



# **2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

INTCO MEDICAL TECHNOLOGY CO., LTD.

# ABOUT THIS REPORT

## INTRODUCTION

This report is the first environmental, social and governance report (referred to as “this Report” or the “ESG Report”) issued by INTCO Medical Technology Co., Ltd. (referred to as “INTCO Medical”, “we” or the “company”), which aims to describe the institutional construction and work performance of INTCO Medical in 2021 in terms of environmental, social and governance (referred to as “ESG”) matters, and objectively disclose the sustainability management and effectiveness of INTCO Medical in response to the expectations of stakeholders and the public.

## REPORTING SCOPE

This report covers INTCO Medical and its subsidiaries, and it will be separately described, if there are objects outside this scope. This report focuses on the ESG management and achievements about the company from January 1<sup>st</sup> to December 31<sup>st</sup> 2021 (referred to as the “reporting period” and “this year”). Of note some information references data dating back to 2020 or before, or looks forward into 2022.

## BASIS OF REPORTING

This Report is in accordance with the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) (referred to as the “GRI Standards”), and the *Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies* and the *Guidelines No.2 of Self-regulation of Listed Companies on the Shenzhen Stock Exchange – Standardized Operation of Listed Companies on GEM*.

## DATA SOURCES AND RELIABILITY STATEMENT

The information and data included in this Report comes from the company’s statistical and official documents, which have been audited by relevant authorities. The company undertakes that there is no misstatement or misleading representation contained in this Report and takes responsibility for the truthfulness, accuracy and completeness of the contents. The monetary amounts herein are denoted in RMB.

## PROCESS OF PREPARATION

This Report is prepared in accordance with a set of established procedures, including working group formation, key stakeholders identification, stakeholder communication, material ESG issues identification and ranking, indicator system establishment, disclosure boundaries determination, data collection, framework determination, report preparation and designing, and report review by relevant departments and the senior management, etc.

## CONFIRMATION AND APPROVAL


After confirmation by management, this Report was approved by the Board of Directors on June 30, 2022.

## ACCESS


This independent ESG Report is available in both Simplified Chinese and English. To view online or download, please visit the official website of INTCO Medical <http://www.intcomedical.com.cn/>

## CONTACT US


We highly value stakeholder and reader feedback, and welcome readers to feed back to us through the following contact information. Your suggestions and comments will help us further improve this Report and our ESG performance.




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## CHAIRMAN'S MESSAGE

In recent years, the great potential has been highlighted in the medical and health care industry, with the continuous promotion of China's policies and the strengthening of national health awareness. We have made outstanding contributions to combating COVID-19 and achieved rapid development of ourselves on the basis of our profound technological accumulation and broad market channels.

In 2021, INTCO Medical continued to maintain a high morale to concert efforts, be of on mind and brave winds and waves. In this year full of opportunities and challenges, we actively used new equipment, new processes and new technologies to achieve the further optimization and upgrading of production capacity. In the meantime, we kept optimizing the industrial structure, increased the investment in health care equipment and physiotherapy care, and continued to provide the community with refined, diversified, multi-level health products and services, satisfying the needs of customers.

Nearly 30 years of market precipitation is our solid backing and it is continued to optimize marketing system and deepen our brand building. We base on the domestic new media platform, grasp the Internet wave, and upgrade the overseas communication matrix to build up our global business card of "INTCO Medical". We kept digging the potential of supply chain and strive to build a fast, efficient and perfect supply chain system.

Professional talent is a strategic resource to achieve corporation innovation and development. Given full play to the characteristics of INTCO Medical, we establish and improve a sound talent refinement management system, and adhere to the global layout of talents. We build a three-dimensional training system for employees at all levels, strive to enhance the market competitiveness of our employees by providing professional training courses and career development opportunities.

Based on the concept of green development, INTCO Medical is devoted to monitor the carbon emissions in production and operation, reduce the impact on environment and promote the green and low-carbon sustainable development basing on technology optimization, equipment upgrading and intelligent system introduction, etc., as part of our efforts to follow the national development strategy and support the fulfilment of Carbon Peaking and Carbon Neutrality Goals.

While rapid development, INTCO Medical also actively practice our social responsibility and make social contribution. Since outbreak of the COVID-19 epidemic, we have always assumed the responsibility of leader, and have been the first to deliver anti-epidemic goods to areas with serious epidemic for many times, which represents the strength we contribute to continuously fight against the epidemic. In addition, we actively participate in the rehabilitation of disabled, rural revitalization, autistic children treatment and rescue and other welfare fields, which spread a "Love" from INTCO Medical.

In the future, INTCO Medical will always practice the corporate culture and values with a "Love" as the core, and use high-quality products and services to grow with multiple partners together, and serve human health needs with the crystallization of human wisdom.

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## INTCO MEDICAL AT A GLANCE

- COMPANY PROFILE 05
- CORPORATE GOVERNANCE 08
- ESG GOVERNANCE 10

INTCO



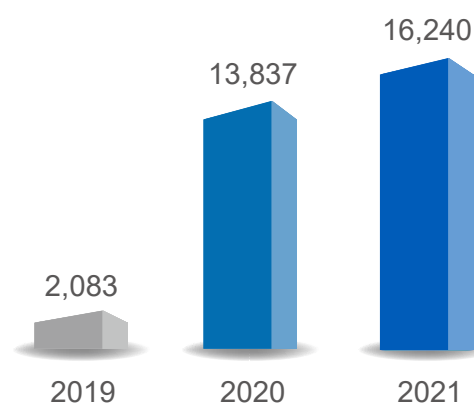
Company name: INTCO Medical Technology Co., Ltd. | Stock symbol: 300677 (A-shares)  
 Established: Y2009 | Headquarters: Zibo City, Shandong Province, China

## COMPANY PROFILE

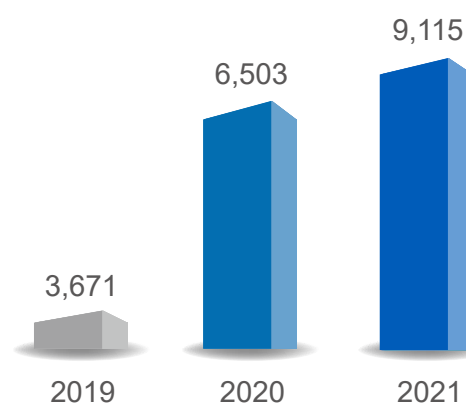
### ■ ABOUT US

INTCO Medical is a high-tech manufacturing company committing to R&D, production and marketing of medical consumables and durable medical equipment with main business covering medical consumables, rehabilitation equipment, physiotherapy care, etc., which are widely used in medical institutions, elderly care institutions, household daily use and other related industries. INTCO Medical has been exported products to more than 120 countries and regions in America, Europe, Asia, Africa and Oceania, which is providing practical products and high-quality services to over 10,000 clients. With excellent management and strength, INTCO Medical has been awarded as one of the top 100 listed companies in 2021.

Operating income (in CNY millions)

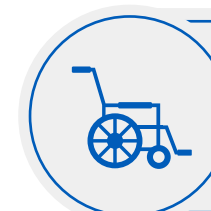


Total number of employees



#### MEDICAL CONSUMABLES

- Disposable Nitrile Gloves • Disposable Vinyl Gloves
- Disposable Polyethylene Gloves • Isolation Gown • Face Mask
- Hand Sanitizer • Face Shield • ECG Electrode • TAB Electrode



#### REHABILITATION EQUIPMENT

- Power Wheelchair • Manual Wheelchair • Rollator
- Cane & Walker • Lift Chair • Over Bed Table



#### PHYSIOTHERAPY CARE

- Cold/Hot Gel Beads • Cold/Hot Gel Pack
- Cold Mat

### ■ CORPORATE CULTURE

The medical device and consumables industry is closely related to the health of human society. INTCO Medical always practice the corporate culture and values with "Love" as the core, adhere to multiple responsibility, and provide refined, diversified and multi-level health products and services to the society.



#### PURPOSE

Serve human health needs with the crystallization of human wisdom

#### MISSION

Global INTCO, Global Health

#### VALUE

Love, Goodness, Truth

#### SPIRIT

Integrity, Diligence, Profession, Unity, Achievement

#### IMPROVEMENT & INNOVATION

Every suggestion will be cherished, Every improvement will be awarded





## CORPORATE HISTORY



## CORPORATE HONOR

During the reporting period, INTCO Medical was ranked 98<sup>th</sup> in the “2021 China Top 100 Listed Companies” released by the Warton Economic Institute. In addition, INTCO Medical has won a number of awards and honors.



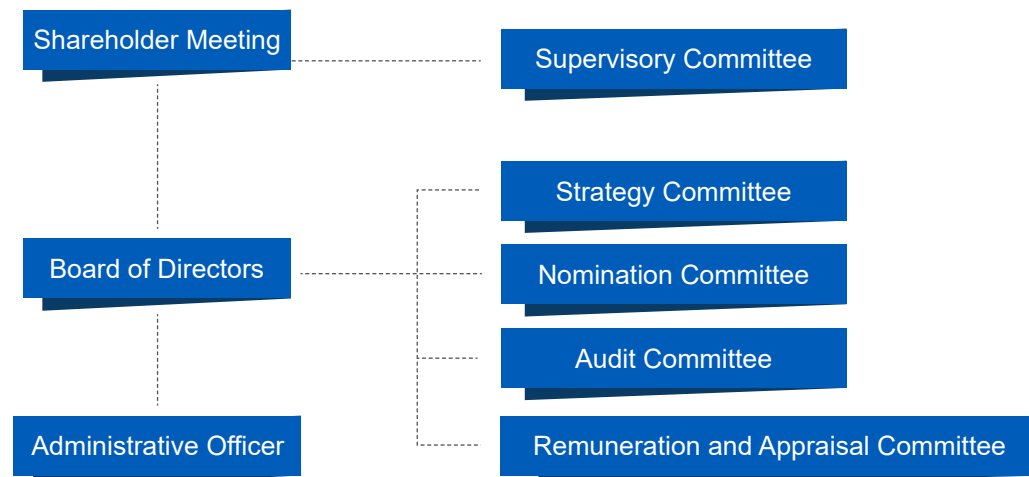
- 2021 China Top 500 Brands
- Top 500 Private Enterprise in China's Manufacturing Industry
- 2021 Industry Influential Brand
- 2021 Outstanding Quality Maker Award

## CORPORATE GOVERNANCE

Healthy and sound corporate governance is an important foundation for ensuring legal and compliant operation, enhancing the social value, and protecting the interests of stakeholders. INTCO Medical strictly follows the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, *Rules Governing the Listing of Shares on the Shenzhen Stock Exchange*, *Guidelines No.2 of self-regulation of Listed Companies on the Shenzhen Stock Exchange – Standardized Operation of Listed Companies on GEM*, and other relevant laws, regulations and regulatory documents, constantly improves the corporate governance structure, establishes the internal management and control system, carries out governance activities to promote the standardized operation and improve the level of corporate governance.

## GOVERNANCE STRUCTURE

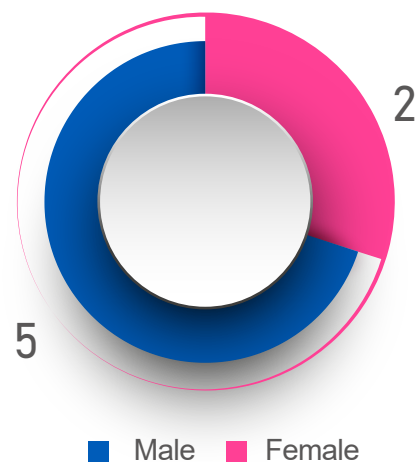
Under the Board of Directors, INTCO Medical has established four special committees, namely the Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee, all of which are composed of directors and perform the duties of each committee in accordance with the provisions of the *Articles of Association* to continuously improve the level of corporate governance.



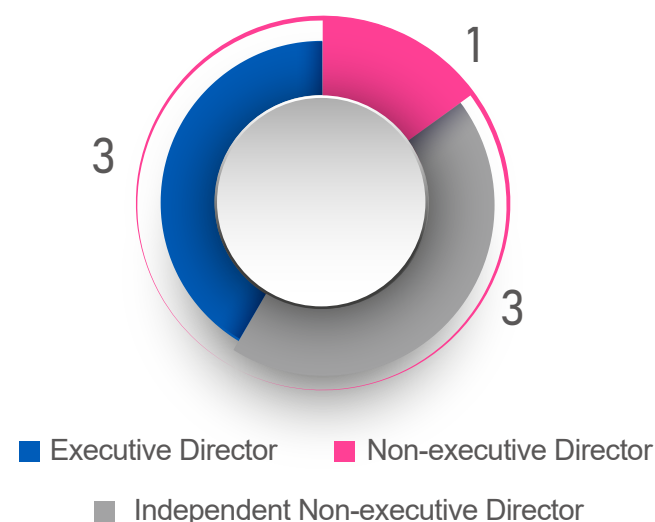
## ■ BOARD DIVERSITY

INTCO Medical strictly follows the internal regulations such as the *Articles of Association* to implement the board diversity policy. We select the best candidates for each position considering a variety of factors including but not limited to professional experience, knowledge, skills, gender, age, ethnicity, culture and educational background, race and length of service. Up to the end of the reporting period, the Board of Directors in INTCO Medical consists of 7 directors, including 3 executive directors, 1 non-executive director and 3 independent non-executive directors, which includes two female directors. The Board of Directors plays a full role in checks and balances with reasonable distribution to protect the interests of shareholders and the company. During the reporting period, the company held a total of 12 board meetings, and the convening of each meeting complied with the requirements of relevant laws and regulations.

GENDER OF DIRECTORS



TYPE OF DIRECTORS



## ■ INTERNAL CONTROL AND RISK MANAGEMENT

INTCO Medical further enhances the effectiveness of its internal control and risk management through the development of a series of policies such as the *Internal Audit Management* and the *Internal Control Evaluation Management*. The Board of Directors is responsible for the establishment, improvement and effective implementation of the internal control policy. Meanwhile, the company implements, reviews and supervises the implementation of the internal control policy through the Audit Committee and internal audit

department. The internal annual audit and internal control evaluation management are carried out to constantly improve internal management and to ensure the compliant operation.

In order to timely identify and systematically analyze the relevant risks in business activities and determine reasonable response strategies, INTCO Medical has formulated the *Risk Assessment Management Policy*, which determinates the relevant responsibility mechanisms of each functional departments of the company and its subsidiaries. Annual self-summary and evaluation of the company's internal control are conducted and the internal self-evaluation control report is submitted to the Board of Director for consideration.

At the same time, through *Internal Control Management Manual*, the company has set up effective management measures in a total of 20 aspects of the operation process, including organizational structure, development strategy, social responsibility, internal supervision, risk control, etc., which are continuously improved during operation.

For more information on corporate governance, please refer to the *2021 Annual Report of INTCO Medical Technology Co., Ltd.*

## ESG GOVERNANCE

Since establishment in 2009, the company has been upholding the purpose of "Serving human health needs with the crystallization of human wisdom". We adhere to the fulfillment of social responsibility, the practice of ethical behavior, honesty and integrity as the principle of business to reward mutual trust and respect, encourage the diversity of workforce and identification of different cultures, and protect and care for the community and surrounding environment.

The company plans to integrate the management of ESG into the duty of the special committee of the Board of Directors, develop the relevant policies, and further strengthen the standardization and rationality of the company's social responsibility management. We effectively fulfill our social responsibility, and all the departments and employees implement relevant responsibilities to protect the legitimate rights and the interests of stakeholders. At the same time, we will further examine the economic, social and environmental impact in operations and adhere to sustainable development.



(INTCO MEDICAL SOCIAL RESPONSIBILITY STRUCTURE)



■ STAKEHOLDER COMMUNICATION

INTCO Medical attaches great importance to the communication with stakeholders. According to the company’s own business and operational characteristics, we have identified the main stakeholders, including government and regulators, shareholders and investors, customers, employees, distributors and suppliers, public and community, media and other partners, with the reference to *GRI Standards* and benchmark with our global peers. We have established diverse communication methods to understand their suggestions and expectations, respond to their needs, and integrate their suggestions into our operation and governance to strive for sustainable development.


STAKEHOLDER	ISSUE OF CONCERN	WAY OF COMMUNICATION & RESPONSE
Government & Regulators	<ul style="list-style-type: none"><li>■ Corporate governance</li><li>■ Business ethics and Anti-corruption</li><li>■ Pollutant emission management</li><li>■ Community building and social welfare</li></ul>	<ul style="list-style-type: none"><li>■ Information disclosure</li><li>■ Reception and research</li><li>■ Files exchanges</li><li>■ Policy enforcement</li></ul>
Shareholders & Investors	<ul style="list-style-type: none"><li>■ Corporate governance</li><li>■ Sound operation</li><li>■ R&amp;D innovation</li></ul>	<ul style="list-style-type: none"><li>■ General meeting of stakeholders</li><li>■ Performance release</li><li>■ Information disclosure</li><li>■ Roadshow</li></ul>
Customers	<ul style="list-style-type: none"><li>■ Business ethics and Anti-corruption</li><li>■ Customer privacy and information security</li><li>■ Product safety and quality</li><li>■ Responsible marketing</li><li>■ Market expansion and development</li></ul>	<ul style="list-style-type: none"><li>■ Customer satisfaction surveys</li><li>■ Customer service hotline</li><li>■ Online communication (APP/Website)</li></ul>
Employees	<ul style="list-style-type: none"><li>■ Employee training and development</li><li>■ Employee health and safety</li><li>■ Employee recruitment and rights protection</li><li>■ Employee compensation and benefits</li><li>■ Human rights respect</li></ul>	<ul style="list-style-type: none"><li>■ Staff meeting</li><li>■ Employee activities</li><li>■ Employee training</li></ul>
Distributors & Suppliers	<ul style="list-style-type: none"><li>■ Supply chain sustainability</li></ul>	<ul style="list-style-type: none"><li>■ Distributors/Suppliers conference</li><li>■ Distributors/Suppliers training</li><li>■ Suppliers evaluation</li></ul>
Public & Community	<ul style="list-style-type: none"><li>■ Community building and social welfare</li><li>■ Environmental protection</li></ul>	<ul style="list-style-type: none"><li>■ Community activities</li><li>■ Welfare program</li></ul>
Media	<ul style="list-style-type: none"><li>■ Sound operation</li><li>■ Responsible marketing</li><li>■ Market expansion and development</li></ul>	<ul style="list-style-type: none"><li>■ Conference</li><li>■ News release</li><li>■ Interview</li></ul>
Other Partners	<ul style="list-style-type: none"><li>■ R&amp;D innovation</li></ul>	<ul style="list-style-type: none"><li>■ Industry forum</li><li>■ Communication and interaction</li></ul>

During the reporting period, we have conducted many regular and irregular communications with stakeholders online and offline, including 3 institutional on-site research activities, 3 online conference calls and performance briefings. We introduced the company’s sales and future development and construction plans, and gave detailed answers to investors’ concerns.

