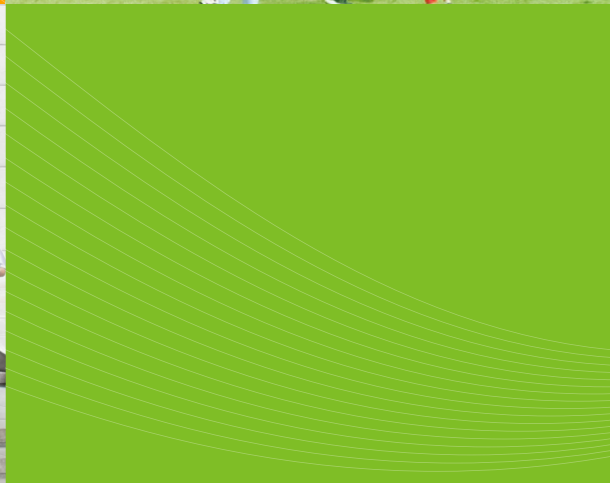
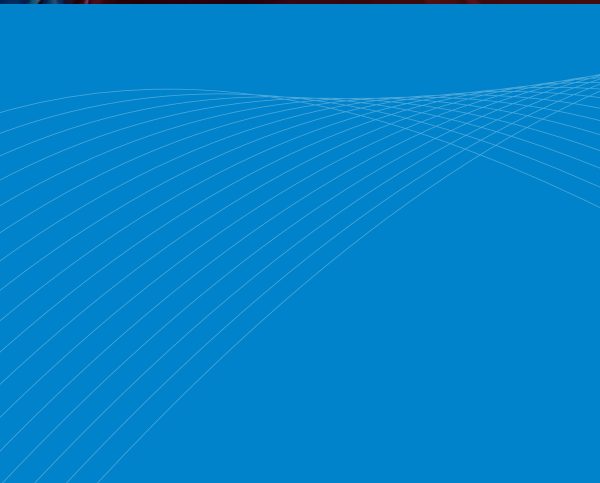


# 2023

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTCO MEDICAL TECHNOLOGY CO., LTD.





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# About This Report

## Introduction

This report is the third 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 2023 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 1st to December 31st 2023 (referred to as the “reporting period” and “this year”). Of note some information references data dating back to 2022 or before, or looks forward into 2024.

## Basis of Reporting

This Report complies with the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB) (referred to as the “GRI Standards”), and is in accordance with 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 3rd Board of Directors at the 21th meeting on April 23, 2024.

## 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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**GLOBAL INTCO**  
**GLOBAL HEALTH**





## Chairman's Message

2023 marks a significant year for INTCO Medical as we celebrate our 30th anniversary. In 1993, which was an era full of challenges, opportunities, and uncertainties, we started the entrepreneurial journey of disposable gloves across the ocean. In adhering to the corporate vision of "becoming the world-class high-tech manufacturer of medical consumables and equipment", we have been forging ahead regardless of difficulties. Thirty years later, we have occupied a place in the global medical consumable industry and developed into the world's leading and also China's largest manufacturer of disposable gloves. With our mission of "Global INTCO, Global Health", we continue to serve human health needs with the crystallization of human wisdom.

INTCO Medical insists on improving and innovating in all aspects of production and operation, and regards it as the driver for our steady development. We are dedicated to meeting the market diversified needs, continuously exerting efforts in product R&D and iterations to enrich our product categories. Starting from the glove business thirty years ago, we have now expanded our businesses to cover a range of products including medical consumables, healthcare instruments, and physical therapy care. At the same time, in a competitive market shaped by global technological development, we steadfastly adhere to quality as our top priority, continually enhancing our products, services and value. We consistently requiring ourselves to high standards, striving to realize our customer's strategies and visions.

Over the past year, as a global medical consumable company, we have been firmly supporting the United Nations' 2030 Agenda and China's dual-carbon strategic targets and actively exploring suitable sustainable development pathways. We promoted the investment for clean energy projects and alternative applications, adopting various energy-saving and emission-reducing measures to root the concept of sustainable development in the entire operating process, and gradually building up the green development momentum of INTCO Medical.

We regard our employees as the most precious asset of the Company and uphold the value of talent first. We persist in improving the talent management system, cultivating employee's sense of ownership, encouraging innovation, and driving the global talent development of INTCO Medical. We strive to create a positive, harmonious and caring working environment by advocating diversity, equality, and inclusivity, and creating a comprehensive employee benefits system to enhance their dedications and job satisfactions.

We embody the spirit of "Love, Kindness, Truth" by constantly injecting positive energy into our society as a responsible corporate citizen. In 2023, we have hosted and participated in multiple industry co-construction forums to actively share and collaborate with partners of our industry, dedicating in building a friendly and benevolent industry ecosystem. Meanwhile, we are firmly committed to social welfare, continuously providing health protection knowledge and care services to the public. Leveraging our industry and resource advantages, we strive to bring care and support to vulnerable social groups in needs, delivering love and warmth to society with our practical actions.

Looking back on the past year, what remains unchanged in the change of the times is the dauntless hardships and courageous striving of all INTCO people. At the 30th anniversary, we remain our original aspiration, forging ahead tirelessly and improving ourselves under the guidance of the market, persisting in providing higher quality products and services. Meanwhile, we actively take the social responsibility and dedicated to the great development of human health with our supplier partners and clients.

*Serve human health needs with the crystallization of human wisdom!*

Chairman of Intco Medical  
**Frank Liu**



# 01. About Intco Medical





# ESG Performance

## Environment

Carbon emission of 1 pc glove  
4.2% decrease from last year

**25.74** g

Solar power generation

**12,100,00** kWh

**ISO 14001**

Qingzhou and KaiZe Production Bases

Water consumption of 1 pc glove

**0.236** Liter

## Social

Employees worldwide

**10,939**

Percentage of female employees

**65** %

Percentage of females in management

**32.89** %

Investment in R&D  
Over RMB

**283** million

Employee training coverage

**100** %

Average hours of training

**22** hours

Self-research and self-production projects

**8**

ISO 9001 Quality Management System  
ISO 13485 Medical Device Quality Management System

All main production sites

**ISO 45001**

Qingzhou and KaiZe Production Bases

## Governance

Establishment under the Board of Directors

**Strategy and ESG Committee**

Identification ESG material issues related to INTCO Medical

**22**

Employee participation in code of conduct training on business ethics and anti-corruption

