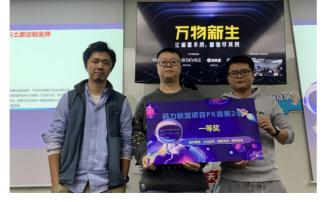
Projects that deal with business pain points and technical difficulties



Capability accumulation

quantifiable value in the short term, but will benefit the organization in the long term





Group photo of the gold medal winner team of the PK Competition of the Coding Power Alliance Project

## **Empowering Overseas Self-service Recycling Kiosks**

The requirements for defect detection accuracy and deduction strategies of self-service recycling kiosks vary among our overseas recycling partners. In 2023, we conducted a research and development project focused on product governance to dynamically control the final output results by managing the recognition accuracy of our algorithms.

Currently, our R&D results have been widely implemented. Many of our overseas customers can now dynamically intervene in the algorithm output through the "defect strategy configuration" module in the backend. This allows them to configure different strategies for various models, effectively supporting different inspection processes and business requirements with the same set of algorithm models.

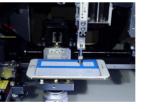
## Upgrading the Digital Quality Assurance System

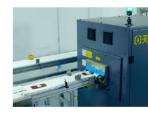
ATRenew employs whole-process digital management and new automation equipment in areas such as conveying, sorting, guality inspection, and storage. In 2023, we upgraded our digital quality assurance system, expanding the range of supported cell phone models and significantly increasing the number of models covered.

## The upgraded digital quality assurance system

"007" System Automatically detecting phone's hardware

"X-Ray" System Photographically identifying whether phone parts have been replaced or disassembled without disassembling it





Newly supported models in 2023 Newly supported models in 2023

A total of supported models

A total of supported models

231

As market demands change, quality inspection standards for cell phones must be updated, requiring upgrades to Matrix's automated quality inspection system to ensure that the automated image algorithm quality inspection results can be aligned with the fast-changing manual quality inspection standards. Our R&D team has developed methods to translate the effect size of manual quality inspections into parameters that can be parametrically expressed by algorithms, innovate and deliver operable software tools, and successfully deliver operable structured adjustment tools for effect size to the business side, so that the algorithms do not need to be re-trained to quickly respond to changes in business standards.

"Camera Magic Mirror" Highly accurately identifying display aging, damaged pixels and other defects

Newly supported models in 2023

"Camera Box" System Automatically detecting small scratches on cell phones based on computer vision



Newly supported models in 2023

A total of supported models

159

A total of supported models

Report

Introduction to ATRenew

Improved Corporate Governance

Commitment to Technology and Innovation

## **Digital Intelligence Upgrade**

Digital technology is delivering collaboration unprecedented in both width and depth to society. Digital intelligence upgrade is crucial for enterprises to boost their competitiveness and drive the entire industry toward greater intelligence and efficiency. Therefore, ATRenew is committed to strengthening its digital and intelligent development. We focus on improving basic data processing capabilities, optimizing digital management, leveraging data and algorithm capabilities, empowering business development, and contributing to the used consumer electronics industry's transition to intelligent, systematic, and large-scale operations.

## **Enhancing Data Permission Management and Basic Data Processing Capabilities**

During the reporting period, we actively improved our data permission management and basic data processing capabilities to ensure more compliant and secure use of data. We also made the governance of our data warehouse more scientific and efficient, further unlocking the value of data.

## **Data Permission Management Platform**

In 2023, we developed a data permission management platform to manage the entire lifecycle of permission rights for "static reports" and "self-service analysis topics". This platform allows data product managers to assign reports or topics to specific departments, with department heads responsible for approving access. It supports authorization transfer, improving the efficiency of permission applications. The platform also sends automated alerts in case of organizational structure changes, notifying the approver to promptly manage backend permissions, thereby enhancing the compliance and security of data processing.



**Approval of permissions** aetting more detailed

From first-level departments to individual reports or topics



Permission management moving from static to dynamic models

Realizing the automation of organizational structure change warning process, so that the approver can manage the authority in the backend at any time



Permission application getting more flexible

It originally only supported individuals, but now allows the granting of permissions at the levels of individuals, user groups and departments, and the same approval order can support the application of multiple reports or multiple analysis topics

## 360 Governance Tools for Data Warehouse Architecture

The data warehouse is central to a company's data management, providing a platform for centralized data storage and analysis. Ensuring the performance and stability of the data warehouse is crucial. To handle the growing volume of data and increasingly complex data tasks, we have developed the 360 governance tools for data warehouse architecture to optimize performance, ensure stable data application, and improve data governance efficiency.

Leveraging experts' early-stage experience and subsequent research on open-source technology, our data warehouse governance accelerator has successfully troubleshooted and optimized all model layer tasks. The implementation of the 360 governance tools for data warehouse architecture has resulted in a 36% increase in task execution efficiency and a fivefold increase in daily problem identification efficiency. These improvements significantly enhance our digital intelligence capabilities across the entire chain.

## **Optimizing Digital Management Capabilities**

During the reporting period, we improved the operational efficiency of our business by deeply promoting the "Tiangong Project", delivering better management and collaboration capabilities in our business operations.

## Deeply Promoting the "Tiangong Project"

In December 2020, ATRenew launched the "Tiangong Project" to develop a digital online management system that enhances the operation and production process through early prediction, mid-term control, and post-hoc analysis. This initiative aims to improve comprehensive management capabilities, reduce management pressure and operational costs, and achieve significant management results. In 2023, we focused on advancing the sub-projects of the "Tiangong Project" by further integrating and optimizing various aspects such as operation and production planning, scheduling, cost management, resource allocation, and guality control. These efforts provide better management and coordination for our operations, enabling real-time data feedback, automated workflows, and intelligent decision-making support. This contributes to improved digital management across the project.

## Progress of sub-projects of the "Tiangong Project" in 2023



Based on the big data algorithmic model, and historical shipment data, seeking the most costeffective logistics contractor allocation model, to ensure the quality of logistics services, which is

Using the big data model for incoming goods estimation to improve the overall accuracy from 57% to 78%, breaking the bottleneck of efficiency and reducing the waste of manpower in on-site

Establishing the real-time warning mechanism for order turnover overtime, to send real-time notifications to the relevant management personnel to reduce the overtime cases, and control the

Creating customized management data display for frontline managers to help managers at different levels check real-time production data of their teams, display real-time data on core production volume, turnover, efficiency, inventory, etc., and to enhance their ability to predict and

warehousing, photo-taking, privacy, and auxiliary positions were released in 2023), so that employees can check their production data, forecast income data, etc. in a more timely and accurate manner, which improves their motivation, and the transparency of their KPIs.