■ ANALYSIS OF MATERIAL ISSUES

In accordance with the *GRI Standards*, and in consideration of the industry issues of concern in the capital markets, including MSCI, SASB and Sustainalytics, we identified and summarized 22 material issues based on the business and operational characteristics. There are 8 issues of high importance, 12 issues of moderate importance and 2 issues of general importance. We will disclosure and respond to these issues, and focus on the highly important issues in the subsequent chapters of the report.


01



MATERIAL ISSUES IDENTIFICATION

Through the analysis of disclosure standards, benchmarking capital market concerns and peers, 22 potential material issues were screened out to form the ESG material issues list of INTCO Medical


02



STAKEHOLDERS COMMUNICATION

Conducted 19 internal interviews involving all the functional departments and multiple business units, and distributed ESG material issue questionnaires to stakeholders to learn about the priority


03



MATERIAL ISSUES DETERMINATION

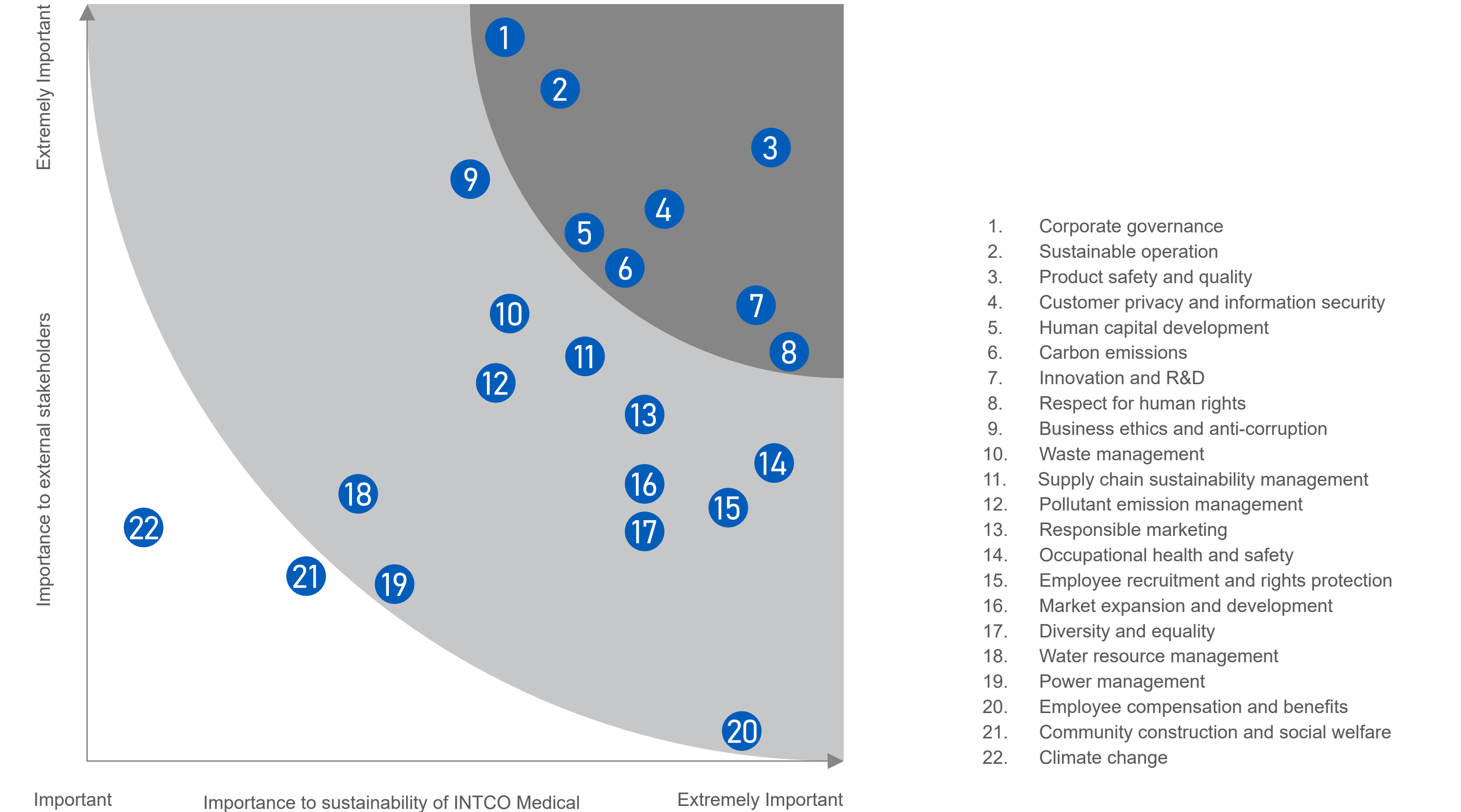
Analyzed issues in terms of importance to external stakeholders and importance to sustainability of INTCO Medical, and confirmed with the Board of Directors

04



MATERIAL ISSUES MATRIX

Formed the results of confirmation into an material issues matrix, and identified the highly importance issues, moderately importance issues and general importance issues



(INTCO MEDICAL MATERIAL ISSUES MATRIX)





# PRACTICE RESPONSIBLE OPERATIONS

- OPERATIONAL INTEGRITY 17
- INFORMATION SECURITY 18
- RESPONSIBLE MARKETING 19

INTCO



Adhering to the responsibility to all parties is the corporate culture of INTCO Medical, which is the line that we based on to carry out our business. With honesty and integrity as our principle, we uphold the business philosophy of legal compliance, have gradually improved our internal behaviour management system, and insist on honest operation. In the meantime, we strictly carry out the protection of business information security, responsible marketing, and take the responsibility to the enterprise, to the customer and to the society.

## OPERATIONAL INTEGRITY

INTCO Medical adheres to the entrepreneurial spirit of “honesty and integrity”, resolutely resists bribery and corruption, and strives to build an integrity and transparent governance system. INTCO Medical strictly abides by all relevant, applicable laws and regulations where it operates, including the *Company Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China*. The company has also created internal policies and systems such as the *Anti-Money Laundering and Anti-Terrorist Financing Management Policy* and the *Anti-Bribery Management Policy*, which have made clear regulations for corruption, bribery, fraud, money laundering, terrorist financing, and unfair transactions involved the company and its employees.

### REPORTING CHANNELS

INTCO Medical’s compliance operation is led by the Board of Directors, committed to creating an anti-fraud cultural environment within the company and its subsidiaries, and establishing the internal control system, including the anti-fraud. Once fraud is discovered, all employees can report it in real name or anonymously through the whistleblowing hotline, e-mail and letter, etc. The company regularly evaluates the effectiveness of the whistleblowing channel and its management, and integrates the continuous supervision of fraud into daily internal control activities. After the investigation teams verify the authenticity of the fraud, the company will reward the employee for significant contributions.

INTCO Medical formulated the *Anti-Fraud and Whistleblowing Management Policy* to ensure the complainants or whistleblowers are free from any unfair treatment in the process of assisting the investigation, and the unlawful discrimination, retaliatory behaviour and hostile measures are strictly prohibited. In the meantime, the person who accepts the complaints or participates in the fraud investigation is prohibited from providing any information to any department or personnel without authorization, and the legitimate rights of the whistleblowers is strictly protected.

### INTEGRITY DELIVERY

INTCO Medical pays attention to the creation and transmission of the integrity within the company. We designed and distributed employee ethics and compliance hotline cards to urge our employees to comply with the employee code of conduct in office and to eliminate corruption and bribery.

We also strictly control the business ethic and compliance management of suppliers. During the reporting period, we signed the *Supplier Anti-Bribery Committee Letter* with each new supplier to ensure the sunshine purchase and establish an honest and self-disciplined work style. On the other hand, the supply chain management department together with internal control department visited our suppliers, and carried out anti-bribery promotion activities, issued sunshine purchase card on site to encourage suppliers to make complaints and reports on any violation of laws or irregularities.



(EMPLOYEE ETHICS HOTLINE CARD)



(SUPPLIER ANTI-BRIBERY TRAINING)

## INFORMATION SECURITY

Ensuring information and data security is the direction that INTCO Medical has been striving for, and it is also our unshirkable responsibility. We have continuously established and improved the company information security management system through the establishment of internal systems and documents such as *Information Security Management Policy*, *Data Center Backup Management Policy*, *Information System Development Management Policy* and *IT Equipment Maintenance Management Policy*, etc. We consider all the aspects of information security, for which we have formulated 14 operation specifications to reduce the risk of information security risk in daily work.

In the meantime, in accordance with the requirements of the national network security level protection 2.0, we continue to build an internal network information security software and hardware system, strengthen the operation training of employees, and ensure the safety and reliability of the company’s computer equipment, software systems, network systems, and information data storage.



(INTCO MEDICAL INFORMATION SECURITY PROTECTION)



With an excellent management system and a sound protection system, INTCO Medical ensures that the company's business information, personally identifiable information and customer privacy information are not infringed. In addition, the *Customer Privacy Protection Policy* that we formulated requires that the customer information need to be encrypted hierarchically according to the importance, and necessary confidentiality measures are set up to respect the privacy of customers.

## RESPONSIBLE MARKETING

INTCO Medical adheres to responsible marketing and is strictly in line with the *Advertising Law of the People's Republic of China*, the *Federal Trade Commission Act*, the *Truth in Advertising Act in the U.S.*, the *General Data Protection Regulation (GDPR)* in the European Union, and other laws and regulations in all places in which the company operates.

We include responsible marketing as a part of our internal control for strict management, and strictly abide by the company's *Marketing Management Policy* and other internal regulations in the process of product marketing and brand promotion to ensure that the information content does not infringe on the interests of others. The company's official self-media is an important window for our external voice. When we disseminate content to the public through WeChat official account, WeChat Channels account, Weibo, TikTok, we have

joined corporate with domestic and international sales department, marketing department, quality department and other departments to have a review on the text, pictures, videos in the promotional content and jointly guarantee their originality, correctness and professionalism. In the meantime, we set up an *E-commerce Management Policy* to standardize the market order on e-commerce platforms, including the brand authorization, price monitoring, etc., to eliminate the occurrence of malicious marketing phenomena such as online and offline market stringing and low-price competition.

In order to further regulate the behaviour of INTCO Medical in external communication, we have conducted the establishment of HRBP (Human Resource Business Partner) to set up a professional assessment program for sales staff. In the meantime, we cooperate with external agencies to hire experts to train our sales staff on responsible marketing; the product department also regularly provides training to our employees on products to ensure the accuracy and professionalism of terminology in the marketing process and to maintain the company's brand and reputation.

We actively participate in domestic and international large-scale exhibitions. We regularly conduct self-inspection and audit activities to ensure the standardization of marketing activities. During the reporting period, we participated in 26 domestic exhibitions and 2 international exhibitions, and placed advertisements in more than 80 cities nationwide to enhance our brand marketing power. In the process of product marketing and brand promotion, the company did not have any administrative penalties or litigation cases due to marketing violations.



(MEDICA EXHIBITION IN DÜSSELDORF, GERMANY)





## ADHERE TO EXCELLENT QUALITY

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INTCO

INTCO Medical attaches great importance to product quality, strives to ensure product safety, and is committed to providing customers with excellent quality products. We manage the whole process of production, marketing and after-sales, and constantly invest resources in developing new products to meet market demand. In the meantime, we value the relationship with our customers and strive to build a bridge of friendly communication. We hope to create a good company image and enhance the reputation by providing reliable products and services.

## QUALITY AND SAFETY

INTCO Medical adheres to the quality policy of “Safety provision, quality assurance; care for health, service for you”. We regard product quality as the core competitiveness, take customer needs and expectations as the starting point, and continuously improve the quality and safety management system to provide customers with safe and reliable products, realize the care for customer health and meet the company’s responsibility to customers.



(INTCO MEDICAL QUALITY POLICY)

### ■ QUALITY MANAGEMENT SYSTEM

INTCO Medical strictly abides by the *Medical devices - Quality management systems - Requirements for regulatory purposes (EN ISO 13485:2016)*, *Canadian Medical Device Regulations (CMDR)*, *Quality System Regulation (FDA-21-CFR-QSR 820)*, *Quality management systems – Requirements (GB/T 19001-2016)* and relevant laws and regulations. Combining our actual situation, we formulated the *ISO 13485 Quality Manual* and *ISO 9001 Quality Manual* during the reporting period. These two quality manuals provide the main basis for product safety and quality management to ensure the effective operation of internal quality management and to constantly improve and enhance the quality of products and service.

In the meantime, we have set up a three-level quality management system, gradually refining the quality control measures and processes, monitoring and inspecting products from raw materials, processes and shipments, and strictly controlling quality risks. Through the setting of annual quality targets, we further refine the work and indicators of each department to fully guarantee the quality and safety of our products. Control procedures for non-conforming products are established, and preventive measures are taken to identify, isolate and effectively deal with the non-conforming products to prevent the unintended usage and delivery.



(THREE-LEVEL QUALITY MANAGEMENT SYSTEM)

INTCO Medical adopts advanced quality management tools, including FEMA (Failure Mode and Effects Analysis), CP (Control Plan), MSA (Measurement Systems Analysis), 5S management, etc., to pursue zero defects in our products. We plan to introduce digital intelligent TQM (Total Quality Management) and Six Sigma quality management in 2022 to further improve and optimize product quality through meticulous data analysis.

INTCO Medical pays attention to the construction of employee quality culture. We provide systematic quality training for all new employees, including the company’s quality policy and quality targets. In the meantime, we have set up a separate system audit training, regularly introduce the quality management laws and related standards or requirements to help the company implement the relevant requirements of quality management.

In addition, in order to improve quality management, we have developed *Advisory Notices*, *Adverse Event Reporting* and *Product Recall Procedures* for quality issues. During the reporting period, we did not experience any recalls due to the quality of our product.



(QUALITY CULTURE TRAINING)

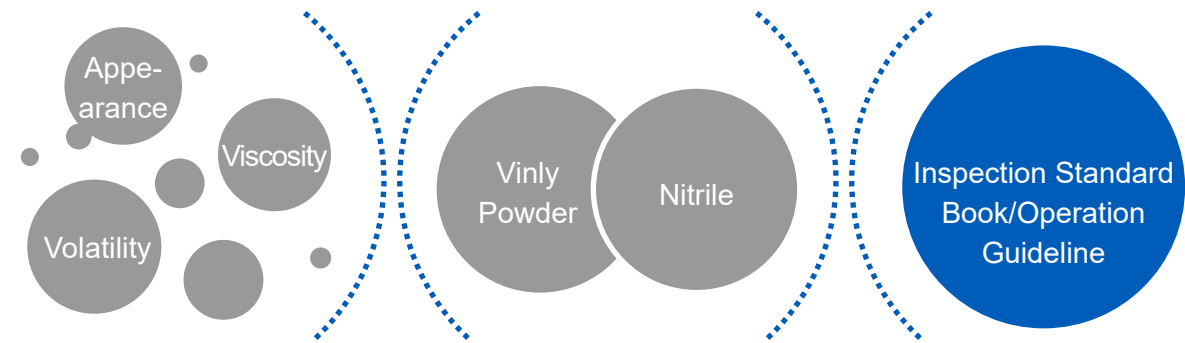
### ■ QUALITY CONTROL OPTIMIZATION

INTCO Medical has set up a quality management department to strengthen the product quality and safety. We conduct professional tests on raw materials and manufactured products to control the quality from the source and to ensure the products with a 100% pass rate.

#### Raw Materials

We strictly follow the relevant national and local standards, and for the raw materials of nitrile and vinyl we used, we have formulated internal documents such as *Nitrile Raw Material Inspection Standard Book*, *Vinyl Powder Inspection Operation Guideline* and *Raw Material Inspection Operation Guideline*, which regulate the inspection methods, process and related specific operations of each raw materials.





(RAW MATERIAL QUALITY CONTROL)

Products

We have a physical room and a transfusion chamber, etc., to carry out physical and pinhole inspection of relevant standards to ensure that the products comply with relevant standards in China, the United States, Europe and other countries. During the reporting period, we continue to optimize our testing equipment and inspection programs, and implemented temperature monitoring for each process of the production line by introducing DCS (Distributed Control System) automatic temperature control system to further improve the product qualification rate. In addition, we adopted the PDCA cycle method to optimize our workflow and methods in order to improve the efficiency of product inspection.

DIGITAL UPGRADE

INTCO Medical actively explores digital transformation and improves production quality and efficiency through comprehensive information construction. We are committed to building a digital factory and focus on building a digital lighthouse factory in medical protection and device industries.

During the reporting period, we actively used new equipment, processes and technologies to accelerate the construction of smart workshops and intelligent factories, while saving production costs, increasing the stability, quality and output.