**100** %

Information and Cyber Security Training

**5**

Domestic exhibitions

**14**

Foreign exhibitions

**26**



# Major Events in 2023

## ESG Rating



Rated as AA in the Wind ESG Ratings assessment in May, 2023



Rated as BBB in the MSCI ESG Ratings assessment in November, 2023

## ESG Awards

 4th CLS ESG Forum	 11th Capital Power	 ESG Best Practice Top 100	 ESG TOP20	 Top 10 hardcore technologies for 2022	 2023 Listed Companies ESG Pioneer Practitioner Cases	 2023 Annual Listed Companies ESG Excellent Practice Cases
Social Responsibility Pioneer Enterprise Award	Annual Most Socially Responsible Listed Company Award	2023 Wind China Listed Companies	The second place in the A-share Medical Device Listed Companies ESG TOP20	The 2nd Huaxia Great Health™ Golden Cane Award	Securities Daily	China Listed Companies Sustainable Development Conference
 ESG New Benchmark Enterprise Award	 Global Zero-Carbon City Solutions Creative Award Excellence Level	 Annual Most Watched Development Potential Award	 ESG Golden Bull Award	 ESG Pioneer Listed Company Award	 ESG Excellent Enterprise	
Securities Star	2023 Seventh Global Technology Innovation Conference	2023 Bloomberg Green Finance ESG 50 List	1st Guoxin Award	2023 8th Time Finance Golden Tangerine Award	2023 Huaxia Great Health Golden Cane Award	

## Corporate Awards

 2024 Top Human Resources Management Awards	 Top 50	 Top 50	 Charity Model of the Year
2024 Top Employer	Topbrand 2023 China	The 15 <sup>th</sup> China Pharmaceutical Industry Development Summit Forum 2022-2023 Top 50 Chinese Medical Device Enterprises of the Year	The 20 <sup>th</sup> (2023) China Charity List

## External Certification

Certified by WARP (Worldwide Responsible Apparel Production) Gold Certificate for two consecutive years.	Passed SCAN (Supplier Compliance Audit Network) audit.	Passed the BSCI (Business Social Compliance Initiative) social responsibility audit during the reporting period.	Passed the SMETA (Sedex Members Ethical Trade Audit).
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# Our Business

As a world-leading medical protective products service provider and the largest disposable glove manufacturers in China, INTCO Medical is a top 500 Chinese brand and manufacturing enterprise, listed as 300677 in Shenzhen Stock Exchange ChiNext Board. Since its establishment, in response to the evolving global environment and market demand, the Company adheres to developing comprehensive producing capacities and providing high-quality products and reliable services. We give full play to the four-wheel drive of capital, resources, technology and marketing to provide practical products and high-quality services to over 10,000 customers worldwide.

**10** Factories

**120+** Countries

Nearly **10,000+** Global Employees

**10,000+** Global Clients

INTCO Medical takes the production and marketing of medical consumables, rehabilitation equipment, physiotherapy care products as our core business, anticipating the market trends, in-depth cultivating our products and services, foreseeing and satisfying clients' needs, thus ensuring a steady growth of our main business. Meanwhile, the Company continuously exploring new business growth opportunities under different channels and has quickly initiated several new product development projects during the reporting period, including the portable oxygen respirators, sanitary wipes, household gloves, iodine cotton swabs, and other products. The company currently holds product entry qualifications and certifications in global major markets, such as the U.S. 510(K) certification, NSF (National Sanitation Foundation) food system certification, BRC (Global Consumer Products) certification, Canadian CMDR (Canadian Medical Device Regulations) certification, EU CE certification, etc.



## Personal Protection

- Disposable Nitrile Gloves, Disposable PVC Gloves
- Isolation Gown, Face Mask
- Non-washing Hand Sanitizer, Face Shield



## Rehabilitation and Care

- Manual Wheelchair, Power Wheelchair
- Cane, Walker
- Power Lift Chair, Over Bed Table



## Other Products

- Cold/Hot Gel Beads, Instant Cold/Hot Packs, Cold Mat
- ECG Electrode
- Label Electrode

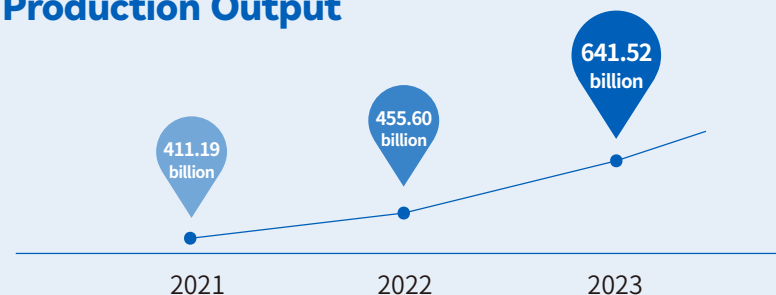


## New Product Projects in 2023



- Sanitary Wipes
- Iodine Cotton Swabs
- Portable Oxygen Respirator
- Warm Paste

## Disposable Nitrile and PVC Gloves Production Output



The Company adheres to the spirit of “Honesty and Integrity, Diligence and Hardworking, Professionalism, Teamwork, and Customer Achievement”. We encourage employees to build effective relationship with clients by understanding clients’ needs and visions, helping the Company to increase market share and improve long-term profitability. At the same time, we care about the needs of our employees and the community where we operate, and we persist in conveying the Company’s warm culture and loving value to bring positive impact to employees and communities.



### Meet Human Health Needs by the Achievement of Human Wisdom



**Mission** Global INTCO, Global Health



**Value** Love, Kindness, Truth

Honesty and Integrity, Diligence and Hardworking, Professionalism, Teamwork, Customer Achievement

#### Responsibility to Employees

Maximize each employee’s potential



#### Responsibility to Team

Create a positive working environment



#### Responsibility to Customers

Satisfy our customers



#### Responsibility to Company

Develop our business



#### Responsibility to Society

Adhere to ethical behavior

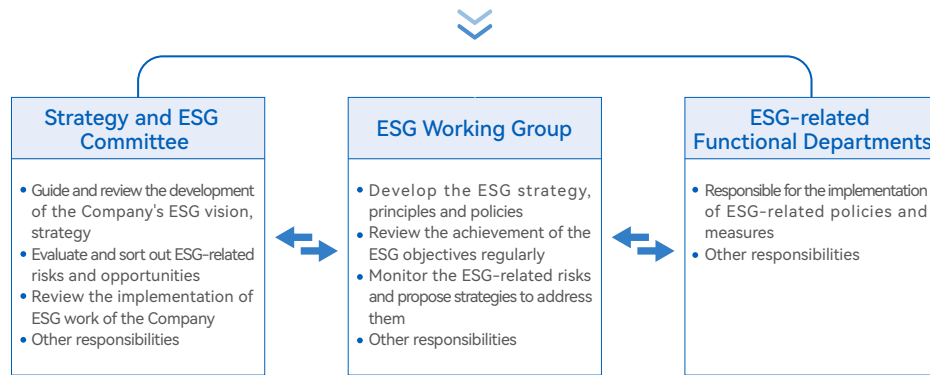




# ESG Governance

INTCO Medical insists on integrating sustainability into corporate governance, constantly focusing on its ESG performance actively, and undertakes social responsibilities to address the challenges posed by climate change, disease, and poverty. We have established an ESG governance structure and set up a Strategy and ESG Committee under the Board of Directors according to the Policy of the Specialized Committee of the Board of Directors, integrating ESG concept into the management of every business department and core processes. Under the leadership of the Company's Board of Directors, the ESG Committee regularly reviews and guides the implementation of ESG strategies and actions. The ESG working group is responsible for drafting ESG principles and policies, while the relevant functional departments are required to implement the work related to these principles and policies.

