



ATRenew Releases 2021 ESG Report, Leads the Recycling Industry in Defining a Carbon Emission Reduction Framework

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SHANGHAI, June 9, 2022 /PRNewswire/ -- ATRenew Inc. ("ATRenew" or the "Company") (NYSE: RERE), a leading technology-driven pre-owned consumer electronics transactions and services platform in China, today released its second annual environmental, social, and governance ("ESG") report (the "Report"), incorporating the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, a framework set by the G20's Financial Stability Board, for the first time. In the Report, the Company explores the climate-change-related opportunities and challenges it faces in its operation and reuse of pre-owned electronic devices through the perspectives of governance, strategy, risk management, and metrics and targets. ATRenew is proactively responding to the Chinese government's peak carbon emissions and carbon neutrality goals by further integrating environmental and social responsibility into its commercial agenda.

The Report integrates the United Nations' Sustainable Development Goals, refers to recommendations from international indices and ESG rating agencies, and provides updates on 20 material ESG issues. ATRenew has included "product governance" and "corporate governance" in its portfolio of high materiality ESG issues, further addressing topics of interest to both internal and external stakeholders.

For the first time, the Report quantifies the climate impact of the pre-owned cellphone industry from the recycle and reuse perspectives. The Report also reveals ATRenew's progress towards its sustainable development goals in the following ways. First, the Company contributed 464,000 metric tons of green-house gas emission reductions through the reuse of pre-owned mobile phones during 2021. Second, it further improved grading, inspection, and after-sales systems for pre-owned electronic devices. Third, the Company removed subjectivity from human inspection by refining its automatic inspection technology. Fourth, ATRenew contributed to a more transparent, standardized, and professional pre-owned electronic industry through its leading quality-control system.

Highlights of the Report:

Focus on green development, improvement of mass quality inspection efficiency, and reduction of emissions.

ATRenew has further developed its electronic device recycling and transaction infrastructure. During 2021, the Company executed its city-level service integration strategy and successfully integrated its C2B, B2B, and B2C business offerings into one business level in a city-based unit. By doing so, ATRenew brought its quality inspection and service capabilities to local services while fully utilizing its competitive advantage of a closed-loop value chain. A large-scale quality inspection operation network was created with seven operation centers and 95 city-level operation stations. This network not only enabled 31.2 million pre-owned product transactions during 2021, but also formed a stable supply chain by leveraging collaborative resource allocation for quality inspection and fulfillment. The stable supply chain that the Company has constructed provides effective resilience in the event that regional operations are interrupted.

ATRenew, as a public company, has pioneered the utilization of Life Cycle Assessment in the second-hand industry. By analyzing the average reduction in carbon emissions resulting from its successful re-commercialization of each pre-owned mobile phone, ATRenew is able to effectively quantify its green-house gas emission reductions.

In addition, the Company leverages the Circular Footprint Formula for the first time to disclose its contribution of 464,000 metric tons of green-house gas emission reductions through the reuse of pre-owned mobile phones in 2021. From a long-term perspective, ATRenew is dedicated to prolonging the life cycle of ever more products so as to reduce carbon emissions while fulfilling consumers' demand for high-quality electronic products. In line with the Chinese government's guidance for developing a circular economy, ATRenew leads the second-hand industry in setting benchmarks to achieve peak carbon emissions and carbon neutrality goals.

Adhere to technological innovation and upgrade quality and risk control systems to ensure standardized development.

ATRenew is committed to long-term investment in technological advancement and innovation while continuing to improve its technology-based quality control capabilities. During 2021, Matrix 2.0, an automated quality inspection system, was launched at the Company's operation center in Changzhou. ATRenew upgraded the operation center's semi-automated quality inspection process, which partially relied on subjective human judgment, to a new fully-automated system, further minimizing human error. During the first half of 2022, ATRenew developed 'Camera Box 2.0', which it used to upgrade its Dongguan automated operation center by improving quality control on non-standard products.

ATRenew is increasing its investment in the digitalization of its risk control platform. The Company protects the rights of merchants and users by fostering a safe operating environment. This is done through utilizing risk assessment, risk alert, risk management, and other modules embedded on its platform to prevent and control risk factors, such as unusual transactions and high-risk merchants.

Continue to develop digital intelligence and empower small- and medium-sized merchants to gain mutual benefits in the pre-owned consumer electronic ecosystem.

ATRenew is developing an integrated open platform while providing inspection standards and technology for participants in the communications and second-hand industries. Quality inspection standards created by the Company for pre-owned electronic devices have already been recognized by over 300,000 merchants within the industry. ATRenew's self-developed smart quality inspection tool "Device Hero" has helped small- and

medium-sized merchants to improve the standardization of their inspection process and results.