(DIGITAL INTELLIGENT CONTROL)



(INTELLIGENT PRODUCTION LINE)

EXTERNAL SUPERVISION

INTCO Medical actively cooperates with external third-party auditing and supervision, and we have

obtained the certification from the NSF (National Sanitation Foundation), PPE (Personal Protective Equipment) and MDR (Medical Device Regulation). Our products also meet the international standards such as ASTM, CE, ISO and JIS Food Standards. We also cooperate with our client audits and have passes the quality audits from several suppliers. During the reporting period, INTCO Medical has passed 80 quality-related external supervision, with a 100% pass rate.

We provide excellent products and services to our global customers and actively conduct quality-related certifications. During the reporting period, several manufacturing bases have obtained ISO 9001, ISO 13485 and other quality management certifications. Some are as follows:

CERTIFICATION	EXAMPLES OF SITES THE BUSINESS OPERATES
ISO 9001 Quality Management System	INTCO Medical Technology Co., Ltd. Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd.
ISO 13485 Medical Device Quality Management System	INTCO Medical Technology Co., Ltd. Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd. INTCO Medical (HK) Co., Ltd.
BRC (Global Consumer Products) Certification <sup>1</sup>	INTCO Medical Technology Co., Ltd. Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd.
MDSAP Certification <sup>2</sup>	Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd.
Integration of Informatization and Industrialization	INTCO Medical Technology Co., Ltd.
GB/T 19580-2012 Certification of Criteria for Performance Excellence	INTCO Medical Technology Co., Ltd.



(EXAMPLES OF CERTIFICATES OBTAINED BY INTCO MEDICAL)

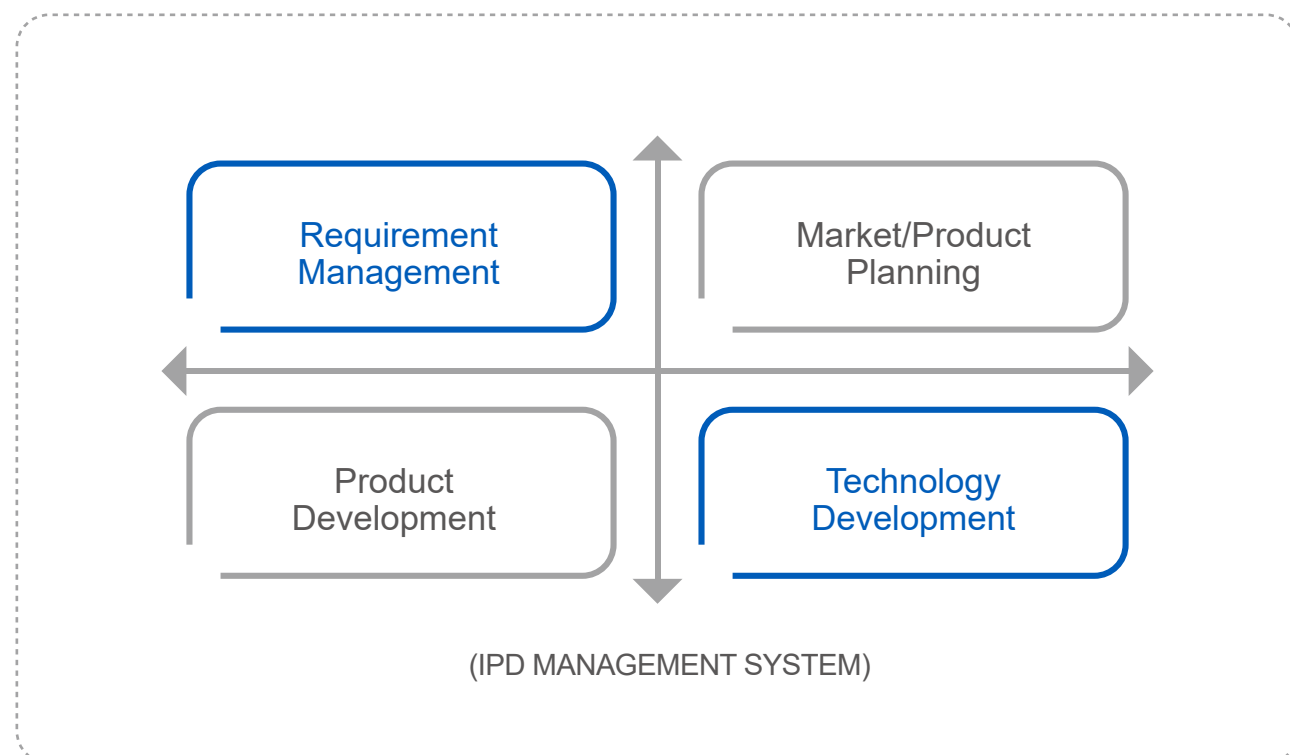
<sup>1</sup>BRC (Global Consumer Products) Certification: BRC Consumer Products Standard is developed by the British Retail Consortium (BRC).  
<sup>2</sup>MDSAP Certification: Medical Device Single Audit Program, including the standards and regulatory requirements of Australia, Brazil, Canada, Japan and the United States. This certification is audited by the regulatory agencies with five countries authorization.

## R&D INNOVATION

The development of INTCO Medical is inseparable from the innovation and iteration of products and technologies. By strengthening the innovation management and planning of new products, new technologies and new processes, the company tries the best to occupy the market and plan the future layout. Through the exploration of new products, upgrading and optimizing, we tap the market needs to meet the multi-level needs of customers.

After years of deep cultivation in the industry, INTCO Medical already has an experienced R&D team. As of the end of reporting period, the company has a total of 1,149 researchers, accounting for 12.61%. We actively introduce high-tech talents to expand our R&D team, the number of researchers with master degree or above has increased by 166.67%. During the reporting period, the company invested about RMB 356 million for the research in glove categories, and products, materials, testing. In the future, in line with the development needs, the company will continue to expand our R&D team and increase the introduction of highly educated talents. In the meantime, we will increase the investment to build advanced first-class laboratories, enhance the ability of independent innovation by optimizing the process, and improving the equipment quality and technology standards from three major directions of product, material and process.

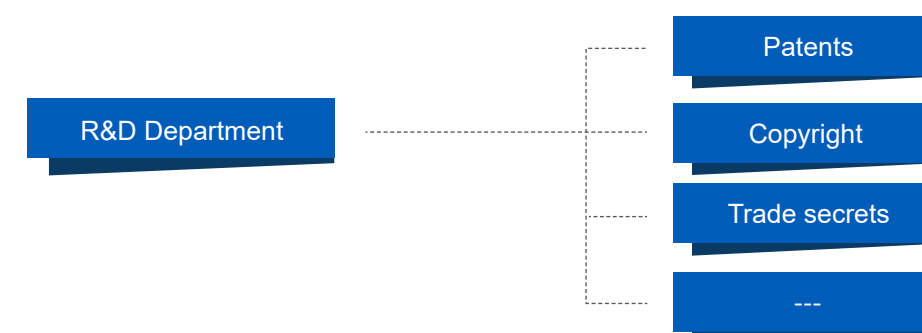
For better regulate the management of R&D project in INTCO Medical, strengthen the effective planning and real-time controlling and ensure the safety and integrity of R&D investment, we have formulated the *R&D Project Management Policy*. In the meantime, we have established IPD (Integrated Product Development) management system across several departments to better explore the market potential and meet the demand. Through the cooperation of six core teams, we have realized the four processes (Requirement management, Market/Product planning, Product development and technology development) running simultaneously.



## INTELLECTUAL PROPERTY

Intellectual property is a key part of maintaining competitiveness. INTCO Medical has formulated the *Intellectual Property Management Policy* to further standardize the intellectual property management, while encouraging the invention and creation of employees, promoting scientific and technological innovation, strengthening the transformation of knowledge achievements, and improving our core competitiveness.

With the R&D department as the core, the company coordinates the digital automatic department, legal department and finance department to strictly control the relevant management of intellectual properties throughout the whole process.



(INTELLECTUAL PROPERTY PROTECTION SYSTEM)

In the meantime, we respect the intellectual property of others. Before the establishment of R&D projects or other activities involving intellectual property, the corresponding departments will conduct search and check to avoid intellectual property infringement.

We continue to integrate our proprietary technologies and expertise to enhance our R&D innovation capabilities. As of the end of the reporting period, the company and its subsidiaries are jointly owned 122 valid patents, including 8 invention patents, 109 utility patents and 5 design patents. The company has owned 52 registered trademarks, 159 registered patents, 5 domain names and other intellectual properties in China, covering the products, production lines, manufacturing processes and technologies.

## SERVICE GUARANTEE

Providing customers with one-stop service and escorting customers throughout the whole experience is the constant commitment of INTCO Medical. We insist on focusing on our customers and are committed to providing customers with a full range of quality services. We constantly improve our service standards and quality through learning service concepts, improving communication skills, standardizing marketing methods, and improving service operations.



■ CUSTOMER SERVICE

We formulated the *Customer Service Control Procedures* and *Customers Service Specification Process* to fulfil our responsibilities to customers effectively and efficiently. We actively maintain the relationships with our customers and strengthen the cooperation and communication through regularly video and telephone communication, field visits and factory tours.

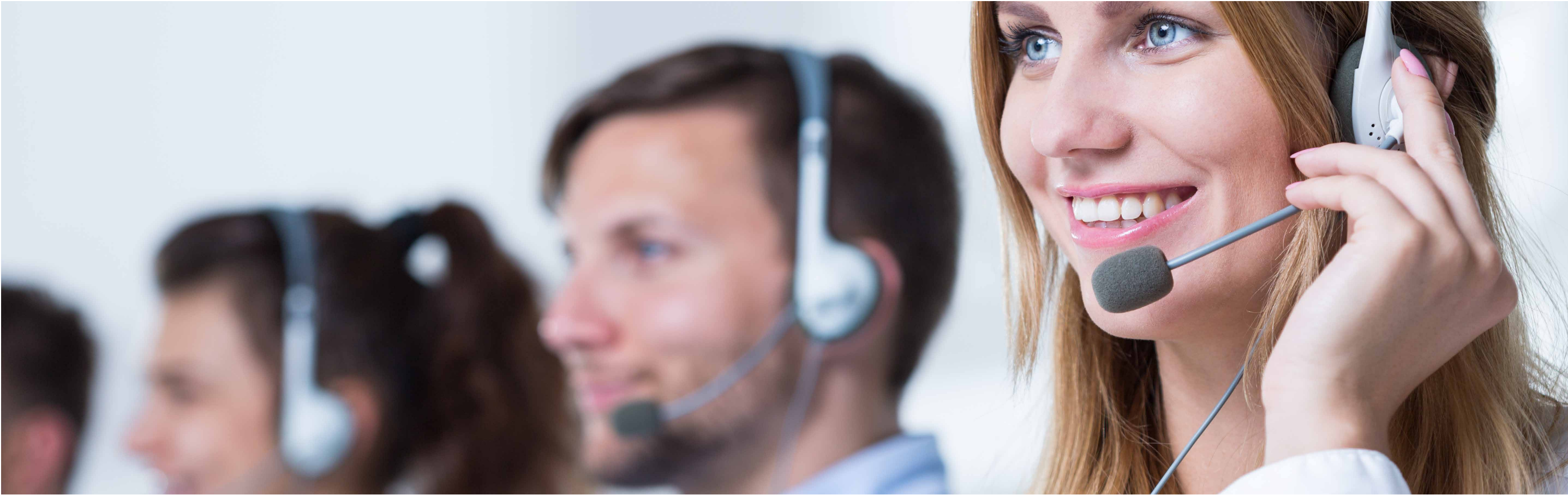
In order to improve the service level and the product-service mechanism, we regularly issue customer satisfaction questionnaires to understand their evaluations and suggestions. During the reporting period, we conducted satisfaction surveys on 59 major customers in China and obtained 91.1% satisfaction results; also a 94.57% satisfaction results obtained in e-commerce platform. We analyzed the detail results of the survey and try hard to improve the deficiencies.

■ COMPLAINT FEEDBACK

In order to ensure the timely warning from customers’ feedback and ensure the timely communication, analysis and processing of customers’ complaints, we set up a variety of complaint feedback channels, in addition to the e-commerce online platform, customers can also send their feedbacks through “400” telephone and email, etc. We have established a reasonable complaint feedback handling process and formulated different response measures for different needs. During the reporting period, we actively handled customer complaints, with a handling rate of 94.96%.

Complaint Acceptance	Record and classcify problems, and report to the relevant person in charge in a timely manner.
Complaint Processing	<p>The person in charge should carry out corresponding processing measures according to the type of complaints:</p> <ul style="list-style-type: none"><li>■ <b>Complaints:</b> analyze and judge the problem parties, and carry out rectification according to the cooresponding procedures.</li><li>■ <b>Evaluations and Suggestions:</b> leaders or responsible person should review the content and feedback to customers.</li><li>■ <b>Consulting:</b> contact with the related departments to understand the situation and reply to the customer in a timely manner.</li></ul>
Complaint Closure	The result should be promptly notified to the customer relationship department, and track the feedback information.
Regular Return Visit	Regularly pay the return visit to customers about the complaints.

(CUSTOMER COMPLAINT HANDLING PROCESS)







## FOCUS ON TALENT DEVELOPMENT

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INTCO



Excellent talent team is the key to the steady development. INTCO Medical always insists on people-oriented, and attaches great importance to the cultivation and development of talents. We uphold the principle of fair and just recruitment, protect the basic rights and interests of each employee. We help strengthen the work ability and skills, through the establishment of a sound training and development system, and pay attention to the occupational health and safety of employees by providing our employees with equal and diversified development space, which promotes the common growth of the company and our employees.

## EMPLOYEE EMPLOYMENT

INTCO Medical strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the relevant laws and regulations of the United States, Germany and other countries and regions. We formulated internal management policies such as *Employee Handbook*, *Human Resource Management Policy*, *Performance Management Policy*, etc., and updated and optimized the content during the reporting period. We strictly ensure the compliance, legality and fairness of the recruitment process, eliminate any form of child labor or forced labor, and prohibit any discrimination against employees in employment, remuneration, training opportunities, promotion, dismissal or retirement, etc. due to the ethnicity, race, nationality, religious belief, gender, age, etc. We promise to provide equal employment opportunities for each candidate, give employees sufficient development space and competitive salary and benefits, and create a harmonious and cohesive working environment for employees.

INTCO Medical adopts the leading human resource management strategy and uses HRBP (Human Resource Business Partner), SSC (Shared Service Center), COE (Center of Expertise), the three-pillar model to integrate the human resources in all regions, which can provide end-to-end solutions and standardized, process-oriented services to enhance the efficiency of the human resources process and strengthen the refined management.



(HUMAN RESOURCE THREE-PILLAR MODEL)

INTCO Medical practices the principle of “Hiring and promoting the suitable employees” and builds a diversified team. We have built a perfect recruitment management system to attract outstanding talents from all walks of life through internal competition, internal recommendation and external recruitment, etc.

### MULTI-CHANNEL RECRUITMENT HELPS TALENTS DIVERSITY

#### Campus recruitment

INTCO Medical opened INTCO Young in many universities in China. Through online/offline career talks, campus double-election event, strengthening contacts with universities, and placing job information on the four major recruitment websites, we further promote our company culture and the students on campus can get closer. During the reporting period, a total of 470 college students were signed.



#### Social recruitment

We encourage our employees to recommend professional talents by implementing an employee internal promotion incentive program; we also introduce the MOKA recruitment system to establish the talent resource pool and achieve efficient recruitment using intelligent methods.

In addition, for the factory workshop workers, we carry out recruitment by visiting township human resource offices, releasing recruitment information to village committees, and using poster or mobile publicity in areas with high population flow.

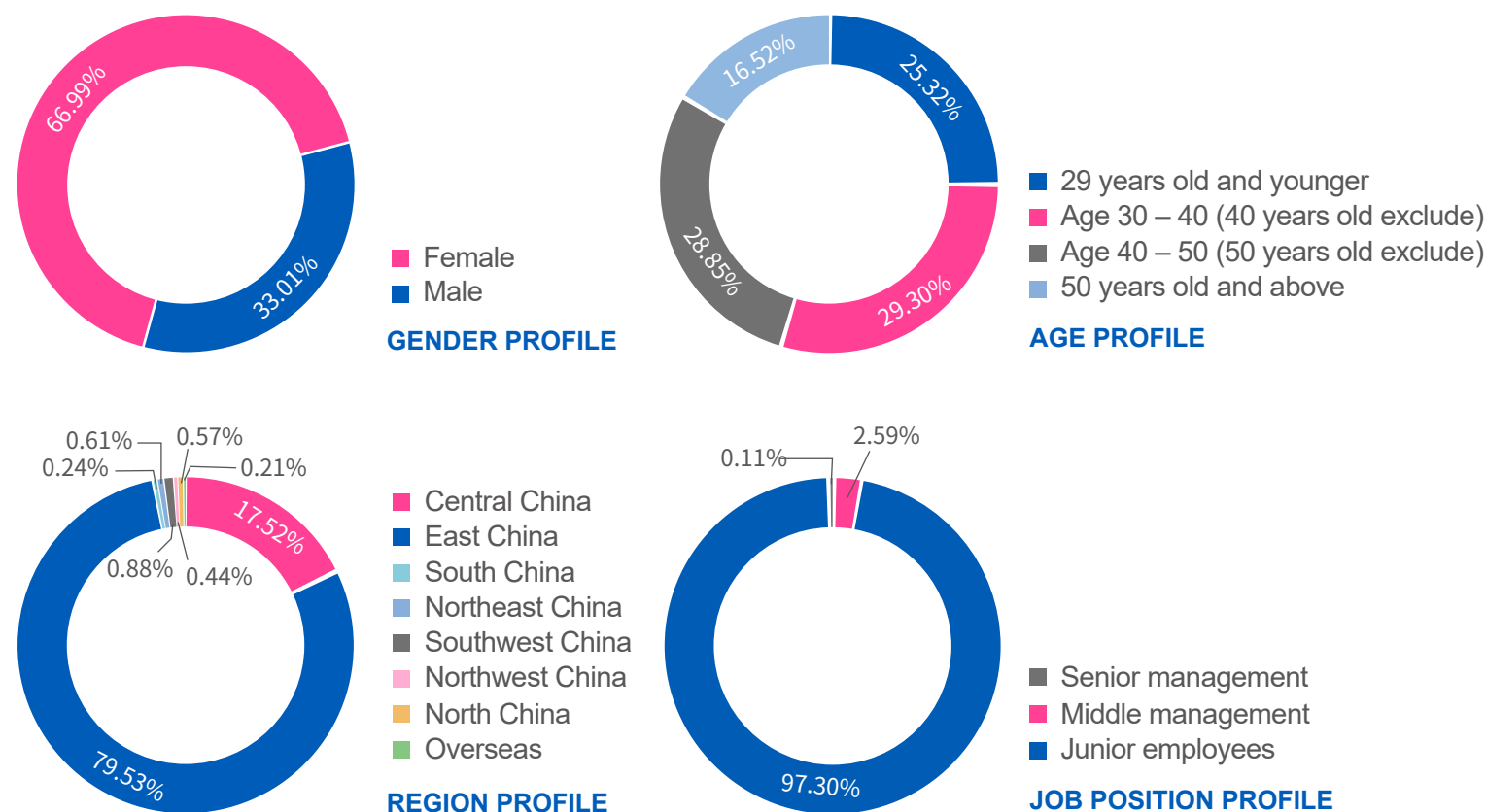


#### Global talent layout

INTCO Medical has been recruiting high-level talents globally by adding positions according to the needs of our project. In the past few years, we have added 1 new employee in the United States and 4 in Germany. In the early stages of the Vietnam bas construction, we initiated a talent search and development work to increase overseas recruitment. During the reporting period, we established the Japan Marketing Center and expanded the team in German Marketing Center to advance our global talent layout.