## **Intellectual Property**

About This

Report

ATRenew highly values intellectual property (IP) protection and strictly follows national intellectual property-related regulations such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Copyright Law of the People's Republic of China. We have established a robust intellectual property management mechanism to ensure that our intellectual property rights (IPRs) are protected. Additionally, we collaborate with upstream and downstream partners to promote IPR protection and contribute to the industry's high-quality and sustainable development.

## **Intellectual Property Management**

In terms of IPR application, we have actively protected IPRs and taken the initiative to apply for patents, copyrights and trademarks. We have also accelerated the overseas deployment of IPRs by actively applying for international trademarks and patents.

We have implemented the Patent Application Management System to manage the entire process of intellectual property application, management, and maintenance. To raise an awareness and create a culture of intellectual property protection within the Company, we formulated the Aihuishou Intellectual Property Risk Prevention Guidebook, which clearly stipulates principles for respecting the intellectual property rights of others, thereby regulating the behavior of the Company and its employees.

To encourage employees to apply for patents and protect the Company's R&D innovations, we provided patent application training to our employees. We also introduced the Aihuishou Patent Incentive Measures, offering cash rewards to employees who apply for and obtain patents that meet specific conditions. In 2023, we issued a total of 65 patent rewards, amounting to RMB 298,000, to incentivize intellectual property innovations.



In 2023, we issued a total of patent rewards





## **Intellectual Property Rights Protection**

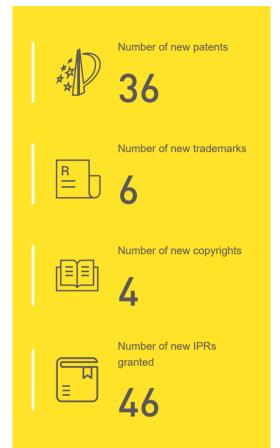
ATRenew actively protects its intellectual property rights by identifying infringements and defending its rights and interests through legal channels, such as sending company and lawyer letters. We also emphasize the maintenance of brand IPRs for recycled products, and have formulated policies such as the Transaction Standards and Rules for Sellers in the PJT Marketplace and the Declaration on Intellectual Property to regulate the behaviors of merchants. We explicitly require merchants to operate legally, prohibit the trading of illegally repaired and refurbished products, and protect the brand IPRs of recycled products.

We work with our partners to safeguard IPRs, ensuring clear ownership in contracts with suppliers to avoid disputes. In partnerships with brand we respect each other's IPRs and safeguarding each other's rights and interests in this regard. In cooperation with merchants, we require then to respect brand IPRs to ensure compliance. For second-hand electror products dismantling merchants, we mandate that they provide relevant qualifications to protect brand IPRs.

We have established an IPR infringement dispute handling process and a "Complaint - Delete" mechanism to resolve IPR disputes between third-party rights holders and merchants. Upon receiving a report of IPR infringement by a brand, ATRenew promptly reviews the report and takes appropriate measures, such as notifying the merchant and accepting the merchant's appeal. If the merchant's infringement of IPRs is confirmed, we will penalize the merchant in accordance with relevant policies and remove the infringing items.



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# Social **Responsibility for Co-development**

Employees are our most important resource and the driving force behind our sustainable development. Adhering to a "people-oriented" talent policy, ATRenew is committed to providing a diverse, equal, and inclusive workplace where employees can achieve self-fulfillment through fair competition. We prioritize safeguarding the rights and interests of all employees, caring for their physical and mental health, and strongly supporting their career development to help them achieve a better work-life balance.

We also embrace our social responsibility by making significant contributions to rural revitalization, environmental protection, and other public welfare activities, thereby playing our part in promoting social sustainability.

### Our performance

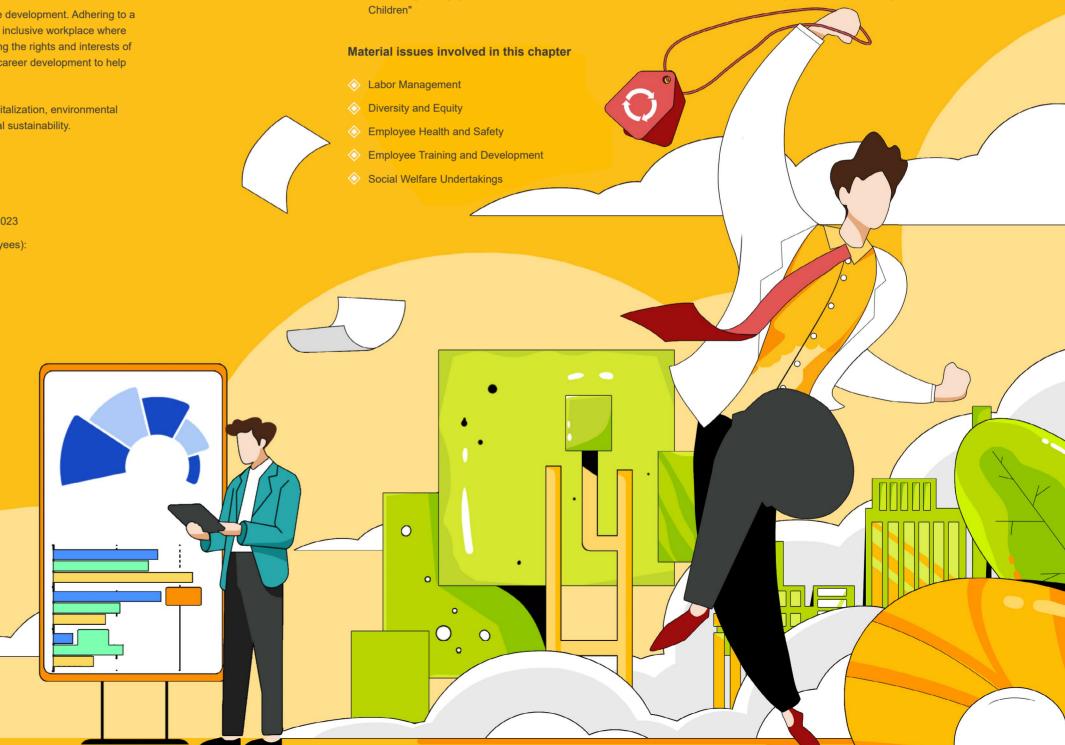
- Proportion of female senior management rising from 22.58% in 2022 to 28.13% in 2023
- Average training hours of all employees (including part-time and outsourcing employees): 24.31; proportion of trained employees: 81.82%
- Overall employee satisfaction increasing from **4.44** in 2022 to **4.64** in 2023
- Value of education donations in kind in 2023: RMB 100,000