## INTCO Medical Board of Directors



## Stakeholder Engagement

INTCO Medical attaches great importance to the needs and suggestions of stakeholders, actively understands and collates various stakeholder's expectations toward the Company's ESG management strategy and implementation. We incorporate their suggestions into our considerations of our management strategies and practices to continuously improve our ESG governance. Based on the Company's business characteristics and operating modes, and with reference to the experience of global peers, we have established tailored communication channels and feedback mechanisms with identified stakeholders. Our stakeholders include government and regulators, shareholders and investors, customers, employees, distributors and suppliers, public and communities, media and other partners.

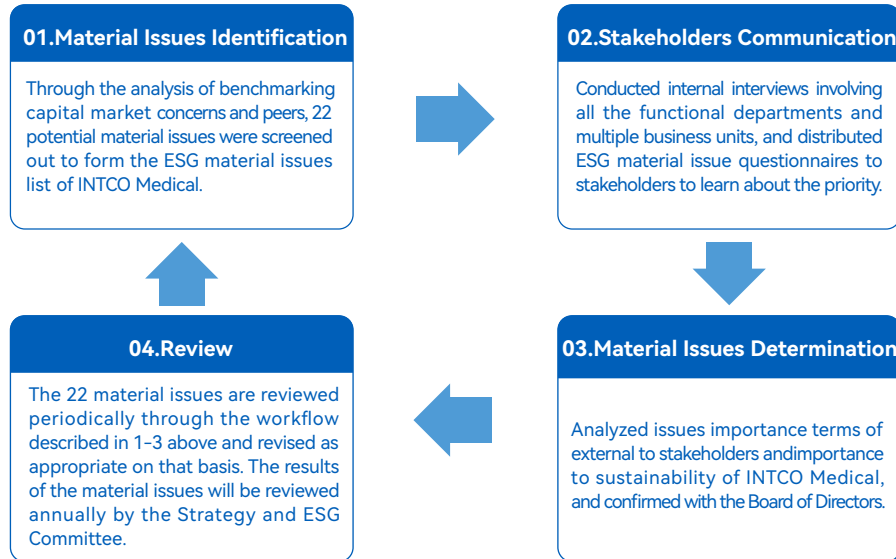
Stakeholder	Issue of concern	Way of communication & response
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics and Anti-corruption</li> <li>Pollutant emission management</li> <li>Community building and social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Reception and research</li> <li>Files exchanges</li> <li>Policy enforcement</li> </ul>
<b>Shareholders &amp; Investors</b>	<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 shareholders meeting</li> <li>Information disclosure</li> <li>Roadshow</li> </ul>
<b>Clients and Customers</b>	<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>
<b>Employees</b>	<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>
<b>Distributors &amp; Suppliers</b>	<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>Evaluation of suppliers</li> </ul>
<b>Public &amp; Community</b>	<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>
<b>Media</b>	<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>
<b>Other Partners</b>	<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>

INTCO Medical is committed to carry out regular communications with stakeholders through diversified channels. We conduct good interactions with stakeholders by online and offline meetings, interviews and questionnaire surveys. At the same time, to improve information transparency, we simultaneously update relevant information such as Company's financial reports and governance announcements on our website and other official channels to ensure stakeholders can obtain required information in time.