As of December 31, 2021, the total number of employees of INTCO Medical was 9,115, including 6,106 female employees, accounting for 66.99%. We hired 76 ethnic minority employees in our production bases and business departments.



(EMPLOYEE STRUCTURE)

## TALENT DEVELOPMENT

Employee development is the driving force for the sustainable development of us, and also the need for personal growth and development. INTCO Medical always adheres to responsible for employees, cultivating and encouraging the development of personal professional skills, strictly executing the management policies, providing clear and diversified development paths and talent promotion channels for all employees both in production and technical fields, and helping to improve the professionalism and work skills.

### ■ PERFORMANCE MANAGEMENT

INTCO Medical has formulated the *Performance Management Policy* and *Performance Appraisal Management Policy*, requiring each department to formulate appraisal plans based on job characteristics, and to conduct monthly and semi-annual 360 appraisals for employees from work attitude, task completion and other dimensions to ensure the rationality and effectiveness of the appraisal. In the meantime, the appraisal results are reviewed by cross-level leaders and human resource departments to ensure the objectivity of the process. We provide employees with incentives such as salary adjustment, promotion and equity allocation, based on the performance appraisal results.

In addition, the company establishes performance feedback and improvement mechanisms. On the one hand, employees who have doubts about the performance results can give feedback to the human resources department in a timely manner. On the other hand, the relevant department heads and the human resources department can communicate with the appraised employee and provide

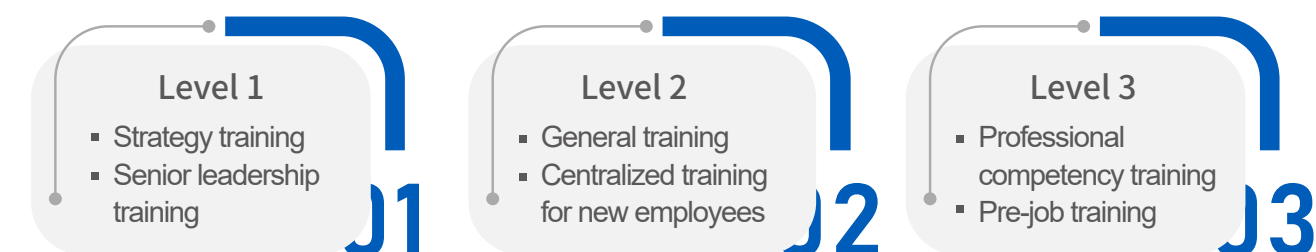
past performance summaries, future work counselling, psychological counselling and other measures to help improve their work ability and quality. Through the performance management mechanism, the value of each employee can be reflected objectively and fairly, also the enthusiasm of employees can be stimulated, and talents can be further attracted and retained.

### ■ TALENT PROMOTION

In order to strengthen the construction of the company's talent echelon, INTCO Medical has formulated the *Job promotion Management Process*, the *Internal Transfer Management Process* and other related approval processes to make clear provisions on the promotion path and process, further standardize the management of job promotion and internal transfer. We also set up multiple promotion channels and the positions can be applied through competitive recruitment, department head recommendations, etc., which provide employees with sufficient growth space and development opportunities, stimulate enthusiasm, and promote the common growth of employees and the company.

### ■ EMPLOYEE TRAINING

INTCO Medical has established a multi-dimensional training system to support the development of the talent team. The company formulated the *Training Management Policy* and launched a three-level training system to meet the needs of employees at different levels and different positions. We provide all-round training for employees in the dimensions of leadership, professional skills and general knowledge literacy, etc., and continuously strengthen the support for the employees' education and skill, help the enhancement of employees' professional quality and ability level, and escort their growth and development. During the reporting period, the employee training coverage reached 100%, among which we organized 8 large-scale external training sessions with a total of 1,992 trainees.



(THREE-LEVEL TRAINING SYSTEM)

TYPE	TRAINING PROGRAMS	OBJECT	TRAINING CONTENT
New employee training	INTCO Young program	New employees	Through a combination of intensive training courses, group division and examinations, training courses related to corporate culture, company introduction, rules and regulations, career development and job responsibilities are conducted.
	Pre-job training	New employees	According to the needs of each department and position, targeted trainings including training for new employees in internal and external sales and pre-job training for general workers are provided.



Professional skills and knowledge training	Online training	Incumbent employees	Online learning resource management is opened to provide cloud learning, one book and one lesson to follow up the learning process of each employee in time and provide corresponding learning incentives.
	Offline training	Incumbent employees	Activities such as monthly internal training and golden team leader training are carried out to enhance employees' knowledge.
	Instant training	Corresponding position employees	Instant trainings are carried out to help grasp new work content when new requirements arise, such as new systems, new projects, new products and equipment.
Leadership training	Management excellence training	Incumbent employees	Carry out Jiayi University and Huihua training, and create Chen Chunhua digital training camp.
Re-education	EMBA	Middle and senior management	In order to encourage employees to refine their skills, special operation job certificates are arranged, and the training and examination fees and post-review fees are covered.
	Certification support	Professional and technical employees	Provide safety performance subsidies for employees who have obtained safety management certificates, promote independent learning and improve skills.



(LEADERSHIP TRAINING)



(CONCENTRATION EMBA)

# HEALTH AND SAFETY

INTCO Medical attaches great importance to the health of employees and the safety of production and operation. The company strictly abides by the relevant laws and regulations of the region where we operate on occupational health and safety, and establishes a sound safety management system to protect the safety of employees.

In order to improve the company's EHS management, INTCO Medical has established an EHS health and safety organizational structure, set up an EHS Management Committee with the general manager as the first person in charge, formulated the company's EHS policies, system and work objectives, clarified the responsibilities of each department, carried out EHS-related work in a targeted manner, followed up and supervised safety production and occupational health through a sound organizational governance structure, and ensured the effective implementation of the concept of health and safety.

## ■ SAFETY PRODUCTION

INTCO Medical adheres to the policy of "Safety first, prevention, comprehensive treatment", and always puts safety production in the first place. The company strictly abides by the *Work Safety Law of the People's Republic of China*, *Regulation on Emergency Responses to Work Safety Accidents* and other relevant national and local laws and regulations, builds a safety production management system, and formulates a series of management systems, including *Safety Production Responsibility Management System*, *Management System for Safety Regulations and Operating Procedures*, *Risk Management System*, *"Three Simultaneities" Management System for Safety Facilities*, *Management System for Overhaul, Maintenance and Repair of Equipment and Facilities*, *Fire Safety Management System*, etc., to further enhance the production safety management and control capabilities, ensure the safety of employees in production, and reduce the occurrence of safety accidents.

In order to further carry out safety production management, the company has established a systematic safety production target management system, set up annual safety production targets according to production needs, and decomposed the targets into relevant departments, and carried out target assessment through the combination of departmental self-assessment and company organizational assessment. In addition, we encourage employees to work safely through the reward and punishment system, give commendations and rewards to employees who have made remarkable achievements



(2021 INTCO YOUNG PLAN – DEVELOPMENT BOOT CAMP)

in safety production at the end of the year, and punishments for accidents with work-related casualties and violations of rules and regulations. Through a series of measures, we ensure the continuous improvement and realization of the safety production target management system.



(INTCO MEDICAL SAFETY PRODUCTION OBJECTIVES)

In view of the work injury incident occurring in the production process, the company starts the disposal process at the first time. The Human Resources Department makes the external declaration according to the work injury, and the Safety and Environmental Protection Department deals with the accident and issues work-related accident reports according to the principle of “No letting go for four things”. With the improvement of the process and system, the incidence of similar work injuries has been effectively reduced. During the reporting period, there was no work-related death of employees in the company.

■ OCCUPATIONAL HEALTH

The occupational health and safety of employees is the key concern of INTCO Medical in production and work, and we strictly protect employees from injuries. The company strictly abides by the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, and formulates internal management systems such as the *Occupational Health Management System, Management System for Distribution of Labor Protective Equipment and Health Care Products*, to clarify occupational health and safety objectives, carry out occupational health management from the aspects of leadership and responsibility, identification and monitoring of hazard factors, labor protective equipment configuration, occupational health examination, training and education, etc. We will continuously improve the occupational health management system to ensure the health and safety of employees. During the reporting period, we completed the annual occupational health checkups for all employees, and no cases of occupational diseases occurred.

Occupational Hazard Factors Monitoring

- Regularly commission occupational health technical service agencies to monitor and evaluate occupational hazards at production sites in accordance with relevant regulations, and inform employees of the test results.

Occupational Health Examination

- Carry out the occupational health examination for employees before, during and after work, inform workers of the examination, and store them in the occupational health records.
- If workers are found to have health damage related to the occupation, the company will promptly transfer them from the post and actively give medical treatment according to the relevant national regulations.

Labor Protective Equipment Configuration

- Provide employees with labor protective equipment in accordance with national standards, issue them according to different positions, work and labor environments, to actively improve labor conditions, and set up safe protective facilities for workplaces where occupational hazards may arise.

Health Training and Education

- Carry out training and education for new employees on occupational health knowledge at three levels, and strengthen daily education and assessment.

■ PUBLICITY AND TRAINING

In order to reduce the occurrence of safety dangers and incidents from the source, we have formulated internal systems such as *Safety Training and Education Management System* and *Special Operators Management System* to provide employees with comprehensive occupational health and safety training, mainly including three-level safety training and education for new employees entering the factory, daily safety training for veteran employees, special safety training for special types of work and management personnel, in order to enhance the safety awareness and safety protection ability of employees through a series of education, training and publicity.

SAFETY TRAINING AND EDUCATION						
Safety Training and Education for New Employees			Daily Safety Training and Education		Special Safety Training and Education	
Primary Education (Company Level)	Secondary Education (Workshop Level)	Tertiary Education (Team Level)	Regular	Special Operation	Special Trades	Management
Laws and regulations Safety production system Safety production knowledge Preventive measures .....	Workshop safety system Workshop process characteristics Job safety responsibilities Preventive measures .....	Post safety operation Work safety matters Accident cases .....	Team safety activity day (once a week)	Pre-operation safety training and education during major repairs, key project maintenance and dangerous operations	Before the company adopts new process, new technology, new equipment, new materials and new products, special training shall be conducted for relevant personnel	The main principals and safety management personnel of the company shall participate in the training of safety production knowledge and management ability, and obtain corresponding certificates



## WELFARE CARE

In order to improve the enthusiasm of employees, INTCO Medical has established a sound employee welfare and care protection system to protect the rights and interests of employees, promote their physical and mental health development, and improve the their well-being.

### ■ DEMOCRATIC COMMUNICATION

INTCO Medical attaches great importance to employees' ideas, provides employees with smooth information communication channels, actively builds a barrier-free communication mechanism, strengthens the contact between employees and management through the WeChat of the chairman and the feedback channel of daily shift leaders, and improves shortcomings continuously by listening carefully to their opinions and suggestions, to increase employees' satisfaction and create a more harmonious cooperation environment.

#### LISTENING TO EMPLOYEES' IDEAS

During the reporting period, we have completed the *Three Praises and Three Bricks* survey for employees, in which we found the strengths and weaknesses of the company through three suggestions that employees raised about what the company does well or what needs to be improved. The total number of participants in this survey was 7,593, covering more than 83% of the employee, and nearly 36,000 pieces of valid information were collected. After the survey, we summarized the results of each company and verified the situation, assessed the feasibility and urgency of improvement, and formulated improvement plans, and followed up, compared and publicized the improvement results in the later stage.

#### Three Praises

Welfare  
Company culture  
Office environment

#### Three Bricks

Canteens  
Rules and regulations  
Working environment

(THREE PRAISES AND THREE BRICKS SATISFACTION SURVEY)

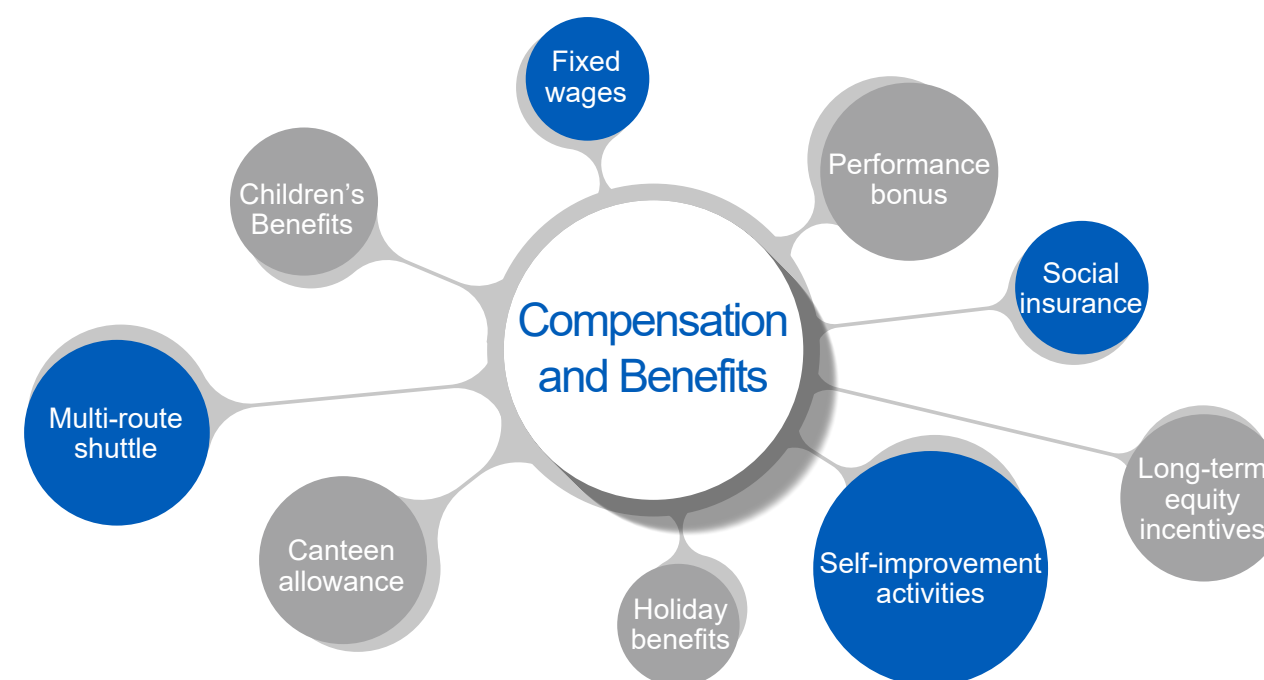
The company provides various channels for employee to share and communicate with each other, such as staff seminars, reading and sharing sessions, sharing of old employees' experience and expansion activities, to strengthen communication and learning among employees, enhance the team spirit of cooperation and win-win, and accumulate workplace experience.



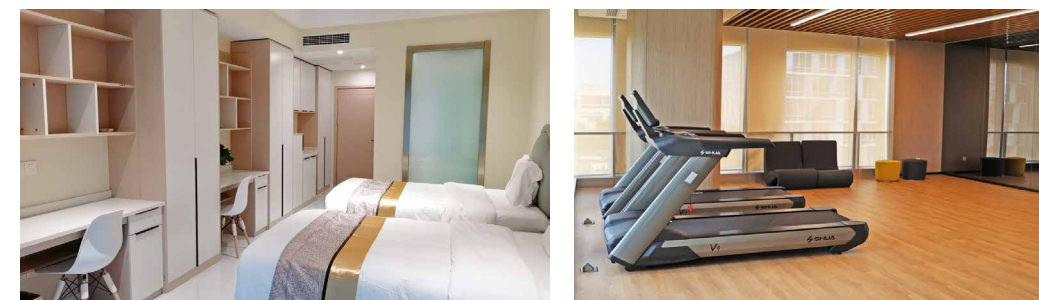
(STAFF SEMINARS)

### ■ WELFARE CARE

Talent is the cornerstone of enterprise development, INTCO Medical attracts and retains talents by establishing a sound compensation and welfare system, following the principle of distribution according to work and equal pay for equal work, to provide employees with scientific and reasonable performance distribution and competitive salary. In addition to salary performance, the company has established a diversified and extensive employee care system, formulated management systems such as *Social Insurance and Public Accumulation Fund Management System*, standardized welfare management, and provided a series of benefits such as subsidies, social insurance, equity incentives, shuttle buses and so on, to provide practical care for each employee, create a warm and good working environment for employees, and enhance the sense of happiness and identity at work.