### Our actions

- Making democratic communication channels accessible to all employees, such as Feishu subscription account, Listener Program (an anonymous feedback and complaints program), Treasure Pool, and All-hands meetings, to ensure effective feedback and improvement
- Organizing featured activities such as Employees' Work Anniversary, and Programmers' Day, and provide long-term recreational activities, such as horseback riding, Pilates, and massage
- Arranging health lectures, occupational disease examinations, labor protective equipment, and regular safety training sessions to safeguard occupational health of our employees
- Offering various training sessions targeting different types of employees to facilitate their growth
- Continuing to engage in public welfare activities such as the "AHS Charity and Love Digital Education Aid Program for Rural Children"







Letter from Honours in the CFO 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

## **Employees' Rights and Interests**

ATRenew practices compliant employment, cares about the physical and mental health of employees, and provides fair and reasonable remuneration, welfare packages, and performance incentives. We encourage work-life balance to enhance employees' satisfaction, happiness, and sense of belonging. Additionally, the Group strengthens internal communication mechanisms, organizes diverse activities to build team cohesiveness, and fosters a harmonious and positive workplace environment.

## **Compliant Employment**

ATRenew strictly observes national laws and regulations, such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on the Protection of Minors; international human rights-related instruments, such as ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN's International Bill of Human Rights, and the UN's Guiding Principles on Business and Human Rights; local laws and regulations in the places where our business operates. In line with these documents, we have formulated internal regulations and rules, such as the ATRenew Employee Handbook, and the ATRenew Human Rights Policy Instructions, specifying recruitment, employment, and protection of employees' rights and interests.

ATRenew emphasizes compliant employment practices and strictly prohibits child labor and forced labor, as outlined in the ATRenew Employee Handbook. Our HR department is required to ensure that all employees are at least 18 years old, verifying the real identities and ages of candidates by checking their identity documents during interviews and the onboarding process. If child labor is discovered within the Group, the individual will be dismissed immediately, taken for a physical examination, and escorted to his/her place of domicile, habitual residence, or the residence of his/her guardians. In 2023, ATRenew had no violations related to child labor or forced labor

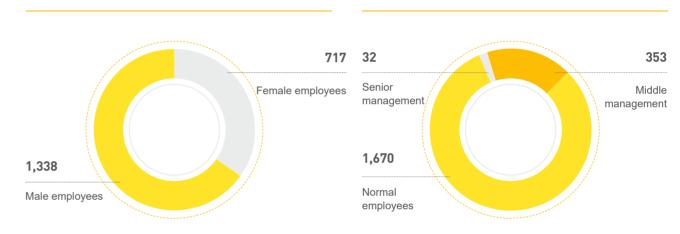


## **Diversity and Equality**

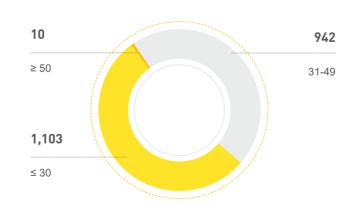
We adhere to principles of diversity, equality, and inclusion in employment, complying with the Employment Promotion Law of the People's Republic of China, anti-discrimination laws and regulations, as well as our ATRenew Employee Handbook and the Equal Opportunity Policy of our overseas business department. Discriminatory employment practices based on race, skin color, ethnicity, religion, gender, marital status, family status, pregnancy, lactation, and disability are strictly prohibited. Job-seekers are provided with equal and fair job opportunities, and employees are protected from discrimination, harassment, and other unfair treatment in the workplace. Any cases of discrimination or harassment can be reported to managers or the HR department and will be investigated and addressed appropriately.

ATRenew is committed to protecting the rights and interests of female employees and caring for them. We comply with the Law of the People's Republic of China on the Protection of Rights and Interests of Women and the ATRenew Employee Handbook. As specified in the Handbook, except for jobs or positions deemed unsuitable for women by the state, women shall not be rejected or limited by higher standards due to their gender. As of the end of 2023, female employees accounted for 34.89% (up from 30.91% in 2022) of all full-time employees, and female senior management represented 28.13% (up from 22.58% in 2022) of the Group's management.





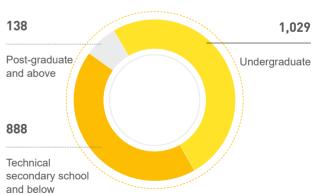
### Full-time employees by age



We also offer jobs to the disabled job-seekers. As of the end of 2023, we have 18 disabled employees.

## Full-time employees by level





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Green Development through Circular Economy

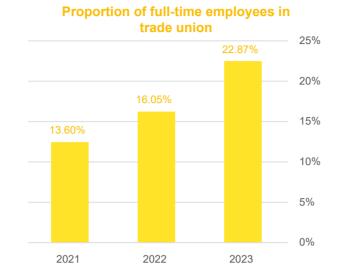
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## **Democratic Communication**

ATRenew has established diverse online and offline communication and feedback channels that cross management levels and departments, and cover both Group and business levels to facilitate communication with employees.

The Group respects the right of employees to join the trade union, and encourages the trade union to express its insights and suggestions on the Group. The Group has signed the Collective Bargaining Agreement with the trade union, clarifying vacation, labor safety and health, special protection for female employees, and vocational skill training. This document aims to safeguard the legitimate rights and interests of employees, and establish harmonious labor relations.



The Group keeps committed to fostering a more open and inclusive workplace by refining and implementing a series of democratic communication measures in order to improve employee satisfaction.



The HR department has designed a new online and offline cultural information release matrix in the wake of office software transformation in 2023. The offline Group Headline News releases the recent news of business departments, and the highlights shared by the CEO's Office. The excellency awards of cultural values boost morale, and spread values among employees. The online ATRenew Culture subscription account has three modules, namely, "ATRenew Stories", "Training and Growth", and "Corporate Culture". This account collects and shares information closely related to employees, such as front-line stories, awards for good deeds, and skills.