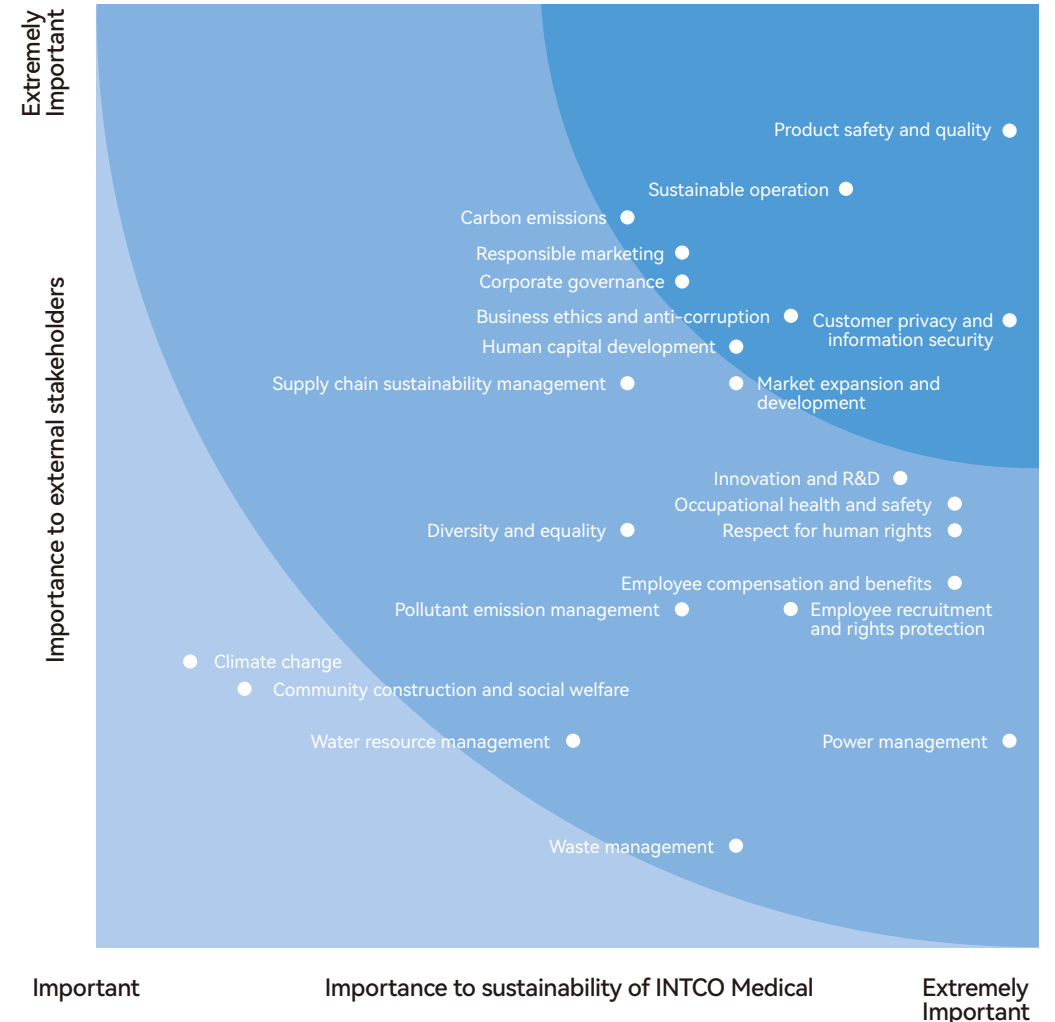
## Analysis of Material Issues

INTCO Medical believes that maintaining healthy and positive relationships with stakeholders is crucial for the Company's robust development. By identifying important issues related to the environment, society, and the economy, and by integrating clear steps for analysing the importance of these issues, we minimize damages to our business and reduce any negative impact on stakeholders within the scope of these key issues.

During the reporting period, INTCO Medical adhered to the official guidelines for disclosure requirements. With the issue handling process illustrated in the following figure as the core, the Company identified 22 ESG-related material issues.



The following chart shows the results of the material issue assessment for INTCO Medical, with the horizontal and vertical axes of "Importance to sustainability of INTCO Medical" and "Importance to external stakeholders".





# Supporting SDGs

INTCO Medical actively assumes its responsibility as a corporate citizen and supports Sustainable Development Goals (SDGs). In September 2015, more than 150 leaders of the United Nations General Assembly unanimously adopted "Transforming our World: The 2030 Agenda for Sustainable Development. This agenda comprises 17 Sustainable Development Goals and 169 specific targets. INTCO Medical aligns ESG governance with the goals of the SDGs and insists on contributing towards achieving these SDGs by managing and integrating the Company's resources.





# 02. Low-carbon Environment Protection, Going Green

The economic and technological advances of modern society continue to improve the quality of human life, while it is undeniable that human well-being is heavily dependent on the Earth's natural systems. However, the rapid expansion of human activities has also continued to drive environmental change, leading to a steady decline in the Earth's ability to supply resources to human society. As the global climate change crisis escalates year by year, sustainable low-carbon development has become a common issue around the world, and corporate operational decisions are increasingly based on sustainable practices.

Adhering to the sustainable development concept of "Environmental Protection, Health, Safety, Energy Conservation, and Lean Production", INTCO Medical has deeply integrated low-carbon and environmental protection into every aspect of business operations, and is firmly committed to maintaining a green environment. Meanwhile, as an industry leader on the leading edge of best practices, we are actively exploring the path to climate change, continuously optimizing our environmental management system, improving resource and energy efficiency, reducing pollutant emissions, and working with our partners in the value chain to move forward on the green path.





# Our Goals and Initiatives

Using 2022 as the base year, INTCO Medical is committed to achieving a 25% reduction in carbon emission level of a single glove by 2030, and will strive to achieve carbon neutrality in our own operations by 2050. In addition, we will embark on a research to develop a carbon neutral pathway and timeline in 2024.

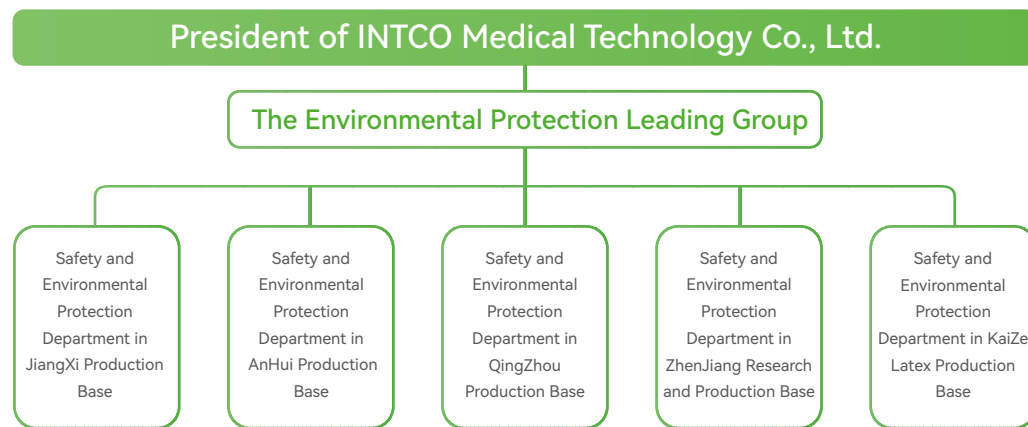
In view of our status as an energy-intensive high-tech manufacturer of medical consumables, we will continue to make improvements and enhancements in all aspects of our production and operations, with a focus on enhancing the use of renewable energy, improving energy efficiency, and promoting energy-saving and emission-reduction technological innovations in order to reduce greenhouse gas emissions.

# Green Production Management

## Environmental Management

A healthy environmental management system is an important part for INTCO Medical to reduce environmental impact and realize green production. We strictly comply with the *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, and *Energy Conservation Law of the People's Republic of China*, and other laws and regulations where we operate. We have established 36 internal policies, including the *Environmental Protection Management Policy*, covering all aspects of our R&D, production, operations and supply chain to ensure the effective implementation of our measures to address climate risks.

The president of INTCO Medical is the first responsible person for the Company's environmental management, organizing the formulation of the environmental management policy and supervising the implementation of operation procedures. The Environmental Protection Leading Group is set up under to comprehensively lead, manage and supervise the Company's performance. For each production base, we have set up safety and environmental protection department, which is responsible for the environment, health and safety management in each factory. We hold regular meetings on environmental protection to analyse environmental trends and solve problems in environmental management. In addition, we link environmental management to employee performance appraisal, and any non-compliance will influence the appraisal results. Through incentives, we promote employee responsibility and fully recognize their contribution to the Company's ESG targets.



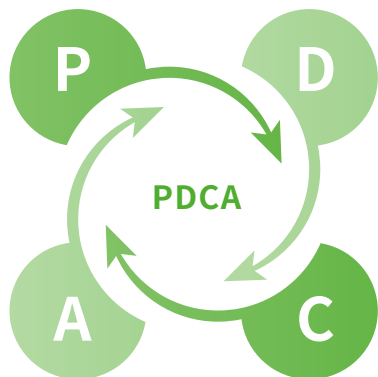
## Management System

With the reference to the requirements of ISO 14001 environmental management system, INTCO Medical has formulated and implemented internal environmental policies and managed each environmental element to achieve the environmental protection targets, pollution prevention and improvement of environmental performance. Meanwhile, we follow the PDCA cycle, which is Plan, Do, Check and Act, to continuously improve and optimize our environmental management mechanism.