INTCO Medical pays attention to different needs of employees and provides a convenient working environment and thoughtful service and care for all employees. For all employees, we regularly issue holiday benefits, monthly benefits and other generous welfare items. For female employees, we carry out holiday welfare and care activities such as Women's Day every year, and set up breastfeed-ing rooms in various companies to provide protection and care for female employees during pregnancy. For disabled employees, we set up barrier-free access to facilitate daily work access.



(STAFF CARE FACILITIES)





(EMPLOYEE BENEFITS)

## SELF-IMPROVEMENT ACTIVITIES & IMPROVEMENT INNOVATION CONFERENCE

INTCO Medical encourages employees to find the shortcomings in work production and make targeted suggestions and improvement measures. Through the Self-improvement Activities, the company calls for the form of “observation, reflection, change and benefit”, and encourage employees to put forward improvement suggestions and optimization measures for business processes, marketing, product development, manufacturing, technology research and development, safety environment and other aspects to promote the company’s improvement. The company scores and evaluates stars based on the innovation, promotion and practicality of self-improvement, and recommends excellent self-improvement to the Improvement Innovation Conference. During the reporting period, the company received a total of 2,179 improvement measures submitted by more than 1,200 employees. The company awarded a total of more than 16 million RMB for the outstanding suggested measures.

## IMPROVE THE STAFF CANTEENS AND COMFORTABLE LIVING ENVIRONMENT

In order to meet the dining needs of different employees, ensure the nutrition and health balance of employees, continue to enrich dishes and tastes, and ensure a good dining experience for every employee, we have upgraded and improved the staff canteens. The canteens of each production base adopt the standard mode of large hotel hygiene management, strictly control the quality of each link of food procurement, processing, cooking, preservation, and selling, implement 5S management of canteen hygiene, the responsibility system of chef’s dishes, and implement the responsibility of hygiene and dish quality to individuals to eliminate food pollution.

At the same time, we conduct dining surveys from time to time to collect employees’ satisfaction with canteen dishes and make improvements for the items to be promoted.



(CANTEEN ENVIRONMENT)

## IMPROVE EMPLOYEE ACCOMMODATION AND OFFICE ENVIRONMENT

In order to give employees a good office experience, INTCO Medical has upgraded the staff accommodation and office environment. By equipping employees with a full set of living facilities and creating four-star apartment dormitories, we provide employees with a more comfortable accommodation environment. At the same time, we adopt open office space design, high-tech and efficient office supporting facilities to create an international office environment for employees.



## ■ EMPLOYEE ACTIVITIES

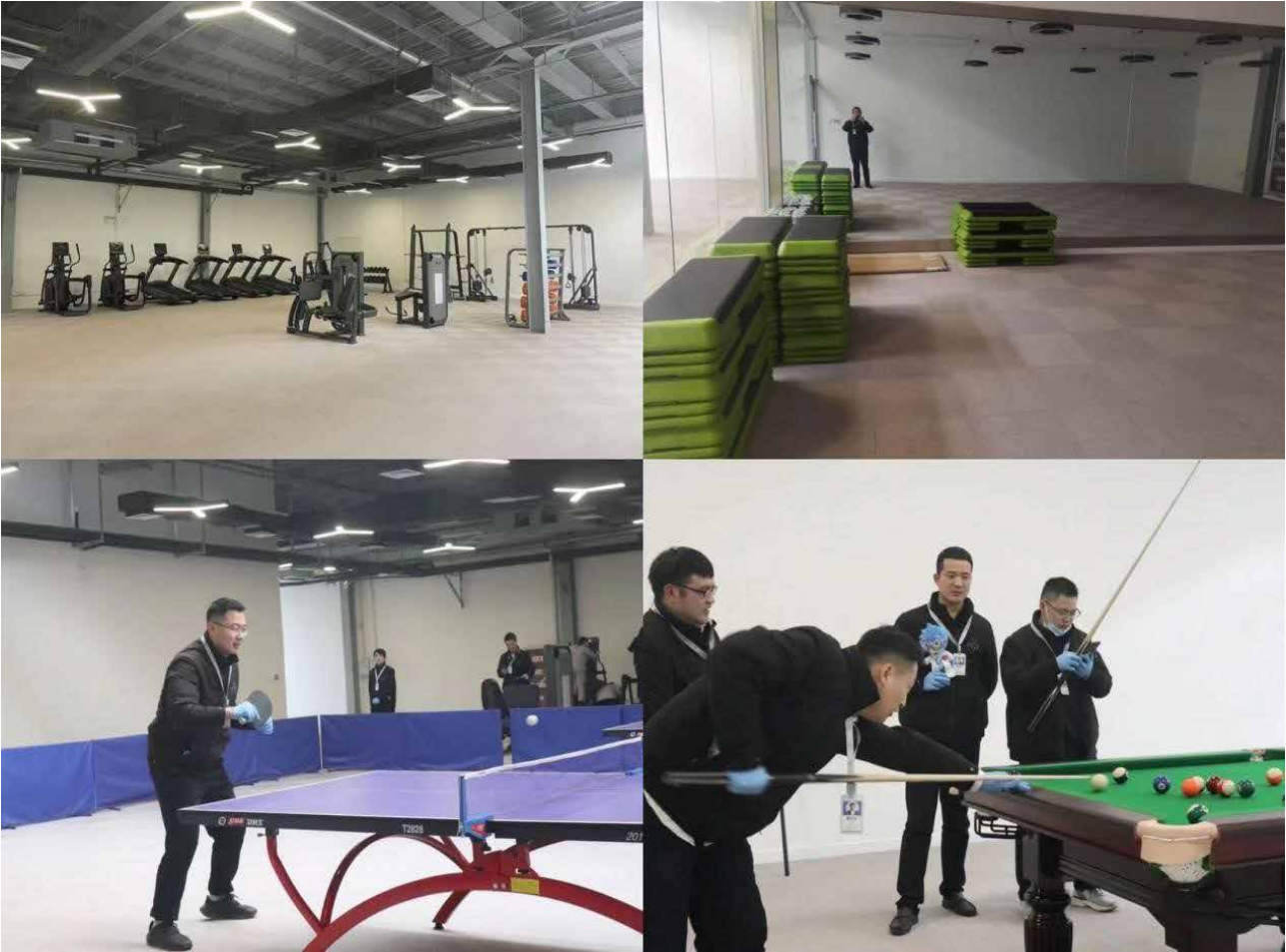
The company encourages employees to enrich their daily lives after work, promotes employees’ physical and mental health while promoting the construction of corporate culture by holding diversified employee activities. In order to improve team cohesion and employees’ sense of belonging and identity to the company and work, INTCO Medical held holiday activities, innovation conferences and other activities during the reporting period to enhance employees’ happiness at work.



(CHRISTMAS SURPRISE EVENT)



In order to encourage employees to participate in exercise and strengthen their physical fitness in work and life, the company has set up gyms in Huaibei, Qingzhou and other bases, equipped with fitness equipment such as spinning and treadmills, and opened badminton, yoga areas, so that employees can relax after work. At the same time, in order to improve the fitness enthusiasm and team cohesion, we carry out sports activities such as basketball games, badminton games, and fun sports games from time to time to create a platform for fitness and entertainment.



(GYM IN HUAIBEI BASE)



(INBA CHRISTMAS BASKETBALL GAME IN HUAIBEI BASE)



Employees' families and children are also the focus of INTCO Medical. In order to help employees balance work and life, and realize common growth of family and self, the company irregularly holds parent-child day activities, invites employees' children to participate, which helps employees strengthen family ties and also allows the employees' family have a more comprehensive and in-depth understanding of their loved ones' job position and the atmosphere of the company, so that all family members of employees have a sense of belonging.

(EMPLOYEE PARENT-CHILD DAY ACTIVITIES)





# PROTECT GREEN ENVIRONMENT

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# PROTECT GREEN ENVIRONMENT

INTCO Medical adheres to the sustainable development concept of “environmental protection, health, safety, energy conservation and lean”, incorporates green development into the company’s business philosophy, continuously optimizes the environmental management system, actively promotes the recycling of resources, reduces the carbon emissions from the company’s operation activities, reduces the impact on the environment, protects and cares about the needs of the community and the surrounding environment, and builds an eco-friendly sustainable development model.



## ■ ESTABLISH AN EMERGENCY MANAGEMENT SYSTEM

INTCO Medical attaches great importance to risk prevention and control, in order to ensure that environmental accidents can be dealt with quickly and efficiently, we continue to improve the environmental risk management system, establish the sound emergency response mechanism for environmental pollution accidents, improve our ability to cope with environmental pollution accidents, and minimize the impact on the environment. During the reporting period, we updated and optimized the management systems such as *Emergency Response Plan for Environmental Emergencies*, *Risk Assessment Report on Environmental Emergencies*, *Environmental Emergency Resources Investigation Report* and so on, checked the company's environmental risks through risk assessment, and realized risk accident prevention and emergency management through prevention and early warning, emergency disposal, emergency support and other work. At the same time, we have built a professional emergency response team, improved emergency rescue materials and facilities, to gradually improve the company's emergency response capability and level.



In order to ensure the steady implementation of emergency management and the positive response of employees to the emergency rescue system, INTCO Medical conducts emergency training for emergency rescue members every year to learn and master rescue professional knowledge and accident handling methods, and improves the employees' emergency handling ability for accidents through public training and emergency drills. During the reporting period, we carried out 4 comprehensive fire evacuation drills, and 14 professional drills such as chemical leakage, hazardous waste leakage and toxic gas leakage.



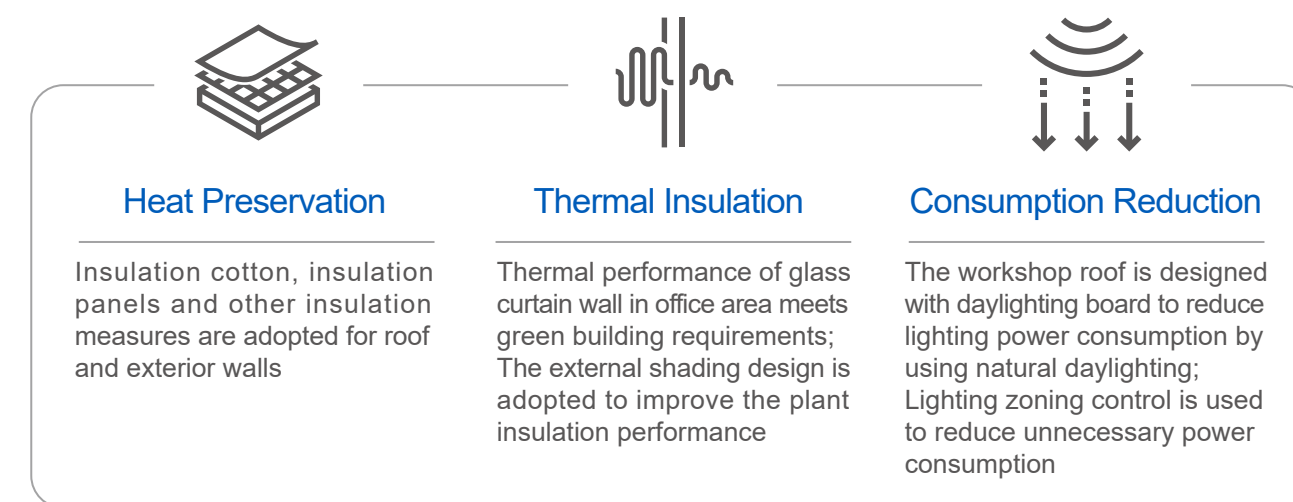
(EMERGENCY DRILLS)

## ENERGY SAVING AND CONSUMPTION REDUCTION

Coal, electricity, natural gas, gasoline and diesel are the main sources of energy consumption in the company's operations. INTCO Medical strictly abides by the *Law of the People's Republic of China on Energy Conservation* and other national and operating laws and regulations, sets up internal management systems such as energy management and use. We control the use of electricity, coal, oil, gas in the production and operation process, and continue to reduce energy consumption and improve energy utilization by optimizing energy structure and enhancing management.

### ■ ENERGY SAVINGS IN BUILDINGS

The company follows the concept of green development in the process of plant construction, adopts various energy-saving technologies in plant design and daily management, and promotes the application of renewable energy such as photovoltaic power generation, to reduce unnecessary energy consumption and provide utilization efficiency.



(ENERGY EFFICIENCY MEASURES FOR BUILDINGS)

### ROOFTOP PHOTOVOLTAIC PROJECT IN JIANGSU ZHENJIANG R&D AND PRODUCTION BASE OF INTCO MEDICAL

INTCO Medical Zhenjiang R&D and production base officially operated the distributed power generation project in 2019 with an installed capacity of 1,082.95kW, using a roof area of 9,000 square meters, and an annual power generation capacity of 1,055,000kWh in 2021, with clean energy accounting for 15.2% of the total annual power. In the future, we will vigorously develop rooftop photovoltaic projects, which is expected that Qingzhou production bases will complete the first phase of the project by 2022, with an installed capacity expected to exceed 2,300kW, greatly increasing the proportion of clean energy and reducing greenhouse gas emissions.





■ ENERGY SAVING IN PRODUCTION

During the reporting period, we reduced energy consumption by supervising the energy consumption in the plant, energy-saving transformation of production equipment, regular inspection of energy-using equipment, etc. We summarized and analyzed energy consumption data indicators of each workshop, formulated improvement policies for workshops with high unit consumption, and carried out transformation of waste heat recycling, cooling water recovery, and air compressor systems in the production operation.

 Energy Recovery	Wastewater	Use wastewater heat from the nitrile production plant to preheat the production hot water, which reduces coal consumption and lowers the wastewater temperature to reduce the pressure of subsequent treatment. At present, this method is gradually being extended to other workshops.
	Smoke	In summer, the waste heat of the exhaust pipe can be used to solve the cooling demand of the plant. In winter, through the flue gas heat exchanger, the waste heat of flue gas emission can be used to heat the circulating water to realize the heating of the whole plant, and the flue gas emission temperature is greatly reduced to realize the purpose of energy saving and consumption reduction.
	Steam	By adding steam piping, the excess steam generated from the waste heat boiler is connected to the nitrile plant for use to achieve energy saving and consumption reduction.
 Equipment Upgrade	Permanent Magnet Motor	The flue gas recovery fan and circulating water pump of part of plants adopt permanent magnet motor to improve the reliability and efficiency of motor operation and save energy consumption.
	Air Compressor	By replacing the air compressor system, it makes the air supply to the production plant more balanced, reduces the frequency of air compressor loading and unloading, and saves about 150,000 kWh of electricity annually.
 Daily Inspection	Thermal Inspection	The infrared thermal imaging camera is used to inspect the heat loss in the plant, discover the heat waste points, and promptly urge the relevant departments to improve and reduce energy waste.
	Equipment Inspection	Through the inspection of energy-using equipment, idling and inefficient operation equipment shall be found in time, and targeted measures shall be taken to improve operation efficiency.

(ENERGY SAVING MEASURES FOR PRODUCTION)

INTCO MEDICAL INTRODUCED THE ENERGY MANAGEMENT SOFTWARE

In order to solve the problems of low efficiency of manual inspection, mismatch between supply

and demand, insufficient management, and unstable air quality of the air pressure system in the factory area, INTCO Medical introduced the energy management software during the reporting period to achieve station-wide monitoring and computer-side control of air compressors, cold dryers, flow meters, electric meters, etc. Meanwhile, we configured various early warning devices to achieve time-based control by monitoring all types of equipment in air compressor stations. By the end of the reporting period, the system has been connected to four workshops and has saved about 100,000kWh of electricity in two months of operation. In 2022, we will further increase investment to achieve intelligent energy-saving management of the whole workshop in the plant.