The weekly "Listener Program" encourages employees to report problems found in work anonymously, and respond to these problems timely. In 2023, this program disclosed answers to questions raised by employees last week, and generated 48 issues each of which received 1,505 views on average, with view rate being 25.73%. The anonymous guestionnaires and Listener Window collected over 600 questions and suggestions related to process improvement, workplace, personnel management, and quality inspection complaints. As of the end of 2023, all questions other than those requiring technology R&D have been addressed.

With the "Treasure Pool Program", the HR department communicates with core employees over both their work and life once quarterly, and records employees' feedback.

As shown in 2023 Employee Satisfaction Survey, the overall employee satisfaction was 4.64/5, up 4.5% over last year. In the survey, dimensions seeing significant improvement include compensation satisfaction, motivation, and attention from the superior; those gaining the highest scores are clear target, corporate trust, and teamwork. In the future, we will value employee feedback as always from satisfaction surveys and other democratic communication channels, and respond to and improve employee management and services to increase their sense of happiness and satisfaction.

### 2023

Overall employee satisfaction 4.64/5 4.75/5

Employee satisfaction (head-office employees)

## **Compensation and Welfare**

The Group is committed to sharing benefits of its development with employees by establishing and applying a fair and marketcompetitive compensation system. This system involves clear regulations on entry-level salaries and posts, compensation structure, salary adjustment policy, post-based salaries, incentives, and appraisal mechanisms. In particular, the compensation structure covers base salary, performance-related pay, and annual bonus. To keep the Company's compensation system competitive, we launch compensation benchmarking in the industry every year, and make appropriate adjustments. To ensure the system fair internally, we link duties to performance appraisal, and keep the rationality of employee salaries with the continuously-improved performance appraisal mechanism. In 2023 compensation adjustments, we adopted the annual pay-based compensation adjustment strategy, and considered stock option, and allotment of shares. This proposal comprehensively evaluates the overall annual pay package of employees to ensure rational and holistic compensation increase.

The Group has developed the ATRenew Vacation Management System, and the Employee Housing Fund Plan, giving employees access to standardized and detailed care services, and to enhance their recognition and sense of belonging. In addition to statutory benefits including five categories of social insurance and housing fund, we provide our employees with a group purchase channel to obtain supplementary medical insurance, interest-free housing loans in case of capital shortage when purchasing their first houses, and emergency treatment loans in case of major accidents. Employees are eligible to enjoy statutory holidays, personal leave, sick leave, annual leave, wedding leave, antenatal check-up leave, maternity leave, paternity leave, breastfeeding leave, funeral leave, work-related injury leave, official leave, and leave in lieu. What's more, employees who have worked for less than 10 years can have 2-day paid annual leave. In 2022, we newly added parental leave, allowing parents with a child under the age of 3 to enjoy fully-paid parental leave every year.



Social Responsibility for Co-development

Employee satisfaction (front-line employees)



4.61/5

Letter from the CEO

Honours in

2023

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Improved Corporate Governance

Green Development through Circular Economy

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### **Employee Care**

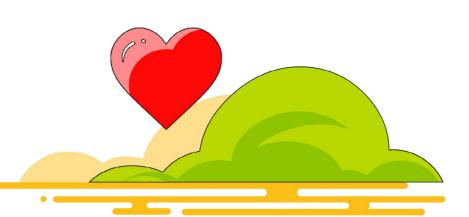
Sticking to its "people-oriented" management policy, ATRenew devotes itself to organizing various activities for its employees while safeguarding their legitimate rights and interests.

The Group holds the Employees' Work Anniversary to award employees memorial badges and anniversary gifts. Employees may receive our jointly-designed custom gifts that are made of green materials, such as RPET backpacks made of recycled materials such as plastic bottles and fishing nets, cups whose shells come from 30% coffee grounds, and concrete wireless chargers made of recycled construction waste. Also, this move actively popularizes environmental protection concepts and spirits.

The Group has shown its concern for the work and life of female employees by establishing a mother and baby room, organizing activities on the International Women's Day, and conducting special lectures on women's health. Our female employees can work in a warmer and more inclusive workplace that benefits women better.



• Gifts for female employees on the International Women's Day



In hot July and August, our employees can enjoy summer drinks that we make by ourselves or purchase to relieve summer heat.

Besides afternoon tea activities in traditional festivals, such as Lantern Festival, Dragon Boat Festival, Chinese Valentine's Day, and Mid-Autumn Festival in 2023, we organized an amusement activity on the Children's Day, erected a wall full of scratch-off lotto tickets on the Programmers' Day, arranged a treasure hunt in office on Halloween, encouraged employees to express gratitude to their families on the Thanksgiving Day, and presented the "Surprise Card" to every employee at Christmas.



♦ Wall full of scratch-off lotto tickets on the Programmers' Day

Recreational and sports activities are always accessible to employees considering their age, gender and health, such as horseback riding, Pilates, massage and dance. Our 6 hobby clubs organized over 200 activities for 4,000 members in 2023, helping employees relieve work stress, and enhance their cohesion.



Horseback riding

Social Responsibility for Co-development



Afternoon tea on Halloween



Report

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Technology and Innovation

## **Occupational Health and Safety**

ATRenew takes the health and safety of employees as a top priority. To this end, we organize regular physical examinations for employees, and provide them with work-related injury insurance and compensation, accidental injury insurance, and other benefits as appropriate. In addition, the Group pays the equivalent attention to the mental health of employees, and arranges mental care activities to help them with emotional control and stress relief.

## **Employee Health**

Employees will be recruited before business peak periods to monitor overtime at proper intensity, and force employees that work overtime excessively to take a leave. As regulated, the routine managerial employees should not work overtime for over 20 hours every month, and 36 hours during business periods, leaving them to have sufficient rest.



Case | ATRenew holds lectures related to teeth health, and thyroid disease prevention and treatment

In 2023, ATRenew held 3 targeted health lectures catering to the health concerns of employees. Among them, two lectures delivered by a thyroid professor explained thyroid disease self-inspection and prevention in a simple language, attracting employees' attention to the importance of health indicators, and provided guidance for abnormal conditions. One teeth health lecture given by a vice president from our cooperating hospital taught practical dental care skills to our employees.