During the reporting period, our Qingzhou Production Base and KaiZe Latex Production Base, achieved ISO 14001:2015 environmental management system certifications and passed the annual review. The ISO 14001:2015 certification in AnHui and JiangXi Production Bases is in steady progress.



ISO 14001 Certification



### Plan

Analyze the Company's dynamics and formulate annual environmental plans through environmental meetings.

### Check

Conduct inspection from time to time. Conduct regular meetings to hear reports on environmental work and study on major issues.

### Do

Based on the environmental plans, environmental activities and measures are implemented.

### Action

Evaluating and assessing the fulfillment of environmental objectives. Make proposals for improvement and implement preventive measures.

## Management Measures

INTCO Medical has established the *Environmental Inspection Management Policy* and the *Environmental Hidden Hazards Management Policy*, etc., and regularly conduct investigation and management of the environmental hidden hazards during operation. We carry out hierarchical management, and set deadlines. After rectification, we conduct timely re-inspections to comprehensively prevent and control environmental risks.

#### Comprehensive Inspection

A comprehensive inspection will be conducted on the primary environmental management and on-site environmental protection. Environmental protection focus will be centered around process, equipment, storage, instrumentation, inspection, and maintenance. The environmental leadership group will be responsible for this task, with participation from all departments.

#### Seasonal Inspection

The EHS department is responsible for conducting targeted inspections based on the characteristics of each season.



#### Professional Inspection

The professional inspection is mainly focused on mechanical equipment, electrical installations, monitoring instruments, special equipment, company buildings, and structures and is under the responsibility of the EHS department.

#### Daily Inspection

Shift operators are responsible for conducting periodic inspections during their shifts. Daily environmental inspections are carried out by management personnel at all levels.

In order to strengthen and standardize the environmental training and education, and enhance employees' environmental quality and skills, INTCO Medical has established the *Environmental Protection Training and Education Management Policy*, which applies to all the employees and external staff. This management policy covers induction training, daily training, special operator training and environmental training for external staff. It also makes clear requirements on the content, frequency and requirements, and urges all employees to have the necessary environmental knowledge and ability.

In addition, we enhance the emergency response capabilities of our employees through regular emergency drills, enabling them to learn and master professional rescue knowledge and accident-handling methods.

#### During the reporting period ▶

INTCO Medical's various production bases conducted more than **20** safety emergency drills, covering emergency evacuation and rescue drills, emergency disposal drills for waste leakage, emergency disposal drills for chlorine leakage, fire drills, drills for environmental pollution accidents, and emergency drills for accidents in limited spaces.

**During the reporting period, INTCO Medical did not violate environmental protection-related laws and regulations.**



Emergency Drills



# Energy and Material Balance Sheet

Through annual environmental performance statistics, INTCO Medical recognizes the extent of the environmental impact of our business activities. We strive to minimize our environmental impact through the implementation of a series of measures.

### INPUT ▶

#### Energy Use

Coal	675.8	kilo-tons
Diesel	807.8	kilo-liter
Gasoline	1,665.1	kilo-liter
Natural Gas	1,610.9	kilo-m <sup>3</sup>
LNG	18.08	tons
Electricity	482,831.97	MWh
Heat	140,222.83	GJ

#### Water

Water Consumption	15.74	million m <sup>3</sup>
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#### Packaging Material

Plastic	187.39	tons
Cartor	27,203.25	tons

### Process ▶



**Purchase of raw materials**



**Research, design and production**



**Logistics and transportation**



**Sales and use of products**



**Disposal and recycling**

### OUTPUT

#### GHGs

Scope 1	1,409.3	kilo-tCO <sub>2</sub> e
Scope 2	290.8	kilo-tCO <sub>2</sub> e

#### Exhaust

PM	27.15	tons
NOx	386.09	tons
SOx	100.86	tons
NMHC	2.48	tons

#### Waste Water

COD	1,986.81	tons
NH <sub>3</sub> -N	57.07	tons

#### Solid Waste

General	116,175.18	tons
Hazardous	1,547.12	tons

# Climate Change

INTCO Medical is aware of the impact of climate change, and actively takes various initiatives to reduce greenhouse gas emissions from operations in accordance with the relevant requirements of *the Paris Agreement*. Meanwhile, in line with China's "Dual-carbon" targets, we have established internal management standards such as *Energy Audit Control Procedure, Energy Target Indicator Management Implementation Plan Control Procedure, and Energy Capability Training and Awareness Control Procedure*. We continuously optimize the energy structure and enhance energy management, reduce the carbon emission, and actively respond to the climate change.

## Clean Energy Usage

INTCO Medical actively explores and promotes the use of clean and renewable energy during operation.

During the reporting period ▶

the Qingzhou production base has completed the construction of a total of **1.9** MW of photovoltaic power generation, generated approximately **557,000** kWh of green electricity for the year, all of which was used for the production needs. The distributed photovoltaic project at the Zhenjiang R&D and production base continued to operate, with a total power generation of **653,000** kWh in 2023.



In accordance with the operating conditions, INTCO Medical will expand the proportion of clean energy usage in a targeted manner. In January 2024, INTCO Medical's self-generated and self-consumed decentralized wind power project at Huaibei production base has received the government environmental assessment and approval from the Bureau of Ecology and Environment. Two wind turbines with a capacity of 5.6MW for each will be installed, which is expected to provide clean electricity of approximately **20,718,000** kWh each year.

## Carbon Reduction in Manufacturing

Energy saving and efficiency promoting is essential to the operation of the INTCO Medical. We continue to improve our production process methods and fully cover our production bases with intelligent monitoring systems to timely identify abnormal equipment functioning, upgrade equipment in a targeted manner, and reduce additional energy consumption due to the decline in their technical performance. For the replacement of new production equipment, we include the energy efficiency of the equipment as a factor for consideration. For the equipment in use, we pay attention to the energy consumption performance of each equipment, and timely eliminate or replace the equipment with low energy consumption and high efficiency. Through continuous technological improvement and innovation and equipment upgrading, we effectively improve the efficiency of energy use in the production process and reduce energy consumption data.