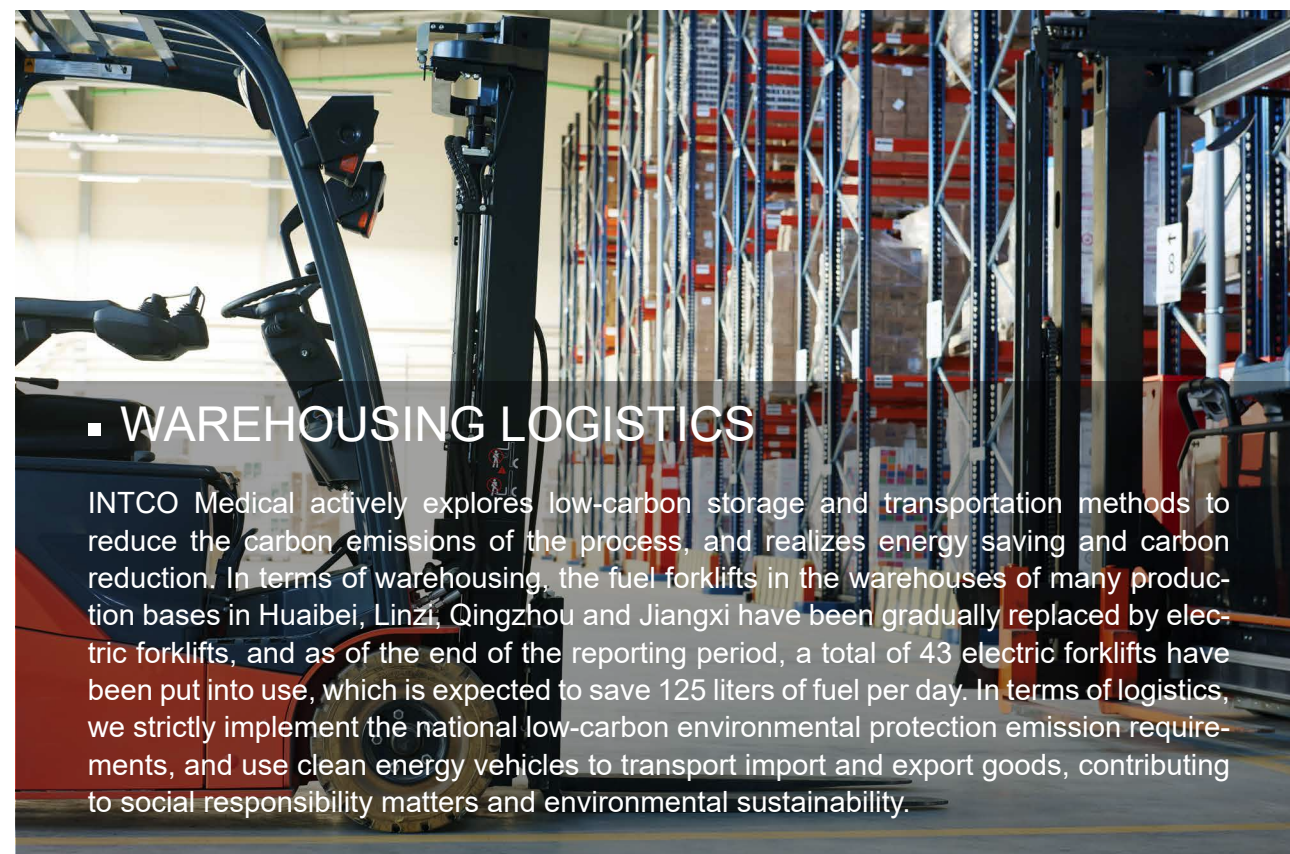


INTCO MEDICAL INTRODUCED THE ENERGY MANAGEMENT SYSTEM

In order to establish and improve the data collection and management process of the energy in the plant area, during the reporting period, INTCO Medical introduced the energy management system, which provides comprehensive and whole-process monitoring, tracking, early warning, management and evaluation of the enterprise energy consumption through the technologies such as metering facilities, real-time automatic data collection, remote data transmission, automatic generation of energy reports, data model analysis and so on. By the end of the reporting period, 8 factory workshops of Anhui Intco have been successfully connected to the system. Through the comparative analysis of the consumption of coal, electricity, water, gas and other indicators of each workshop, abnormal situations are identified to achieve real-time control of workshop production energy consumption. Meanwhile, after weekly energy meeting analysis and summary, we formulate countermeasures to achieve the ultimate goal of energy saving and consumption reduction.







## ■ WAREHOUSING LOGISTICS

INTCO Medical actively explores low-carbon storage and transportation methods to reduce the carbon emissions of the process, and realizes energy saving and carbon reduction. In terms of warehousing, the fuel forklifts in the warehouses of many production bases in Huaibei, Linzi, Qingzhou and Jiangxi have been gradually replaced by electric forklifts, and as of the end of the reporting period, a total of 43 electric forklifts have been put into use, which is expected to save 125 liters of fuel per day. In terms of logistics, we strictly implement the national low-carbon environmental protection emission requirements, and use clean energy vehicles to transport import and export goods, contributing to social responsibility matters and environmental sustainability.

## ■ GREEN OFFICE

INTCO Medical promotes green office, actively advocates the reduction of energy consumption in the process of office activities, encourages employees to save resources through electronic and recycling, cultivates and strengthens employees' awareness of environmental protection, and minimizes the impact of office activities on the environment.



Green Office

01

In the evening, the personnel on duty make patrol inspection and turn off the lighting equipment, air conditioner, etc

02

Meeting rooms use online application mode, and computers and other equipment that are not used are turned off in time

03

The card swiping printing system is applied to avoid paper waste such as repeated printing and unclaimed documents

04

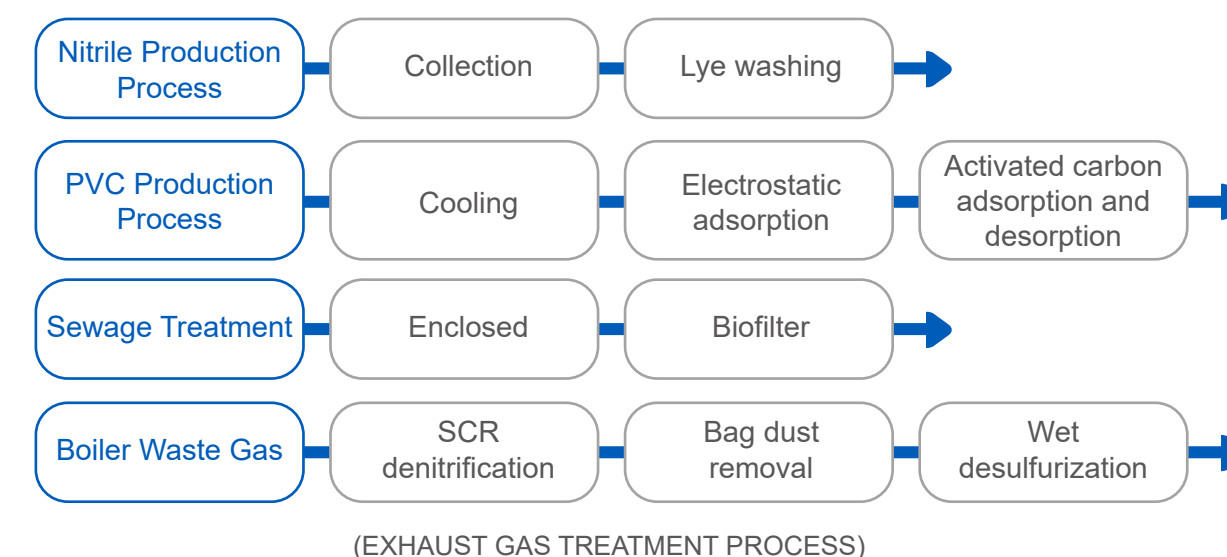
We advocate double-sided printing of paper and secondary utilization of paper that does not contain confidential matters, so as to realize paperless office to the greatest extent

# EMISSION MANAGEMENT

INTCO Medical strictly abides by the requirements of national and local laws and regulations, adheres to the concept of green operation, strictly controls the waste gas, wastewater and solid waste generated in the production and operation, continuously improves the waste management measures, regularly monitors the discharge of wastewater and waste gas, and entrusts professional institutions to carry out compliant treatment of solid waste to ensure that pollutant emissions meet the standards, and minimize the impact of emissions on the environment.

## ■ GAS EMISSION MANAGEMENT

INTCO Medical strictly abides by the requirements of laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, and adopts corresponding treatment systems for different pollutants in the production process to ensure the compliant emission of exhaust pollutants. The main air pollutants in our operations are particulate matter, sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOCs), odor, hydrogen chloride, chlorine, etc. At present, the company's main exhaust gas emissions have been networked with the local government's environmental protection regulatory department.



## INTCO MEDICAL TRANSFORMED THE EXHAUST GAS SYSTEM

During the reporting period, INTCO Medical launched the upgrading of the exhaust gas system. In terms of organic waste gas treatment, by optimizing and updating the process flow and enhancing the effect of waste gas treatment, the problem of organized emission of VOC gas has been solved, and also the efficiency of recycling has been improved at the same time. During the reporting period, the exhaust gas absorption efficiency reached over 98%.



■ WASTEWATER MANAGEMENT

INTCO Medical strictly abides by the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution* and other national and local relevant laws and regulations on wastewater discharge. We adopt the principle of “classified collection and unified treatment” to centrally treat the wastewater generated during production and operation, so that it meets *the Wastewater Quality Standards for Discharge to Municipal Sewers* and *Emission Standards for Industrial Pollutants in Rubber Products*. At present, the main discharge outlets of the company’s wastewater have been networked with the local government’s environmental protection regulatory department.



TRANSFORMATION OF WASTEWATER TREATMENT SYSTEM OF PHYSIOTHERAPY CARE IN INTCO MEDICAL

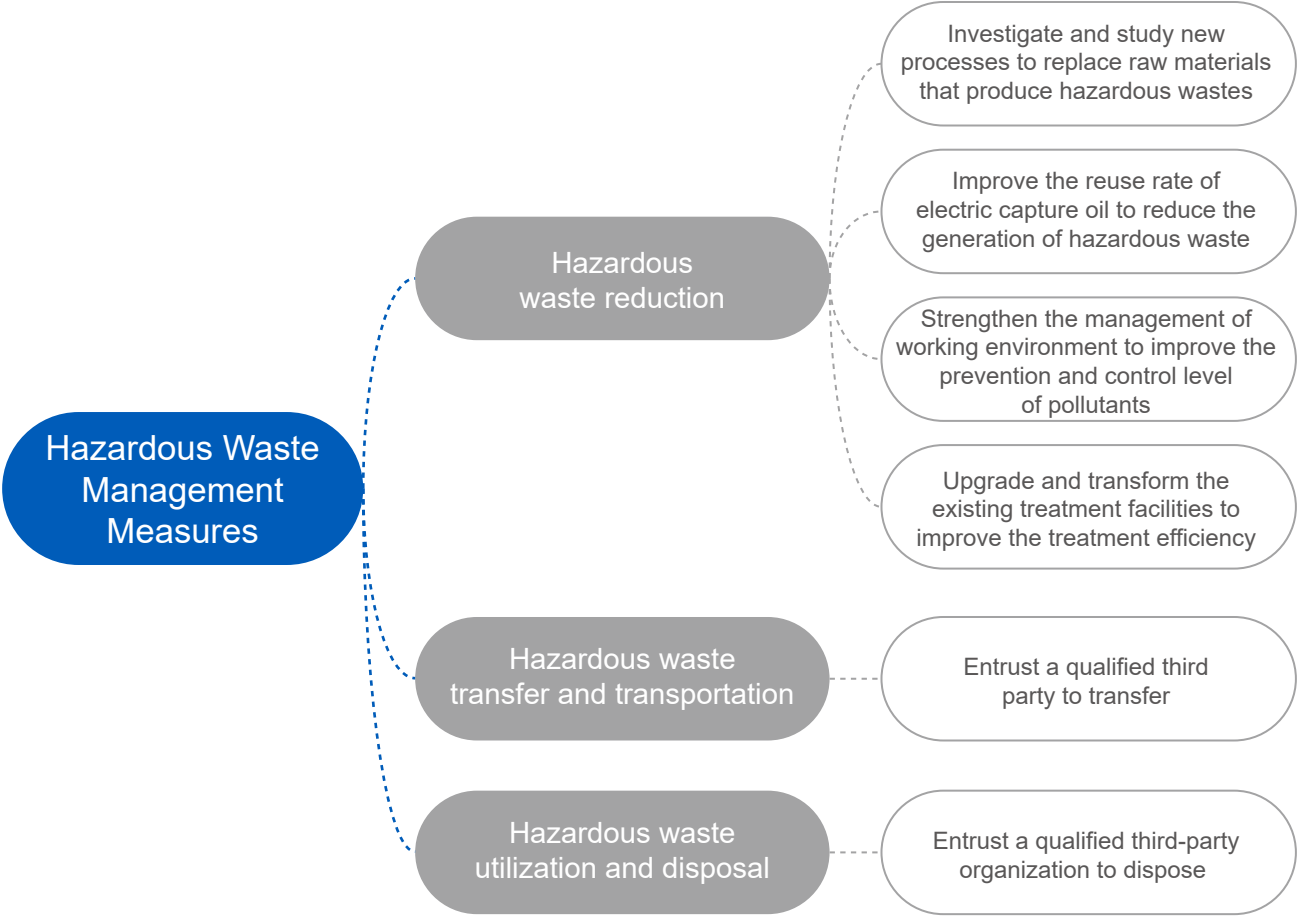
During the reporting period, we upgraded the wastewater treatment system for wastewater and RO concentrated water in the production process of physiotherapy care such as cold and hot compresses, hand sanitizers, ice packs and hot bags. The process fully considers the wastewater inlet, water quality and water quantity, etc., and the treatment capacity can reach up to 3 t/h, while achieving the standard discharge of the treated wastewater by stabilizing the factors such as water quality fluctuations and seasonal changes. The improved process is characterized by strong impact resistance, stability and reliability, and a high degree of automation.

■ WASTE MANAGEMENT

INTCO Medical strictly abides by the *Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution* and other relevant laws and regulations. The company tracks and supervises the whole process of waste generation, confirmation, inlet and outlet, transfer, storage, treatment and disposal, etc., and carries out waste management in an orderly manner to reduce the waste generation and emission while ensuring the legitimacy of the waste treatment and disposal process. For general solid waste, we transfer them to relevant qualified units for unified treatment according to the principle of “classified collection and classified treatment”. During the reporting period, we completed the construction of the sludge drying system, resulting in an 80% reduction in sludge generation year-on-year.

For hazardous waste, we have established a responsibility system for the prevention and control of hazardous waste pollution, adopted the principle of “source control and special storage”, declared on time, and handed over to qualified third-party units for special treatment in strict accordance with relevant laws and regulations. During the reporting period, we established the *2021 INTCO Medical Hazardous Waste Management Plan*, which clarifies the types and reductions of hazardous wastes, reduces the generation of hazardous wastes by improving process technology and equipment, using

clean energy and raw materials, strengthening operation management, improving reuse rate and so on, and reduces the harm of hazardous wastes by strengthening the education and training of practitioners and emergency drills.



(HAZARDOUS WASTE MANAGEMENT MEASURES)

RESOURCE USAGE

INTCO Medical advocates the rational use of resources, improves the efficiency of water resources through recycling and other means, uses environmentally friendly packaging materials, advocates green office, strengthens the management of chemicals, to reduce the impact on the environment and natural resources.

■ WATER USE

Abiding by the *Law of the People’s Republic of China on Water* and other national and local laws and regulations, INTCO Medical utilizes water resources according to needs and advocates water conservation. The plant has a rainwater recycling system for greening irrigation and road cleaning, to recycle the use of cooling water and reduce the waste of water resources.

During the reporting period, the company continued to promote water reuse. On the one hand, it adopted digital metering to measure water and electricity used at the end of each production line to explore standardized production water consumption and improve the reuse rate. On the other hand, it used ceramic membrane technology to recycle and reuse acid and alkali wastewater.

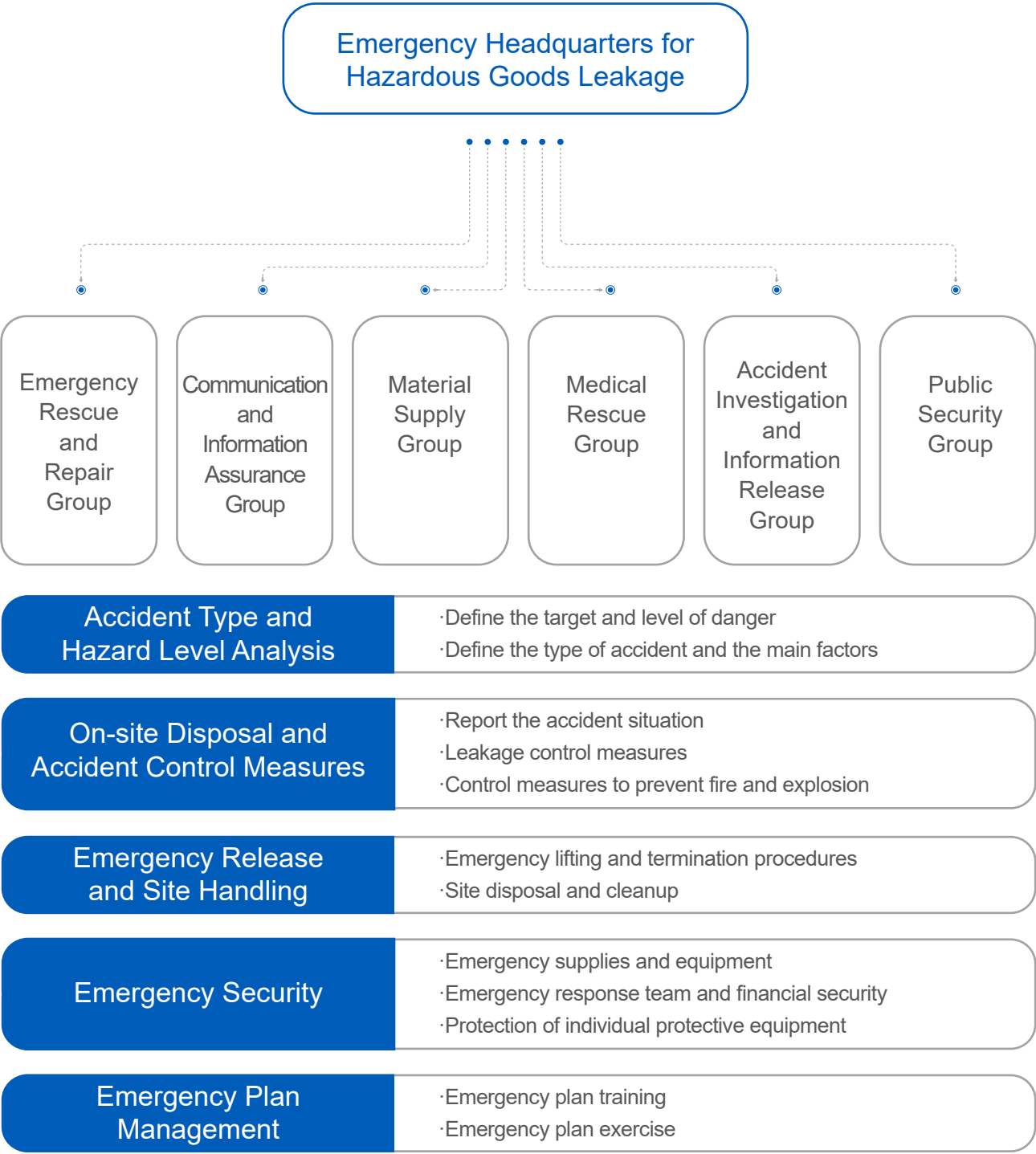


■ PACKAGING MATERIALS

Plastic, carton and tape are the main packaging materials used by INTCO Medical. For the use of packaging materials, we advocate the use of waste outer boxes when preparing goods. We also put forward corresponding environmental requirements for packaging material manufacturers, requiring suppliers to provide corresponding environmental protection certificates. During the reporting period, we adjusted the use of smaller-width scotch tape without compromising quality, and the annual use decreased by nearly 11% year-on-year.