With these lectures, employees learn more health knowledge, and enhance their self-care awareness. These benefits embody our priority on and care about the physical and mental health of employees, and enhance their satisfaction and sense of happiness





Teeth health lecture

We provide additional occupational disease examinations for front-line employees in operation centers, and equip them with occupationally-protective equipment and tools such as safety gloves required for receipt, storage, and testing operations, wheeled vehicles that facilitate transfer of goods, and static-free office desks and ergonomic office chairs to ensure workplace safety and comfort.

Our air-conditioners are cleaned up regularly to minimize the incidence rate of air-conditioner syndrome, purify indoor air, and remove odor arising from air-conditioners. This aims to prevent respiratory and skin diseases, and get rid of bacterial infection, and build a healthy and safe workplace.

We regularly conduct internal examinations on the current status of employee health and safety management. For example, we organize one-on-one communication with new, old, and core employees every month to fully understand their work status and physical health. Besides, we promptly evaluate whether an employee is in an abnormal condition and provide appropriate assistance

## **Safety Management**

Our Regulations on Safety System Management outlines the management requirements of safety training, fire safety, and work safety. For workplace safety, all facilities in our workplace meet safety standards, and emergency exits, fire facilities and emergency rescue equipment are all put in place, with good condition.

Safety training sessions are organized regularly targeting workplace safety specifications, emergency evacuation procedures, and use of safety equipment for all employees. In 2023, we completed 14 fire drills, with 725 participants, which improved the abilities of employees to respond to emergencies. Our efforts are focused on regular examination of safety knowledge, effect check of safety training sessions and drills, and collection of safety training and drill feedback from employees to enhance our training quality.



Fire drill in Changzhou operation center

In 2023, the number of work injury accidents dropped by 75% compared to 2022, and that of lost working days due to work injury by 90%. There were no work-related fatalities in the past three years.



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## **Employee Development**

ATRenew offers diversified learning opportunities to employees, and establishes career development pathways with a commitment to training talents well, and driving the Company's high-quality development based on talents.

## Employee Training

The Company constructs a diversified talent cultivation system, which is operated both online and offline. This system is targeted at employees in different posts and different critical skills, and aims to empower employees to grow at different stages by providing systematic training sessions and quality study resources.

We encourage employees to make timely review and look up what they have learned on the online learning platform that enables them to conveniently study in a flexible and independent way. At the online platform, contents of ATRenew systems can be found, including quality inspection criteria, front-line SOPs, operation specifications, and HR-related systems.

## **Diversified Talent Cultivation Mechanism**



Middle and senior management

The Company has arranged corresponding management training courses, providing learning opportunities for new middle and senior managers who need to improve their management skills, to keep management teams at the same level and consistent in management principles and behaviors.



2023 ATRenew middle management training session
 "Situational Leadership: Leader Cultivation"



The Company conducts learning activities for office employees, such as office classes, book clubs, and skill training, to improve their overall quality while growing more competent in their jobs.



Office class

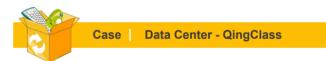


### **Front-line employees**

Front-line employees in different businesses verticals and positions are trained by their internal training departments to learn business knowledge, professional skills, and general skills. These training sessions continuously improve employees' work abilities while ensuring job matching.



 Skill training session for front-line quality inspectors in the operation center



The Data Center schedules a one-hour QingClass activity for every Friday afternoon, an opportunity for employees in the Center to share and learn information, and receive raining. This aims to enhance the business and professional abilities, and work efficiency of employees. In each activity, a number of small awards (such as vacuum cups, throw pillows, and Loong Year commemorative coins) will be granted to employees who actively ask and answer questions. After each activity, sharers will be scored, and included in the excellent lecturer shortlist that is disclosed every 12 activities (quarterly), of whom, the winners will receive small awards.

What can be shared contains but is not limited to: know-how in posts to help employees have better understanding of their own posts and other posts; work efficiency skills and soft power improvement, such as how to manage time well, or how to communicate effectively, to enhance soft skills, and facilitate personal growth; industry development trends to broaden industry horizon, and increase industry insights.

Thanks to professional training and sharing, the employees in the Data Center step up their professional skills in their posts, facilitating better design and architecture development. Besides, they have more understanding of job duties in different posts, which will enhance cross-team and cross-department communication and cooperation efficiency. In terms of soft skills, they communicate with each other, learn from each other, and grow together.

Social Responsibility for Co-development

96



## **Management trainees**

The Company has recruited outstanding fresh graduates as our management trainees. This program is performed at three stages, namely cultivation, rapid growth, and development, at each of which we devote adequate resources and energy. Different training models and growth focus points are adopted at corresponding stages to help trainees grow quickly.



2023 Training camp of management trainees

## **Employee Promotion**

ATRenew designs fair career development solutions, and develops clear career development pathways for its employees. The Group has a total of 14 job ranks, 4 position levels, and 3 career tracks: management (M) track, profession (P) track, and technical product (T) track. Employees are allowed to select development pathways based on their interests and advantages for more comprehensive and favorable development in the long run.



The Group has established the Promotion Assessment Plan for Employees of ATRenew, which stipulates the conditions and procedures for career promotion, and assigns management panels for assessing future promotions. We conduct performance appraisal and assessment once every 6 months, covering basic targets, challenge targets, and pluses and minuses determined early in the cycle. In the late cycle, the superiors review and rate employees' performance on the basis of employees' self-assessment and feedback from other parties, and then communicate with employees on their current performance and next performance targets. This process is aimed to assist employees in the improvement of working capabilities and performance.

To promote the flow of internal talents, the Company has formulated the ATRenew Job Transfer System to properly standardize rules for internal job transfer. It encourages employees to widen their career development and freely apply for transfer to jobs for which they meet requirements in accordance with job transfer rules and required processes.

Acknowledging that talents are the core competitiveness of an enterprise, ATRenew is committed to enhancing the specialty literacy of every employee. Besides, the Company offers career development two-path, and competitive subsidies, awards, and benefits to employees. In 2023, the Company recruited talents with patience and sincerity, achieving new progress. Thus, it was honored as King's Ark - Employer Cherishing Talents Most by zhipin.com.

ATRenew was awarded "King's Boat - Favourite Talent Employer" by BOSS Zhipin

Operation centers and Paipai Marketplace customer centers take combined measures to Case motivate employees to improve their professional skills

In 2023, operation centers launched professional certificate incentives, trainer incentives, and industry exchanges, encouraging employees to strengthen their professional skills, and driving them to share and spread knowledge within the Group.