## Efficient energy utilization

- Cooling tank heat recovery modification: Jiangxi production base helps to increase the water temperature of leach tank by installing heat exchanger pipes on both sides of the sub-tank to reduce the consumption of heat transfer oil, which can save about **4,440 tons** of coal per year;
- Heat recovery of wastewater: Qingzhou production base installs heat exchanger in the main pipeline of nitrile wastewater to warm up the normal temperature water, which can save about **3,350 tons** of coal per year;
- PVC flue gas heat recovery: By adding heat exchanger, Qingzhou production base converts the heat of PVC disorganized section exhaust into hot water and delivers it to Nitrile Workshop, which can save about **900 tons** of coal every year;
- Boiler renovation: By adding air preheater, Qingzhou production base carries out secondary heat exchange for the flue gas in the boiler room, which effectively reduces the temperature of exhaust flue gas and raises the temperature of air supply to improve the combustion efficiency of the boiler, and saves more than **1,350 tons** per year;
- Motor fan modification: Qingzhou production base realized intelligent control and frequency conversion operation by replacing the control system of desulfurization circulating pump and rewriting the control program, which can save about **630,000kWh** of electricity per year;
- Condensate heat recovery: Zibo production base recycles the condensate heat after steam heat exchange for cooling and heating in the factory, which can save energy consumption each year;
- Air compressor heat recovery modification: Through the modification of the air compressor cooling system and the installation of a high-efficiency heat exchanger, about **620 tons** of coal can be saved per year;

## Energy replacements

- Natural gas boiler replacement: The new steam heat exchanger in Zibo production base replaces the original one, realizing zero emission of exhaust gas and helping to save natural gas each year;

## Production process update

- Hand mold material update: The glove production line in Zibo production base uses metal to replace ceramic, which helps to improve production efficiency and reduce energy consumption for **30%**;
- Boiler energy efficiency upgrade: The boiler heat-conducting oil pipelines of each PVC workshop in Huaibei production base are connected in parallel, realizing that one boiler drives the operation of four workshops, which saves coal consumption and electricity usage while improving boiler usage efficiency;

## Equipment replacement

- Fan motor replacement: Zibo production base replaces old fans with permanent magnet synchronous motors to reduce power consumption, which can help save power consumption each year.
- Impeller modification: Huaibei production base carries out impeller modification for thermal oil circulating pumps. It helps reduce the energy consumption while meeting the process requirements. After data collection and calculation, the impeller modification can reduce electricity consumption by about **2.37 million kWh** per year.

# Intelligent Management

INTCO Medical implements intelligent management, and continues to increase the coverage of the intelligent data management system for each production base. We maintain the use of energy in various production processes through the energy consumption data monitoring, which helps further analyze and formulate energy-saving actions more accurately, and carry out energy consumption saving actions more effectively.

## Refrigeration intelligent control

During the reporting period, INTCO Medical has completed the construction of the control system for high-efficiency refrigeration machine rooms in Jiangxi and Huaibei production base. The real-time energy consumption of refrigeration machines, water pumps and cooling towers is collected and summarized, and the optimal operation mode is automatically adjusted by computer to optimize the operation efficiency of the refrigeration system and keep it in a higher SCOP (System Coefficient of Refrigeration Performance) range to reduce the electricity consumption of refrigerants. In addition, the system can help realize online monitoring of the refrigeration system and real-time query of electricity consumption in each machine room and each point.

As a result ▶

up to **8,060 kWh**  
per day of electricity can  
be saved in Huaibei  
base.



## Intelligent Energy Management

Based on the established intelligent energy consumption management system, INTCO Medical has been gradually increasing the system coverage.

During the reporting period, we added energy data monitoring of 4 workshops in Jiangxi production base, providing real-time data for energy consumption improvement of each workshop and real-time monitoring of key energy consumption of each production line, with timely alarms in case of abnormality. At the same time, we accessed about **760** important index parameters of Huaibei production base into the intelligent energy management system, which can be uploaded to the governmental platform online. The important index data can also be stored to guarantee the security of historical data.

# Logistics Transportation

Regarding road transportation, INTCO Medical strictly adheres to the national low-carbon and environmental emission requirements. We controls vehicle emissions, and gradually eliminates high-energy-consumption vehicles, and steadily improves transportation energy-saving capabilities. For the vehicles within the factory, including forklifts, trailers, and automatic guided vehicles, we use clean energy instead of traditional energy sources.

## For external transportation, during the reporting period ▶

all the vehicles we used meet the emission standard above the National fifth-level pollution emission standards, or above, and the proportion of suppliers' liquefied natural gas (LNG) vehicles has been increased to **60%**.

Regarding the transportation mode, we prioritize the sea-rail combined transport, and gradually transform the road transport into rail transport and the rail transport into ship transport. At present, the proportion of sea-rail combined transport mode in Anhui and Jiangxi reached **25%** and **20%** respectively.



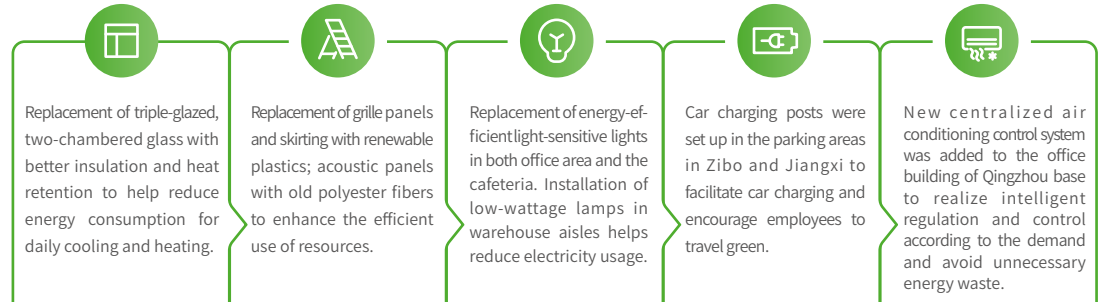
In addition, we take full geographical advantages of our domestic production bases to select the nearest ports for the transportation of raw materials and products. During the reporting period, we chose the nearest ports for the import of raw materials and chose the barge mode as required to minimize the proportion of land transportation. This approach saved approximately 200 km in distance compared to previous. In terms of domestic delivery of products, we consolidated bulk order transportation as far as possible to reduce the number of transportation times.

## During the reporting period ▶

We have divided our three production bases into regions, with regional shipment reached **60%** in 2023 and planned to reach **90%** in 2024, largely save the transportation distance and times of our products.

# Green Office

INTCO Medical believes in a green, low-carbon culture. We have integrated low-carbon elements into the process of building renovation at each of our production base, helping the company to reduce energy use and greenhouse gas emissions. In addition, during the reporting period, we added new energy shuttle buses in Qingzhou base, which saved the fuel consumption while improving employee comfort.





# Efficient Utilization of Resources

In the process of production and operation, INTCO Medical attaches great importance to the effective utilization of resources, reducing the waste of water and packaging materials, and improving the efficiency of the use of resources, which is the key direction of our resource management work.