■ CHEMICAL MANAGEMENT

In order to avoid the loss of chemicals, INTCO Medical adopts the principle of “classified storage and registration management”, uses different storage requirements for different kinds of chemicals, registers before entering the factory, and manages them in a special storage and workshop. At the same time, we strengthen the safety management of chemicals, establish *Special Emergency Plan for Chemical Leakage*, standardize the emergency management measures for chemical leakage, and reduce the risk of leakage and accidents.







## WORK TOGETHER WITH SOCIETY

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- SOCIAL WELFARE 70

INTCO

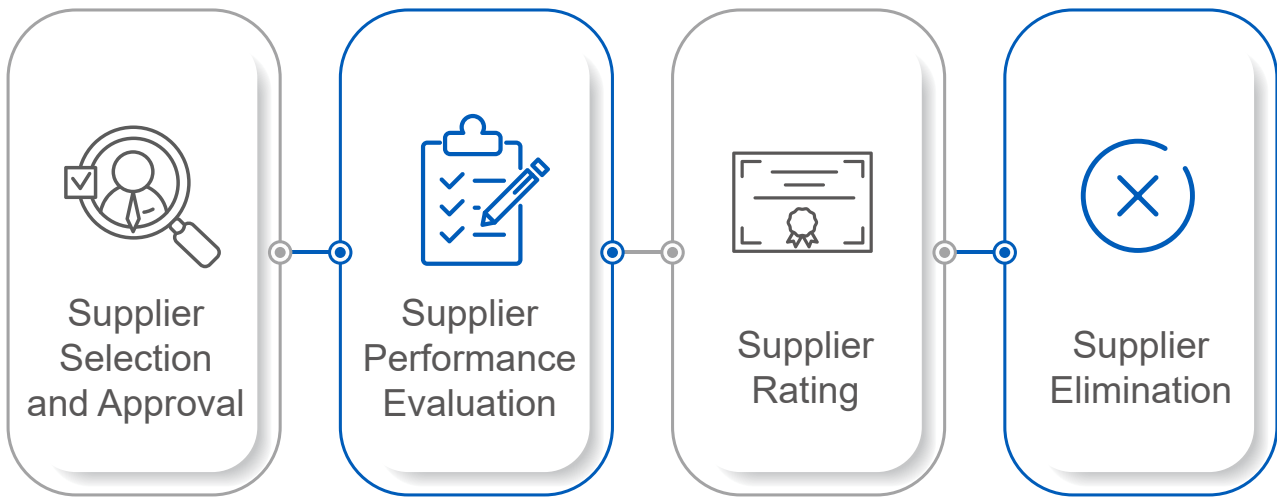
With the mission of “Global INTCO, Global Health”, INTCO Medical continues to create value for the society, establish sustainable supply chain management, carry out industry exchanges and cooperation with partners, actively fulfill corporate social responsibility, pay attention to and engage in social welfare, promote social development, and give back to the society through its own technology and capabilities.

# RESPONSIBLE PROCUREMENT

Establishing a sustainable supply chain is an important foundation for the stable development of the company. In the procurement process, INTCO Medical strictly abides by the laws and regulations of the country and the region where it operates, selects suppliers who meet the requirements and actively assume social responsibility, pays attention to the collaboration and ability improvement of suppliers, actively carries out supplier training, cooperates with suppliers to solve product-related problems, and ensures the sustainable development of the supply chain.

## SUPPLY CHAIN MANAGEMENT

In order to further standardize the management of suppliers, INTCO Medical has established internal management systems such as *Supplier Management Procedures* and *Formulation and Management of Procurement Strategies*, clarifying the requirements for different stages of supplier access, evaluation and withdrawal, to reduce supply chain risks and improve the awareness of sustainable development of the supply chain. Our main procurement categories include raw materials, packaging materials, machine materials, etc. We select and manage suppliers according to the characteristics of the purchased materials. During the reporting period, we updated the *Procurement Control Procedures* to refine the process of procurement activities of machine materials.



(SUPPLY CHAIN MANAGEMENT PROCESSES)

## SUPPLIER SELECTION AND APPROVAL

The selection and control of suppliers is an important way to ensure the quality of product supply. INTCO Medical conducts supplier sourcing according to different procurement needs, and investigates the qualification, capability, product quality and technical level of suppliers by means of on-site inspection, sample and material certification, etc. The suppliers who are qualified after evaluation sign the *Supplier Anti-Bribery Commitment* and other agreements, and are included in the *Qualified Supplier List*.

In terms of quality, during the supplier audit process, we track and evaluate the supplier’s product evaluation procedures, quality assurance system, etc. Meanwhile, we require all suppliers to sign the *Quality Agreement*, improve the quality management system, pass the ISO 9001 or GB/T 19001 relevant standards. The product quality needs to meet the relevant quality standards or technical requirements, and effective quality certification and inspection requirements can be provided.

In addition, in accordance with the *Supplier Management Procedures*, we focus on the social responsibility performance of suppliers in the selection process, requiring all suppliers to sign the *Social Responsibility Commitment*, strictly complying with local labor regulations and social responsibility standards, and prohibiting suppliers and subcontractors from using child labor or juvenile workers without any control measures. At the same time, we pay attention to the suppliers’ EHS performance, and include these in the supply chain audit process whether suppliers meet relevant environmental laws and regulations, have ISO 14000 and other related environmental management system certifications, are located within the company’s province. We consider giving priority to green and local suppliers to ensure the sustainable development of the supply chain.



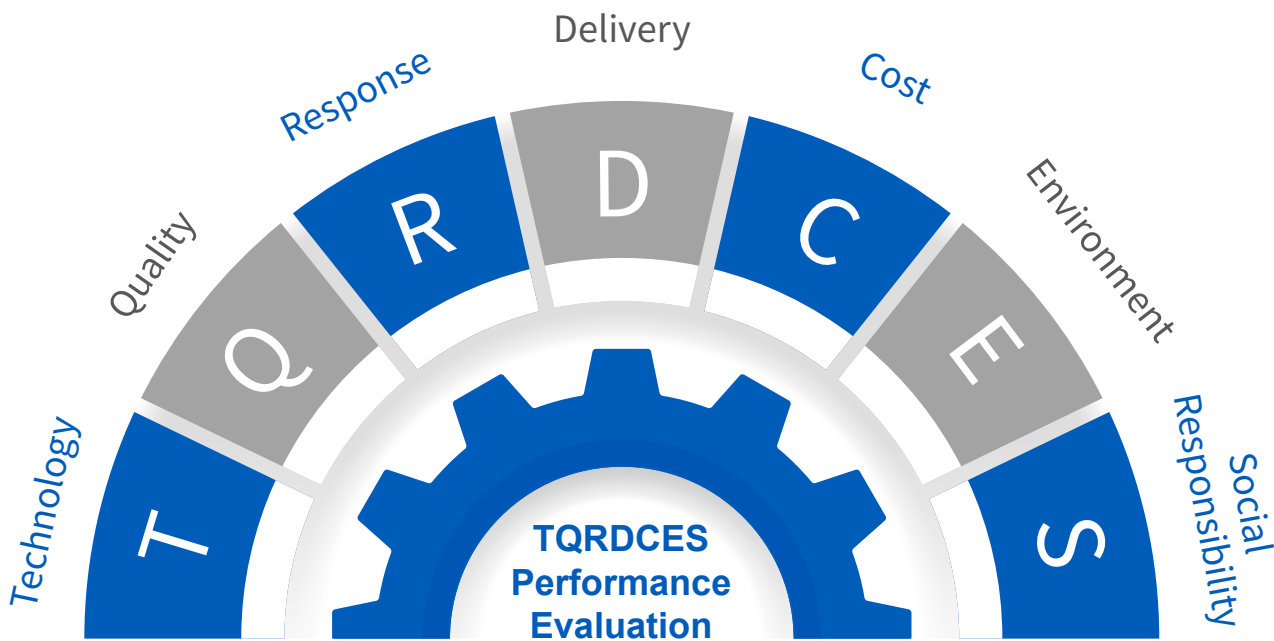
(REQUIREMENTS RELATED TO SOCIAL RESPONSIBILITY OF SUPPLIERS)



Through a multi-faceted assessment of supplier access, it is ensured that they are capable of meeting the company’s requirements in various aspects such as product quality, service level and social responsibility. As of the end of the reporting period, the company had a total of 2,530 suppliers, with 783 new suppliers.

SUPPLIER PERFORMANCE EVALUATION

In terms of supplier evaluation, INTCO Medical has established a supplier performance evaluation system and other evaluation methods, and set different assessment standards and weights for different suppliers and material categories according to the evaluation dimensions such as TQRDCES to evaluate the performance level of suppliers. At the same time, we record the quality of suppliers on a monthly basis, and make a comprehensive assessment of suppliers’ product quality, supply performance, price level, service and other dimensions every year to form the *Annual Evaluation Form for Suppliers*.



For the supplier’s transportation process and suppliers providing express delivery, transportation, maintenance, greening services, etc., we have formulated the *Business Partner Safety Control Procedures*, while following the safety standards of Authorized Economic Operator (AEO) to conduct safety audits on the supplier’s screening and access, sign the *Supplementary Agreement on Business Partner Trade Safety*, and conduct AEO safety review at least once a year, and continue cooperation after passing the review, so as to ensure the safety of cargo transportation.



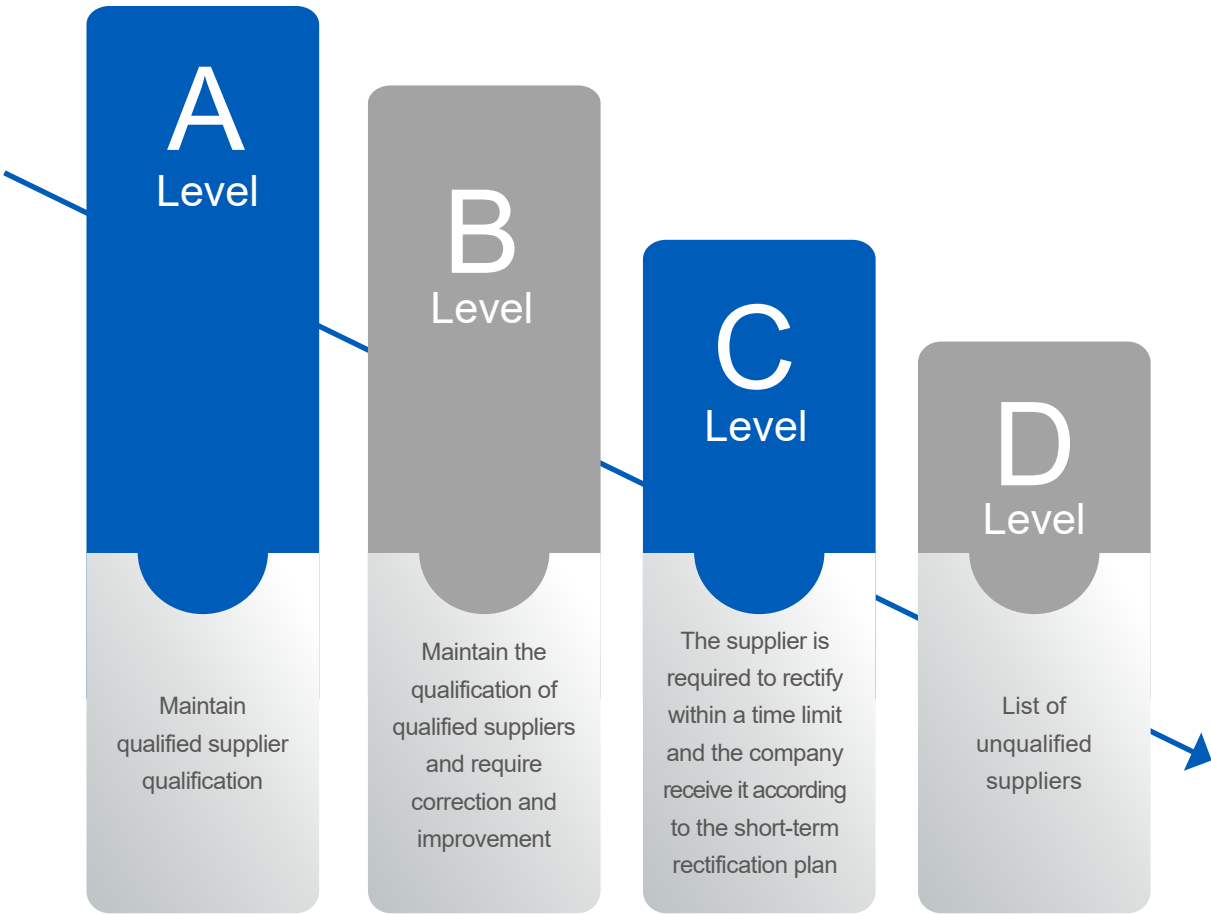
(SUPPLIER AUDITS)



(AEO CERTIFICATE)

SUPPLIER RATING AND ELIMINATION

According to the evaluation results, the suppliers are divided into A, B, C and D. Suppliers of level B and C need to formulate targeted improvement plans for rectification, and the company continues to track and verify the improvement effect of suppliers. We will cancel their qualified supplier qualifications if they fail to meet the standards continuously.

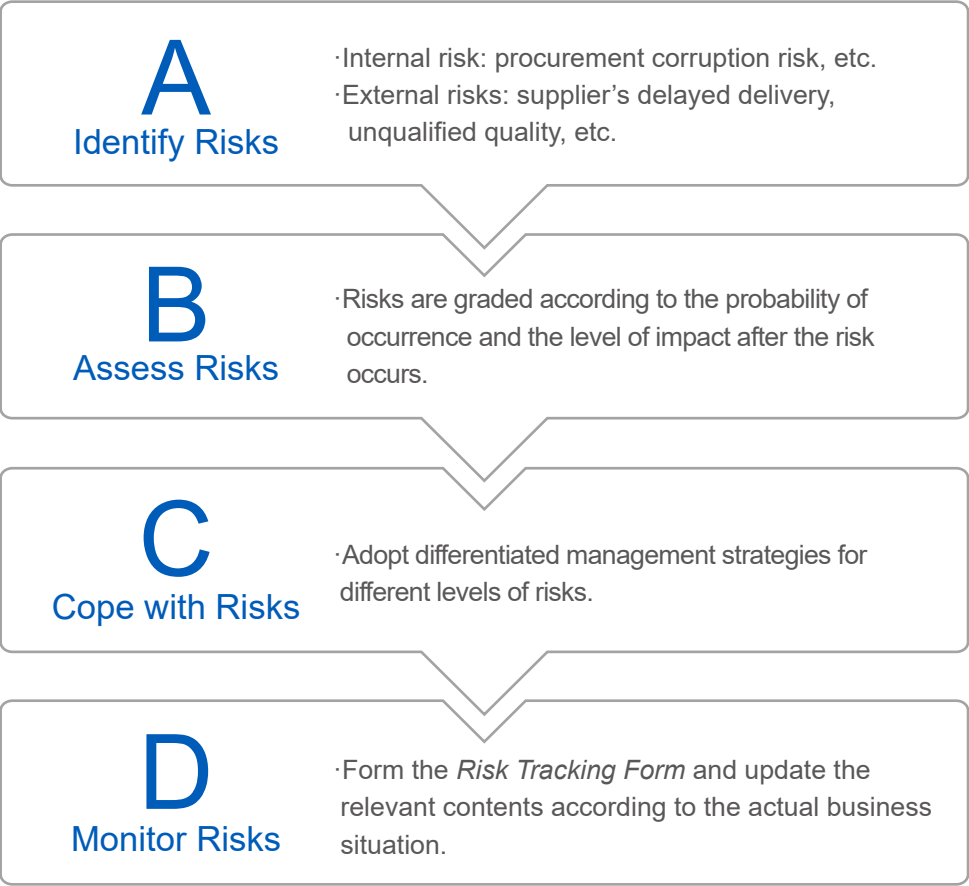


(SUPPLIER RATING SYSTEM)

SUPPLIER RISK MANAGEMENT

In the whole process of supply chain management, we actively identify and assess the risks of suppliers, adopt differentiated response strategies, formulate contingency plans and control measures in a timely manner and conduct tracking and monitoring, to minimize the risk of suppliers, and ensure the legal compliance of the whole process.