2023



Operation centers stimulate operation management personnel to enhance their project management skills by taking exams for PMP certificates. Employees will be awarded RMB 1.000 provided that they pass exams, and share their experience within the Company. In 2023, 4 employees obtained PMP certificates, and shared their project management experience, helping other employees improve their project management skills, and contributing to more effective project management in work.

Professional Certificate Incentives



were awarded for course development, and giving lessons. In 2023, 8 internal trainers were charged with developing and renewing 8 courses, and training 56 trainees, including 44 qualified trainees. 1/3 of these trainees were promoted to primary management posts from normal posts. In addition, the online live "Teaching Championship" was held with bonus awards to augment teaching skills of internal lecturers and trainers. This competition had 27 participants in 2023. It motivated internal trainers to renew courses, and elevate teaching skills.

In the second half of 2023, Sailor Program was launched to cultivate primary management leaders and leaders of operation stations with better operation management skills. Trainers



Paipai Marketplace customer service centers assigned employees to other companies for exchange learning, and reimbursed their travel expenses to boost the development of the customer service operation system. Industry exchange learning helps Paipai Marketplace customer service centers to improve their customer service strategies in live streaming channels, set up live streamer assistants properly, upgrade the performance appraisal modes of sales and customer service personnel to increase their enthusiasm, and refine the classification of robot scenarios.

Industry Exchanges





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## **Public Welfare**

About This

Report

As an innovator and leader in the global second-hand product recycling industry, ATRenew always gives back to society by actively undertaking corporate social responsibility, and engaging in social welfare undertakings. Combining recycling and cyclic utilization concepts in social welfare, we carry out ATRenew-featured public welfare activities focusing on environmental protection and education. In 2023, the value of education donations in kind by the Company totaled RMB 100,000.



Case AHS Charity and Love - Digital Education Aid Program for Rural Children

Founded in 2018, the "AHS Charity and Love - Digital Education Aid Program for Rural Children" was jointly initiated by ATRenew and Pad for Hope, a charity organization. It is the most relevant long-term public program of ATRenew. Through the Program, ATRenew donates recycled pre-owned electronics that rural children can learn to operate, giving them access to quality online education resources that are barely accessible due to regional limitations in order to broaden their horizons. As of the end of 2023, this Program has supported 60 rural schools to build digital teaching platforms, accumulatively launched 3,032 courses and enabled 11,770 rural children to enjoy rich educational resources.



11,770



AHS Recycle's donation of digital learning products to rural children

Our employees are encouraged to engage in environmental protection voluntary activities. In November and December 2023, our staff of operation centers and PJT Marketplace organized "Waste-free Trail Running" and "Clean Trails" public welfare activities. In particular, the employees of PJT Marketplace collected 9.635 kg white trash in the mountain while participating in the 12 km "Clean Trails" hiking activity. With these activities, we have made contributions to ecological environment protection, and will continue to practice environmental protection concepts in the future.



In particular, the employees of PJT Marketplace collected white trash in the mountain while participating in the 12 km "Clean Trails" hiking activity





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# **Appendix**

## **Appendix I ESG Key Performance**<sup>2</sup>

### **Economic performance**

Indicator	Unit	2023	2022	2021	2020
Total number of pre-owned goods transactions	Million	32.3	32.0	31.2	/
Total net revenues	RMB billion	12.97	9.87	7.78	4.86
Total net revenues increased YoY	%	31.4	26.9	60.1	23.6
Non-GAAP net profits	RMB million	230	/	1	1
Cities where multi-category recycling covers	/	27	/	/	/
Multi-category recycling stores	1	252	I	/	I

### 3 Environmental performance

Indicator	Unit	2023	2022	2021	2020
Indirect energy use					
Total electricity consumption	Kwh	6,440,419.44	5,271,092.00	4,937,065.00	4,280,524.00
Greenhouse gas (GHG) emissions					
Total GHG emissions	Tonne CO₂e	43,478.86	37,640.91	31,336.29	5,917.44
Scope 1	Tonne CO₂e	0.00	0.00	0.00	0.00
Scope 2	Tonne CO2e	3,667.84	3,001.13	2,873.17	2,503.60
GHG emission intensity (Scope 1 + Scope 2)	Tonne CO <sub>2</sub> e/RMB 1,000,000	0.28	0.30	0.37	0.52
Scope 3	Tonne CO2e	39,811.02	34,639.78	28,463.12	3,413.84
Scope 3 - capital goods	Tonne CO <sub>2</sub> e	8,696.67	6,381.43	3,183.12	1

Indicator	Unit	2023	2022	2021	2020
Scope 3 - upstream transportation and distribution	Tonne CO₂e	3,242.40	2,872.52	1,927.94	2,745.59
Scope 3 - business travel	Tonne CO₂e	1,524.93	785.76	1,546.36	271.68
Scope 3 - employee commuting	Tonne CO₂e	3,019.07	2,975.00	6,290.00	/
Scope 3 - downstream transportation and distribution	Tonne CO₂e	8,604.78	8,465.62	7,033.26	/
Scope 3 - end-disposal emissions of sold products	Tonne CO2e	14,123.62	12,615.28	7,940.52	/
Scope 3 - franchise	Tonne CO2e	599.54	497.42	520.12	396.57
Water resources					
Total water consumption	Tonne	16,879.85	21,696.32	11,532.76	9,591.75
Water consumption - municipal water	Tonne	16,010.41	20,888.14	11,416.96	9,495.00
Water consumption - barreled water	Tonne	869.44	808.18	115.80	96.75
Water consumption intensity	Tonne/RMB 1,000,000	1.30	2.20	1.48	1.97
Comprehensive sewage discharge	Tonne	13,503.88	17,357.06	9,236.83	7,596.00
Sewage discharge intensity	Tonne/RMB 1,000,000	1.04	1.76	1.19	1.56
Waste					
Total amount of non-hazardous waste <sup>4</sup>	Tonne	31.99	32.90	27.88	8.14
Total amount of recyclables	Tonne	551.46	325.99	162.49	184.98
Total number of responsibly disposed electronics	Unit	111,700	270,000	223,000	225,000
Reduced amount of heavy metal pollution from gold	kg	0.61	1.48	1.23	1.24
Reduced amount of heavy metal pollution from silver	kg	4.29	10.39	8.58	8.68
Reduced amount of heavy metal pollution from copper	kg	5,149.08	12,467.3	10,296.67	10,415.61
Reduced amount of heavy metal pollution from palladium	kg	0.02	0.04	0.04	0.04
Reduced amount of e-waste pollution	Tonne	17.83	43.2	35.7	36.1

Indicator	Unit	2023	2022	2021	2020
Scope 3 - upstream transportation and distribution	Tonne CO₂e	3,242.40	2,872.52	1,927.94	2,745.59
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<sup>2</sup>The blanks are the uncounted/undisclosed data of last year.