## Water Resources Management

The use of water resource is essential in the production of disposable nitrile gloves. Efficient water use practices not only save the production costs, but also significantly contribute to environmental sustainability and biodiversity.

The use of water resource mainly includes municipal water, groundwater and surface water. The consumption of water resources mainly concentrated in hand mold cleaning, as well as raw material proportioning and mixing during production. Meanwhile, the quality and the amount of water resource used in the production process will also have a direct impact on the quality of our products. In operation, we strictly comply with the *Water Law of the People's Republic of China*, and other national and local laws and regulations, and establish corresponding use standard in each production base, covering the monitoring system for strict management and monitoring of water consumption data, to ensure optimal water use efficiency and avoid the waste of water resources. We also actively adopt a series of water conservation measures, such as rainwater, condensate recovery and water reuse, to effectively save water resources.

### Recycling and reuse of cooling water

During the reporting period, Qingzhou production base installed a cooling water recycling system to centrally recycle the cooling water from the desulfurization pumps and the blowers and induced fans. The water was fed into the reserve pool through the recycling pumps, realizing the reuse of the cooling water.

Huaibei production base recycles and reuses the seal water from boiler cooling, saving water consumption and sewage treatment costs.

Qingzhou production base can save about **93,000** tons of water annually.

Huaibei production base can save about **110,000** tons of water annually.

### Reuse of RO wastewater at Qingzhou production base

During the reporting period, the clean workshop of Qingzhou production base was put into operation. We sampled and tested the RO wastewater generated from this workshop and demonstrated its feasibility to be used as raw water to supply nitrile gloves production.

This initiative helped reduce the utilization of tap water, saving approximately

**120,000** tons annually

### Optimization of pharmaceutical dosing method at Huaibei production base

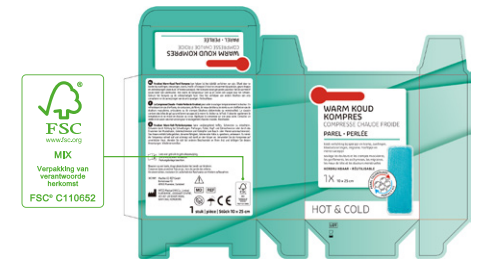
During the reporting period, Huaibei production base updated the original traditional method of dosage of pharmaceuticals and utilized automatic dosage devices instead of manual dosage, which reduced the pharmaceuticals usage, and also reduce the amount of water replenishment and sewage discharge, realizing the saving of water resources.

## Packaging Materials

During production, INTCO Medical upgraded its packaging and gradually increased the use of environmentally friendly packaging materials. Meanwhile, we are committed to reducing the use of single-use packaging and continuing to increase the number of times packaging is recycled.

We gradually replaced the whiteboard outer boxes of our products with kraft paper, actively recycled the outer boxes, and promoted the disposal of stagnant boxes. We reuse the end-of-life orders and recycled outer boxes in the storage of semi-finished products, which improves the stability of product storage and transportation while greatly reducing the use of packaging materials.

INTCO Medical further expanded the use of Forest Stewardship Council (FSC) certified packaging materials as product packaging to convey our green concept of sustainable development. During the reporting period, the number of products packaged with FSC-certified materials reached over **3,760,000** pieces.



During the reporting period ▶

**19** times compared to 2022

# Enhance Pollution Control

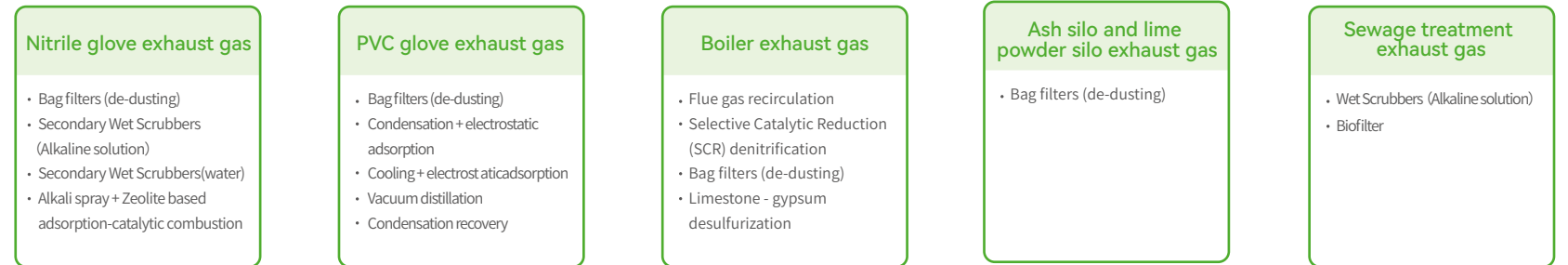
With environmental protection as our responsibility, INTCO Medical strictly complies with the requirements of national and local laws and regulations to continuously strengthen environmental management and control. We have fully implemented our management and carried out measures to reduce our impact on the environment where we operate.

## Exhaust Gas Management



The exhaust gas generated during production in INTCO Medical mainly includes process exhaust gas from the nitrile glove and PVC glove production line, and boiler section, with main pollutants such as particulate matter, sulfur dioxide, nitrogen oxides and non-methane total hydrocarbons.

INTCO Medical strictly adheres to the provisions and requirements of laws and regulations such as the *People's Republic of China Atmospheric Pollution Prevention Law*. We adopt sealed and integrated production equipment to comprehensively strengthen the control of disorganized emissions. Meanwhile, we promote the construction of appropriate and efficient pollution control facilities to collect and centralize the exhaust gases generated to ensure that the waste gas emissions fully comply with the standards. In addition, we regularly engage a third party to monitor the concentration of air emissions and install automatic monitoring equipment in accordance with the requirements of the government and regulatory agencies to ensure compliant emissions of exhaust gases.



Exhaust Gas Treatment Measures

During the reporting period, we strengthened the treatment of VOCs gas:

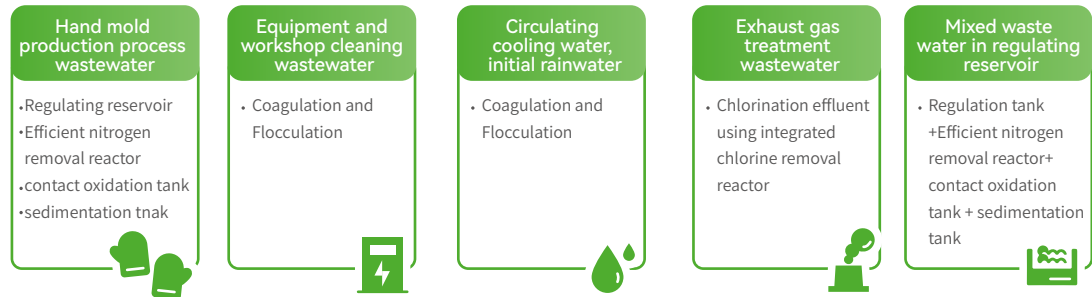
- Anhui production base: We added a new fixed-bed activated carbon adsorption and desorption device in PVC workshop to provide deep treatment for drying exhaust gas and smoke collection exhaust gas, which can reduce the emission of VOCs by approximately 220.32 tons per year.
- Qingzhou production base: We have implemented the "Integrated Project of Collecting and Repeating Resource Utilization of VOCs Tail Gas in PVC", which realizes the recycling and reuse of VOCs emitted. We are able to recycle approximately 1,600 tons of solvents per year, while achieving ultra-low emissions of VOCs.