PJT marketplace, ATRenew's B2B offering, upgraded its digital and intelligent transaction tools to facilitate and optimize merchants' operations. It helped to build a more mutually beneficial industry by launching its 'PJT Instant Sales' service, a 'Nearby' tag, and a smart account management module to intelligently bring convenience to merchants when sourcing goods and managing their inventory and account balance.

Always put people first, fulfill social responsibilities, and build a better society.

ATRenew firmly believes that its employees are the core driver of its business development. The Company always puts people first, and maintains a constant focus on employee health and safety, rights and benefits, and training and career development. ATRenew continuously optimizes its incentive system and welfare policies as part of its people-centric focus. It enhances employee's wellbeing and their sense of belonging by providing them with various dialogue channels through which they can provide feedback to the Company. During the recent resurgence of Covid-19, ATRenew prioritized workplace safety, and supplied daily necessities to those employees quarantined in Shanghai, giving them extra peace of mind during difficult times.

ATRenew proactively fulfills its social responsibilities and is dedicated to supporting charity work such as constructing communities, disaster relief, education provision, and more. Partnering with the China Foundation for Poverty Alleviation, ATRenew donated RMB5.05 million to schools in Zhengzhou that had been affected by flooding in 2021 and delivered sanitized pre-owned clothing to children in charitable schools in Qinghai. During 2022, the Company also donated anti-COVID medical supplies and pre-owned cell phones to be used as PCR testing devices in Shanghai.

In addition, ATRenew participated in a charitable program to protect biodiversity by helping animals such as the East Asian finless porpoise, an endangered subspecies of dolphin. To empower the development of sustainability, ATRenew also partnered with many well-known consumer brands to spread the philosophy of low-carbon green consumption and promote recycling of electronics as a new social trend.

Mr. Kerry Xuefeng Chen, Founder and Chief Executive Officer of ATRenew, commented, "Our 2021 ESG report adopted the TCFD framework for the first time, laying the groundwork for the development of emission reduction targets and systematic action plans to reduce carbon emissions. During the process of compiling the report, we deepened our understanding of ESG and sustainable development of the industry by communicating with a variety of different stakeholders. On the one hand, if a company's business model is environmentally and socially friendly, the company will naturally contribute more to society and have a governance framework that is consistent with national economic policies. Because of this, it will also face less political risk. On the other hand, a company with a sound corporate governance system will invest more in product quality control, supply chain management, and risk mitigation when compared to its peers. If companies have similar financial performances, then the company that invests more in the aforementioned areas will outperform its peers, in terms of having a higher safety margin. Therefore, we believe that the development of the pre-owned electronic devices transaction and services industry is in sync with the Chinese government's development of a circular economy and its peak carbon emissions and carbon neutrality goals. We are committed to improving our business operations and upgrading our ESG performance while creating long-term value for consumers, merchants, our partners within the circular economy ecosystem, and our shareholders."

The Company looks forward to using its influence in the supply chain to impact more business partners and industry participants to jointly promote the sustainable development of the pre-owned consumer electronics industry.

To view the report in full, please visit https://www.atrenew.com/2021_ESG_Report_EN.pdf. The Company welcomes comments and questions through email: ir@atrenew.com.

About ATRenew Inc.

Headquartered in Shanghai, ATRenew Inc. operates a leading technology-driven pre-owned consumer electronics transactions and services platform in China under the brand ATRenew. Since its inception in 2011, ATRenew has been on a mission to give a second life to all idle goods, addressing the environmental impact of pre-owned consumer electronics by facilitating recycling and trade-in services, and distributing the devices to prolong their lifecycle. ATRenew's open platform integrates C2B, B2B, and B2C capabilities to empower its online and offline services. Through its end-to-end coverage of the entire value chain and its proprietary inspection, grading, and pricing technologies, ATRenew sets the standard for China's pre-owned consumer electronics industry.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "aims," "future," "intends," "plans," "believes," "estimates," "likely to" and similar statements. Among other things, quotations in this announcement, contain forward-looking statements. ATRenew may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about ATRenew's beliefs, plans and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: ATRenew's strategies; ATRenew's future business development, financial condition and results of operations; ATRenew's ability to maintain its relationship with major strategic investors; its ability to provide facilitate pre-owned consumer electronics transactions and provide relevant services; its ability to maintain and enhance the recognition and reputation of its brand; general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in ATRenew's filings with the SEC. All information provided in this press release is as of the date of this press release, and ATRenew does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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