31) The collection time of environmental data covers the period from January 1, 2023, to December 31, 2023; except Scope 3 greenhouse gases, the scope of environmental data includes the Group's offices, operation centers nationwide, self-operated city-level operation stations, as well as self-operated stores nationwide.2) The ratios in the environmental data are calculated by dividing the total amount of data in 2023 by the Company's revenue amount for the current year, in millions.3) Greenhouse gas emissions (Scope 2) come from purchased electricity. The current emission is calculated with the latest factor published by the National Development and Reform Commission, 0.5703 tCO2/MWh. Hong Kong operation center uses the factor from CLP Power, 0.55 tCO2/MWh. For Tokyo greenhouse gas emission factor, it refers to the greenhouse gas emission factor of public utilities published in 2023 by the Ministry of the Environment, namely 0.443 tCO2/MWh.4) Greenhouse gas emissions data (Scope 3) is calculated with reference to the greenhouse gas emission factor of last year as released in the Greenhouse Gas Protocol. The total greenhouse gas emissions of Scope in 2023 does not include Scope 3 - waste generated in operation. According to 2021-2023 data, the emission of Category 5 waste generated in operation only accounts for about 1‰ of Scope 3 disclosed at present, a quite little share Besides, as ATRenew is not a heavy industrial manufacturer, it will not generate a great number of industrial waste in operation. Instead, its waste mainly comes from household waste. Hence, Category 5 will not be disclosed given that this category is only a minor part of Scope 3, with little contribution to the total emissions of Scope 3.5) Comprehensive sewage discharge = 0.8 \* total water consumption.

<sup>4</sup>Statistical coverage: office waste from operation centers

About This
Report

Letter from the CEO

Honours in 2023 Introduction to ATRenew Improved Corporate Governance Green Development through Circular Economy Customer-oriented Quality Control Commitment to Technology and Innovation

Indicator	Unit	2023	2022	2021	2020
Packaging consumables					
Total amount of packaging materials⁵	Tonne	1,939	761.98	566.66	398.38
— Paper	Tonne	421	1	/	1
— Plastics	Tonne	1,519	1	/	1
— Wood	Tonne	0	1	1	1
— Others	Tonne	0	1	/	1
Package filling recycled from To B business	Tonne	24	18	/	1
Packaging materials recycled from To C business	Units	192,000	36,000	/	/

## Social performance

Indicator	Unit	2023	2022	2021	2020		
Employment							
Total full-time employees	Person	2,055	2,025	2,497	2,388		
Total out-sourced employees	Person	4,199	2,925	1	1		
Total part-time employees	Person	34	261	/	1		
Full-time employees by managen	nent level						
Senior management	Person	32	31	38	37		
Female senior management	Person	9	7	7	7		
Middle management (e.g. department manager)	Person	353	327	380	298		
Normal employees	Person	1,670	1,667	2,079	2,053		
Employees by situation							
Disabled employees <sup>6</sup>	Person	18	14	13	16		

<sup>5</sup>Statistical coverage change in 2023: including amount of materials used by front-end stores

<sup>6</sup>The statistical coverage of full employees does not include disabled employees.

Indicator	Unit	2023	2022	2021	2020
Full-time employees by education	nal background				
Post-graduate and above	Person	138	89	106	/
Undergraduate	Person	1,029	870	1,401	/
Junior college	Person	639	740	817	/
Technical secondary school and below	Person	249	326	173	/
% Full-time employees by gende	r				
Male	%	65.11	69.09	70.85	71.28
Female	%	34.89	30.91	29.15	28.72
% Full-time employees by age					
30 and below	%	50.32	56.30	56.15	62.35
31-49	%	49.53	43.36	43.37	37.48
50 and above	%	0.44	0.35	0.48	0.17
New employees	·	·	·	·	
Total number of new employees	Person	500	270	772	310
Male	Person	268	140	499	186
Female	Person	232	130	273	124
Full-time employees in trade unio	'n		<u>+</u>	<u> </u>	
Number of participants	Person	470	325	340	360
Proportion	%	22.87	16.05	13.60	15.10
Health and safety					
Work-related accidents	/	2	8	14	8
Work-related fatalities	Person	0	0	0	0
Lost working days due to work injury	/	45	451	245	540
Lost working hours due to work injury	Hour	360	3,608	1,959	4,320
Absence	%	1.08	1.73	2.00	3.06



About This Report

Letter from the CEO

Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Commitment to Technology and Innov

## **Corporate governance performance**

Indicator	Unit	2023	2022	2021	2020
Business ethics and rules					
Anti-corruption litigation cases	1	0	1	0	/
Number of anti-corruption training activities	/	347	273	/	/
Number of anti-corruption trainees (including full-time, outsourcing, and part-time employees)	Person	3,659	3,502	/	/

Indicator	Unit	2023	2022	2021	2020
Employee training					
Average training time for employees <sup>7</sup>	Hour	24.31	8	8	10
% Employees receiving training	%	81.82	/	/	/
% Head-office employees who regularly receive performance appraisals and career development assessments	%	96.1	98.3	97.7	95.6
Satisfaction					
Employee satisfaction (overall)	/5	4.64	4.44	4.06	4.25
Employee satisfaction (head- office employees)	/5	4.75	4.44	4.25	4.42
Employee satisfaction (front-line employees)	/5	4.61	4.39	3.90	4.12
Product responsibility					
Number of newly added intellectual property rights	1	46	53	146	272
Resolution rate of customer complaints of AHS Recycle (C2B)	%	100	/	/	/
Average resolution time of AHS Recycle (C2B)	Hour	48	/	/	/
Complaint resolution satisfaction rate of AHS Recycle (C2B)	%	98.38	99.25	/	/
Resolution rate of customer complaints of PJT Marketplace (B2B)	%	100	/	/	/
Average resolution time of PJT Marketplace (B2B)	Hour	44	/	/	/
Complaint resolution satisfaction rate of PJT Marketplace (B2B)	%	98.16	98.87	/	/
Resolution rate of customer complaints of Paipai Marketplace (B2C)	%	99.98	/	/	/
Average resolution time of Paipai Marketplace (B2C)	Hour	31.16	/	/	1
Complaint resolution satisfaction rate of Paipai Marketplace (B2C)	%	92.90	98.40	/	/
Donation					
Donation to social welfare causes <sup>8</sup>	RMB	100,000	1,000,000	/	/