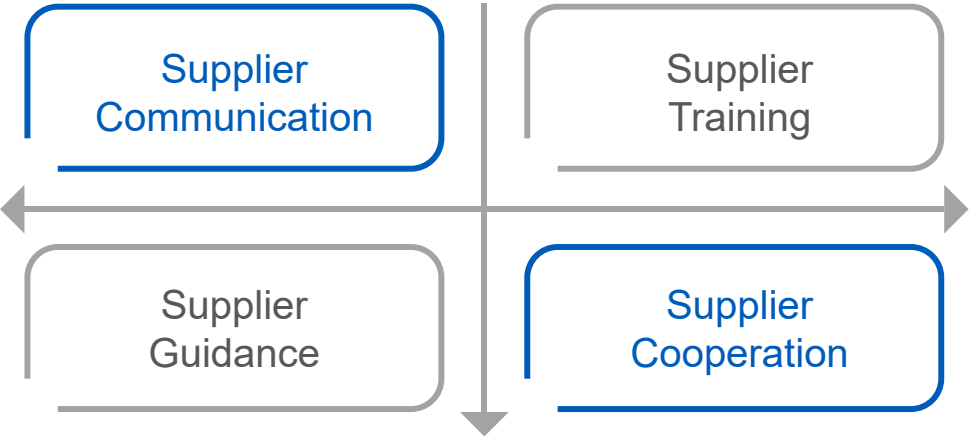




(SUPPLIER RISK MANAGEMENT PROCESSES)

■ SUSTAINABLE SUPPLY CHAIN

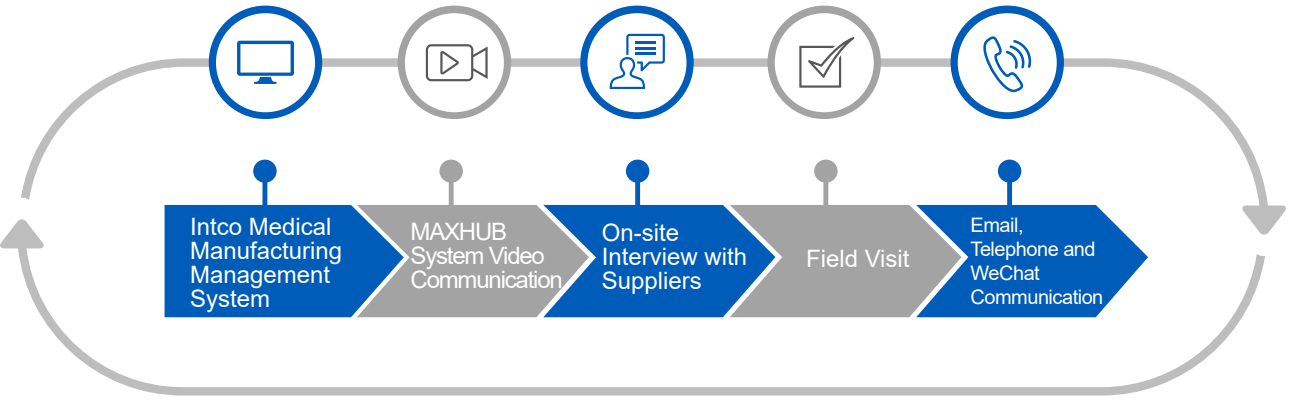
We deeply implement the concept of sustainable management of the supply chain, establish effective communication channels with suppliers, actively carry out supplier training and communication activities, establish strategic partnerships with suppliers, improve supplier R&D and management capabilities, and promote the coordinated development of the supply chain.



(SUSTAINABLE SUPPLY CHAIN)

SUPPLIER COMMUNICATION

In order to ensure the timely supply of materials and strengthen communication with suppliers, INTCO Medical has established a multi-channel parallel supplier communication mechanism to timely discover, communicate and solve problems and difficulties in the process of cooperation to achieve win-win cooperation.



(SUPPLIER COMMUNICATION)

SUPPLIER TRAINING

INTCO Medical conducts regular training on integrity and anti-corruption, quality improvement, product knowledge and safety for suppliers to further improve their comprehensive ability level.

**Quality Improvement Training**

The company pays attention to the quality of suppliers' products, carries out timely communication and training for unqualified products, and assists suppliers in promoting quality improvement to enhance suppliers' quality awareness;

**Product Knowledge and Safety Training**

The company regularly carries out product knowledge training for suppliers, explains product performance and precautions, and conducts pre-construction training for suppliers to enhance safety awareness.

During the reporting period, we conducted 25 training sessions for 40 suppliers through online communication, field visits, and on-site learning.

SUPPLIER GUIDANCE

INTCO Medical continues to pay attention to the suppliers' R&D and management capability improvement, takes the suppliers' product safety and quality improvement as the direction of mutual efforts, and adopts on-site guidance and capital injection to support suppliers' quality improvement and technological development.

**On-site Guidance**

Implement on-site guidance for some suppliers to improve the qualification rate of product production;

**Capital Injection Support**

Strengthen supplier management capabilities through capital injection support.

## SUPPLIER COOPERATION

INTCO Medical regards suppliers as a community of interests and adheres to the idea of equal cooperation and common development. During the reporting period, we have signed strategic cooperation agreements with Siemens (China) Co., Ltd., Germany SEW-EURODRIVE Co., Ltd., Far East Cable Co., Ltd. and other enterprises to achieve win-win cooperation and coordinated development with suppliers.

## INNOVATION AND COLLABORATION

As a leading company in the medical equipment industry, INTCO Medical gives full play to its own strengths and cooperates with partners to carry out innovation and collaboration. During the reporting period, we actively participated in industry-related activities, joined several industry associations such as Latex Branch of China Rubber Industry Association, Safety and Health Protective Equipment Committee of China Textile Commerce Association. We also signed cooperation agreements with many enterprises, jointly carried out research in products, services and other aspects, and worked together to promote the innovation and development of the global medical industry, making positive contributions to the progress of the industry.



(PARTIAL ASSOCIATION CERTIFICATE OF INTCO MEDICAL )

### 2022 INTCO MEDICAL STRATEGIC COOPERATION CONFERENCE

In October 2021, we held the 2022 INTCO Medical Domestic Sales Strategic Cooperation Conference, with the theme of “Gathering Momentum and Winning Together”, and more than 100 partners across the country participated.



## SOCIAL WELFARE

INTCO Medical strictly abides by the *Law of the People's Republic of China on Donations for Public Welfare*, formulates the *Management System for External Donations and Sponsorships*, which provides instructions on the scope, types, approval process, decision-making procedures, supervision and management of external donations and sponsorships, to further regulate the management process of the company's philanthropy.

Adhering to the corporate values of “love, goodness and truth”, we actively fulfill corporate social responsibility, and provide support and assistance for the development of social communities. During the reporting period, we continued to pay attention to public welfare, maintained links with the Red Cross and public welfare foundations in our operations. We established a good corporate image by carrying out activities such as focusing on special groups, donations, volunteer services, and blood donation, and donated more than RMB 20 million in materials and cash throughout the year.

### ■ DISASTER RELIEF DONATIONS

In July 2021, Henan province suffered from widespread heavy rainfall. In the face of the sudden disaster, INTCO Medical together with Shandong INTCO Recycling Co., Ltd., donated RMB 1 million to the Zhengzhou Red Cross, and donated medical grade nitrile gloves, disinfectant wipes, iodine swabs and other related materials to many medical institutions such as Henan Provincial People's Hospital.





At the same time, in the face of the spread of COVID-19, we actively participated in the prevention and control of the epidemic, and donated several batches of anti-epidemic materials to the front line and public places in many areas. In August 2021, INTCO Medical immediately responded to the initiative of raising prevention and control materials issued by the Medical Security Bureau of Yongding District, Zhangjiajie, Hunan Province in the first time, and deployed 100,000 medical gloves, 200,000 protective masks and 10,000 bottles of disinfectant gel hand sanitizer to the front line of the epidemic in Zhangjiajie.



INTCO MEDICAL SCHOLARSHIP PROGRAMS - EAGLE PROGRAM AND YOUNG EAGLE PROGRAM

In September 2021, INTCO Medical and Shanghai Loyal Valley Charity Foundation launched the scholarship programs in Qianshan County, Jiangxi Province - *Eagle Program* and *Young Eagle Program*, named the *Loyal Valley Charity Foundation INTCO Scholarship*, which is reward to outstanding rural teachers and students who have made positive contributions to the revitalization of rural education. Among them, 20 outstanding teachers are selected for the *Eagle Program* and 500 outstanding students are selected for the *Young Eagle Program*, and a total of RMB 1 million of scholarships are awarded.



STUDENT ASSISTANCE

INTCO Medical is committed to promoting educational infrastructure and providing a good learning environment for teachers and students. During the reporting period, we have donated cash and epidemic prevention materials to Qingdao University of Science and Technology, Shanghai Gezhi Middle School, Shanghai Nine Trees Art Foundation, Yao Foundation and other public welfare foundations, with a total donation value of over RMB 5 million as of the end of the reporting period.



DISADVANTAGED SUPPORT

During the reporting period, INTCO Medical carried out product and cash donations and other charity activities for vulnerable groups such as the disabled and autism. Among them, we have donated a total of 1,876 wheelchairs and 389 electric wheelchairs to Shanghai Anci Charity Foundation.





## INTCO MEDICAL LAUNCHED THE AUTISTIC CHILDREN CARE PROGRAM - CITY OF STAR

On September 11, 2021, on the occasion of the China Birth Defect Prevention Day, in order to advocate social and public attention to autistic children, and promote early identification and intervention, INTCO Medical and Zibo Maternal and Child Health Hospital launched the autistic children care program - *City of Star*.

With a focus on autism, the program carries out autism-specific social publicity and health education, promotes early identification and intervention of children with autism, and eliminates discrimination, while providing specialized training and operational guidance of the professional knowledge and skills for grass-roots medical personnel. During the reporting period, we donated a total of RMB 1 million to provide medical technology and financial assistance to children who are eligible for assistance.



## INTCO MEDICAL HELPS THE DISABLED IN TIBET

On August 20, 2021, INTCO Medical and Shanghai Anci Charity Foundation went deep into remote and poor areas to donate 164 intelligent electric wheelchairs to disabled people in Xiongma Township, Sa'gya County, Shigatse City, Tibet Autonomous Region, with a total donation value of RMB 652,200, effectively helping the disabled people in the plateau to solve their difficulties and needs in life.



## HEALTH PROTECTION POPULARIZATION

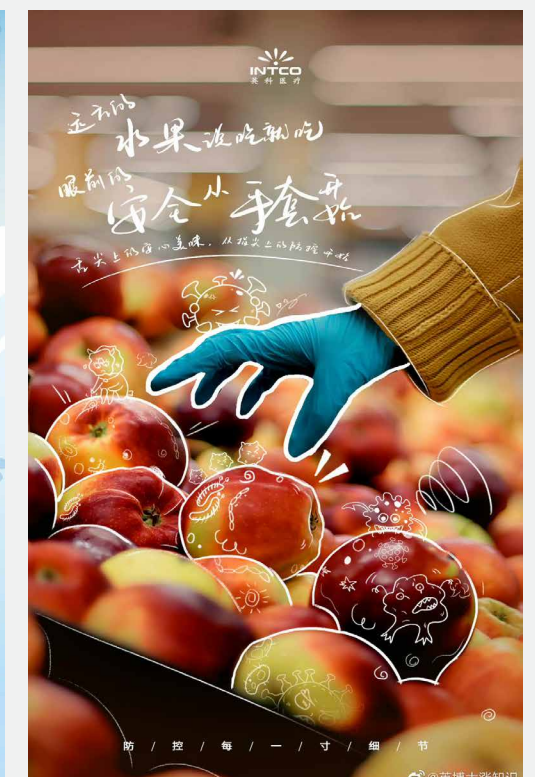
INTCO Medical is not only determined to serve human health needs with the crystallization of human wisdom, but also focuses on the popularization and promotion of medical knowledge. During the reporting period, INTCO Medical carried out various types of health knowledge popularization through multiple platforms such as Weibo, WeChat public account, TikTok, launched the Weibo account of *Dr. Ying's Knowledge*, *INTCO Medical Hand Care Program*, and updated continuously *Dr. Ying's Science* series on the official public account, focusing on public and occupational health.

### SCIENCE POPULARIZATION OF INTCO MEDICAL DR. YING

In August 2021, INTCO Medical opened the Weibo account of *Dr. Ying's Knowledge*, independently designed Dr. Ying as an animation IP image and official mascot, focusing on the importance of hand protection and scientific knowledge, and new media dissemination of INTCO Medical public welfare activities, so as to popularize interesting and easy-to-understand health protection knowledge to the public.

During the reporting period, we set up topics such as *Dr. Ying's Key Points*. By the ways of text, graphics, cartoons and videos, we closely combined with hot news, to popularize the necessity of protection in common scenes or special operation scenarios, and the spread of COVID-19, and how to correctly wear disposable masks and gloves. By the end of the reporting period, the topic of *Dr. Ying's Key Points* had been read by more than 200,000 people.

In addition, we have set up the *Dr. Ying's Science* section on the official public account, to release a series of contents focusing on the use of disposable gloves. By the end of the report period, 30 articles have been published.






INTCO MEDICAL HAND CARE PROGRAM

The hands are the second brain of human beings, one of the most vulnerable parts of the human body. At present, many workers in China lack the necessary cognition of hand protection, which greatly increases the risk and hidden danger of diseases from the hand.

In order to popularize the correct knowledge of health protection, establish the awareness of hand protection, and take care of the living and working conditions of workers, INTCO Medical launched the *INTCO Medical Hand Care Program*. The program takes the form of public service videos, focusing on thousands of representative Chinese workers who struggle with their hands, recording their most realistic work and life scenes, restoring a pair of weathered hands, calling on the whole society to pay attention to hand health, hygiene and protection, and advocating the use of disposable gloves to protect hands in the necessary working environment.

During the reporting period, we released three public service videos, featuring seafood vendors, cleaning workers and florist owners respectively, expressing that the lack of necessary protection will cause harm to hands at work. Through public service videos, topic guidance, public service interaction, knowledge popularization and other forms, we guide the public to pay attention to and discuss the importance of hand protection. By the end of the reporting period, the program had independent topics on Weibo, with 73.487 million reads and more than 41,000 discussions.



VOLUNTARY ACTIVITIES

While taking the initiative to undertake social responsibility, INTCO Medical also encourages employees to become the transmitters of public welfare love, actively participating in volunteer services such as blood donation and street cleaning activities.



Appendix 1:KPI Tables

Key Environmental Performance in 2021

KPI	2021	Unit
Energy Use <sup>1</sup>		
Purchased electricity	326,117.93	MWh
Purchased heat <sup>2</sup>	503.78	GJ
Coal	46.46	10,000 tons
Diesel	115.55	10,000 liters
Gasoline	31.45	10,000 liters
Natural gas	1039.67	10,000 cubic meters
Coal gas	1,513.17	Cubic meters
Total energy consumption <sup>3</sup>	38.64	10,000 tons of standard coal equivalent
Energy consumption intensity	0.24	Ton of standard coal equivalent per revenue (10,000 RMB)
Greenhouse Gas Emissions		
Total GHG emissions <sup>4</sup>	122.85	10,000 tons of carbon dioxide equivalent
Scope 1	98.87	10,000 tons of carbon dioxide equivalent
Scope 2	23.98	10,000 ton of carbon dioxide equivalent
GHG emissions intensity	0.76	Ton of carbon dioxide equivalent per revenue (10,000 RMB)
Water Resources		
Municipal water	49.34	10,000 cubic meters
Underground water	89.76	10,000 cubic meters
Surface water	661.26	10,000 cubic meters
Total water consumption	800.36	10,000 cubic meters
Water consumption intensity	4.93	Cubic meters per revenue (10,000 RMB)
Water recycled (only if water recycling facilities are installed at Qingzhou production base)	31.05	10,000 cubic meters
Wastewater treatment	540.16	10,000 cubic meters
COD discharged	551.38	Ton
NH <sub>3</sub> -N discharged	31.08	Ton



Air Emissions		
Particulate emissions	4.16	Ton
SO <sub>2</sub> emissions	11.04	Ton
Nitrogen oxide emissions	68.28	Ton
Nonmethane hydrocarbons (NMHC) emissions	14.00	Ton
Waste		
General solid waste	50,620.21	Ton
General solid waste intensity	0.03	Ton per revenue (10,000 RMB)
Recyclable waste	477	Ton
Office paper	113.78	10,000 papers
Hazardous waste	169.85	Ton
Hazardous waste intensity	0.0001	Ton per revenue (10,000 RMB)
Packaging Materials		
Plastics	104	Ton
Cartons	39,263.23	Ton
Packaging material use	39,367.23	Ton
Packaging material use intensity	0.02	Ton per revenue (10,000 RMB)

<sup>1</sup> The statistical scope of energy use is the group. Direct energy includes coal, diesel, gasoline, natural gas and coal gas, and indirect energy includes purchased electricity and purchased heat.

<sup>2</sup> The purchased heat is mainly used at INTCO office building, Zhangdian, Zibo, and its consumption is estimated according to the *Notice on Adjusting Heat Supply Prices of Heat Source Enterprises* issued by Zibo Development and Reform Commission.

<sup>3</sup> The calculation of total energy consumption refers to the National Standard of the People's Republic of China GB/T 2589-2020 *General Principles for Calculation of the Comprehensive Energy Consumption*.

<sup>4</sup> The calculation of greenhouse gas emissions refers to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial Enterprises and Other Industries (Trial)* and *Average Carbon Dioxide Emission Factors of China Regional Power Grid 2012* by the National Development and Reform Commission of the People's Republic of China.

## Key Social Performance in 2021

KPI	2021	Unit
Employment		
Number of employees	9,115	No. of people
Full-time and part-time employees		
Full-time	9,115	No. of people
Part-time	0	No. of people
Management diversity		
Number of senior management	10	No. of people
Number of senior management - women	3	No. of people
Number of middle management	236	No. of people
Number of general employees	8,869	No. of people
Proportion of employees		
By gender		
Men	33.01	%
Women	66.99	%
By age		
Below 30	25.32	%
30 to 40	29.30	%
40 to 50	28.85	%
Over 50	16.52	%
Employee diversity		
Minority	76	No. of people
Employee training (percentage of employees trained)		
Senior management	100	%
Middle management (such as department managers)	100	%
General employees	100	%
Women	100	%
Men	100	%
Performance and Career Development Assessment		
Percentage of employees who received performance appraisal and career development appraisal for the first time	100	%
Percentage of employees receiving performance evaluation and career development evaluation for the second time	77.60	%
Supply chain management		
Number of suppliers	2,530	No. of suppliers
Chinese mainland	2,469	No. of suppliers
Overseas area	61	No. of suppliers



# Appendix 2:

# GRI Standards Index

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102-5	Ownership and legal form	Legal form: company limited by shares (Co., Ltd.)	
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