<sup>8</sup>No cash donation, but donation in kind (such as phone and supplies) in 2023

Social Responsibility for ovation Co-development	Appendix	106
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Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

## Appendix II GRI Content Index

Statement of use	ATRenew has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	
	2-1 Organizational details	Corporate Profile	
	2-2 Entities included in the organization's sustainability reporting	About This Report	
	2-3 Reporting period, frequency and contact point	About This Report	
	2-6 Activities, value chain and other business relationships	Corporate Profile	
	2-7 Employees	ESG Key Performance	
	2-8 Workers who are not employees	ESG Key Performance	
	2-9 Governance structure and composition	Corporate Governance	
	2-10 Nomination and selection of the highest governance body	Corporate Governance	
	2-11 Chair of the highest governance body	Corporate Governance	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance / ESG Governance	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance / ESG Governance	
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance	
	2-15 Conflicts of interest	Corporate Governance	
	2-16 Communication of critical concerns	ESG Governance	
	2-17 Collective knowledge of the highest governance body	ESG Governance	
	2-20 Process to determine remuneration	Corporate Governance / Compensation and Welfare	
	2-22 Statement on sustainable development strategy	Letter from the CEO	
	2-23 Policy commitments	Compliant Employment	
	2-24 Embedding policy commitments	Employees' Rights and Interests	

GRI STANDARD	DISCLOSURE	LOCATION		
	2-25 Processes to remediate negative impacts	Business Ethics / Intellectual Property Rights Protection		
	2-26 Mechanisms for seeking advice and raising concerns	Communication with Stakeholders / Democratic Communication		
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Business Ethics		
	2-28 Membership associations	Promoting Communication an Cooperation within the Indust		
	2-29 Approach to stakeholder engagement	Communication with Stakeholders		
	2-30 Collective bargaining agreements	Democratic Communication		
	3-1 Process to determine material topics	Identification of Material Issue		
GRI 3: Material Topics 2021	3-2 List of material topics	Identification of Material Issue		
	3-3 Management of material topics	ESG Risk Management		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Introduction to ATRenew		
	205-1 Operations assessed for risks related to corruption	Business Ethics		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics		
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics		
	301-1 Materials used by weight or volume	ESG Key Performance		
GRI 301: Materials 2016	301-2 Recycled input materials used	ESG Key Performance		
	301-3 Reclaimed products and their packaging materials	ESG Key Performance		
	302-1 Energy consumption within the organization	ESG Key Performance		
CDI 2001 Enormy 2010	302-3 Energy intensity	ESG Key Performance		
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Green Operation		
	302-5 Reductions in energy requirements of products and servicesGreen Industry/GreenGreen City	Green Industry / Green Consumpt Green City		
	303-1 Interactions with water as a shared resource	Green Office		
GRI 303: Water and Effluents 2018	303-4 Water discharge	ESG Key Performance		
	303-5 Water consumption	ESG Key Performance		

Social Responsibility for Co-development

108



Letter from the CEO

Honours in 2023

Introduction to ATRenew

Improved Corporate Governance

Green Development through Circular Economy

Customer-oriented Quality Control

Commitment to Social Responsibility for Appendix Technology and Innovation Co-development Appendix

GRI STANDARD	DISCLOSURE	LOCATION	GRI STANDARD	DISCLOSURE	
30	05-1 Direct (Scope 1) GHG emissions	Climate Change Management		403-1 Occupational health and safety management system	Oc
	05-2 Energy indirect (Scope 2) GHG emissions	Climate Change Management		403-2 Hazard identification, risk assessment, and incident investigation	00
	05-3 Other indirect (Scope 3) GHG emissions	Climate Change Management		403-3 Occupational health services	0
31	05-4 GHG emissions intensity	Climate Change Management		403-4 Worker participation, consultation, and communication on occupational health and safety	00
	05-5 Reduction of GHG emissions	Climate Change Management	GRI 403: Occupational Health and	403-5 Worker training on occupational health and safety	0
	06-1 Waste generation and significant waste-related npacts	Green Operation / Green Consumption / Green City	Safety 2018	403-6 Promotion of worker health	0
	06-2 Management of significant waste-related impacts	Green Operation / Green Consumption / Green City		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Oc
306: Waste 2020 30	06-3 Waste generated	ESG Key Performance		403-8 Workers covered by an occupational health and safety management system	Oc
30	06-4 Waste diverted from disposal	ESG Key Performance		403-9 Work-related injuries	ES
30	06-5 Waste directed to disposal	ESG Key Performance		403-10 Work-related ill health	00
	08-1 New suppliers that were screened using environmental riteria	Supplier Management		404-1 Average hours of training per year per employee	ES
sessment 2016 30	08-2 Negative environmental impacts in the supply chain nd actions taken	Supplier Management	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Emp
44	01-1 New employee hires and employee turnover	ESG Key Performance		404-3 Percentage of employees receiving regular perfor- mance and career development reviews	ESC
RI 401: Employment 2016	01-2 Benefits provided to full-time employees that are not rovided to temporary or part-time employees	Compensation and Welfare	GRI 405: Diversity and Equal Oppor- tunity 2016	405-1 Diversity of governance bodies and employees	Cor Key
40	01-3 Parental leave	Compensation and Welfare	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Dive
			GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Den
			GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Cor
			GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for inci- dents of forced or compulsory labor	Con
			GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Gree
			GRI 414: Supplier Social Assess-	414-1 New suppliers that were screened using social criteria	Sup
			ment 2016	414-2 Negative social impacts in the supply chain and ac- tions taken	Sup
			GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Proc
			GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Proc
			GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Priva

## To Give a Second Life to All Idle Goods