Anhui production base can reduce the emission of VOCs by approximately **220.32** tons per year

Qingzhou production base are able to recycle approximately **1,600** tons of solvents per year

## Wastewater Management

INTCO Medical strictly complies with relevant national and local laws and regulations on wastewater discharge, such as the *Water Pollution Prevention and Control Law of the People's Republic of China*. The reduction of wastewater follows the principle of "Separation of Rain and Sewage, Separation of Clean and Polluted Water, and Treatment by Quality" for drainage. We categorize and treat wastewater to ensure that it is discharged after all water quality parameters are met. Our safety and environmental department staff and third-party testing organizations conduct real-time monitoring of wastewater parameters such as COD and ammonia nitrogen, as well as regular pipeline leakage testing to ensure the proper functioning of wastewater treatment equipment.



Wastewater Treatment Measures

## Waste Management



INTCO Medical strictly complies with relevant national and local laws and regulations on solid waste pollution prevention and control, such as the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*. We strictly control waste from production, sorting, storage, transportation and disposal to minimize its impact on the environment. Hazardous and non-hazardous waste is disposed of by qualified third parties, and is required to be utilized as effectively as possible to minimize waste of resources.

Solid waste mainly comes from the collected dust and unqualified products generated by the nitrile glove production line, latex tank sediment, and sludge generated by the wastewater treatment system, all of which are strictly stored in accordance with the relevant provisions of the *General Industrial Solid Waste Storage and Landfill Pollution Control Standard*(GB18599-2020). We set up temporary storage rooms for solid waste, carried out ground hardening, rain shelters, and specialized personnel management and other effective measures to prevent waste loss, scattering, leakage, or spread and avoid secondary pollution to the ecological environment.

Hazardous waste includes inner packaging materials of raw materials, waste engine oil, waste denitrification catalysts, etc., all of which are strictly stored following the *Hazardous Waste Storage Pollution Control Standard requirements* (GB18597-2001) and *internal Hazardous Waste Pollution Prevention and Control Responsibility Policy*. We set hazardous waste labels in conspicuous locations of collection containers, and classified hazardous waste into hazardous waste temporary storage rooms before disposal. We also take measures to prevent leakage and avoid polluting surface water and groundwater in the area caused by rainwater leaching.



# 03. Manufacturing with Inventive Mind, Adhering to Quality

INTCO Medical considers technological innovation and product quality as the lifeblood of company development. We are committed to enhancing product performance through technology, improvement, and innovation, to meet market trends and diversified customer needs. Meanwhile, we closely collaborate with suppliers to provide excellent products and services to global customers.



# Innovating Products

INTCO Medical firmly believes that innovation is the primary driving force for company development. We continuously invest in research and development and expand our technical team to improve our independent innovation capabilities.

During the reporting period, we invested a total of RMB 283.4 million in research and development and added experimental equipment such as automatic potentiometric titrators, rotary viscometer, grinding machines, and bench-top spectrophotometers to further strengthen our comprehensive research and development capabilities. To enrich the knowledge level of our research and development team and improve their research capabilities, we organized nearly 30 training sessions for them, covering content such as nitrile, PVC gloves production processes, and experimental instrument operation, with 100% coverage. In addition, we actively expanded the size of our research and development team. As of December 31, 2023, we had a total of 972 R&D staffs, accounting for 8.89% of all employees.

In terms of product technology research and development, we insight into customer demands and changes in market trends, collect new product needs, integrate and pick out potential product projects, and ultimately identify 24 annual new product projects. As of now, 8 projects have been successfully completed. In addition, considering changes in demand from e-commerce channels, we have responded quickly and initiated a series of new product development projects, such as portable oxygen respirators and sanitary wet wipes. These projects have expanded the Company's product categories, timely met market demands, and kept creating values for our customers.

## Product Upgrades and Technological Innovation

INTCO Medical continuously strengthens technological innovation and product iteration to enhance its core competitiveness. During the reporting period, we developed antibacterial gloves that adopt advanced physical antibacterial technology, with an antibacterial rate of over 90%, meeting the market demand for gloves with high anti-bacterial properties. Furthermore, we carried out research and development work on new performance for nitrile gloves and PVC gloves.

### Product Performance Research and Development - PVC Gloves



#### Upgrade of Ultra-soft PVC Gloves Formula

We have used the new benzene-free environmental friendly plasticizer and softener instead of the original formula, enhancing the softness of PVC gloves and saving material costs. After testing, the improved gloves maintain a stable elongation rate of about 370-380%.

### Product Performance Research and Development - Nitrile Gloves



#### Biodegradable Nitrile Gloves

By adding a certain amount of biodegradable catalytic material to the latex, we have achieved effective degradation of nitrile in an anaerobic biological environment. Currently, the samples have obtained the Intertek Verified, and we are steadily advancing the preparations for pilot testing.



#### Ultra-soft Nitrile Gloves

Using a new formula, we replaced the activator, improving the softness and elongation of nitrile gloves, and the elongation rate exceeds 580%.



#### Food-grade Nitrile Gloves

We have developed a new food-grade wax emulsion that, when mixed with nitrile latex, can reduce the leakage of substances such as metal ions, optimizing the cost and performance of food-grade nitrile gloves.



#### European Standard Low-Weight Nitrile

We conducted experiments and pilot tests on low-weight nitrile gloves to meet the requirements of European standard for tensile force.



While pursuing product innovation, INTCO Medical continuously launches user-friendly products and strives to improve user experience.



### Synguard G3 Household Nitrile Gloves

Packaged in a way that easy to be extracting, these gloves are comfortable to wear and convenient for users to use them in complex household scenarios such as cooking.



### Skincare Gloves

We add a coating of skincare ingredients such as hyaluronic acid and silk protein to the coating of the nitrile gloves, and create a fresh ocean fragrance. The product meets food contact standards and provides users with repairing and moisturizing effects while protecting their hands.

## Patent Cooperation and Protection

INTCO Medical actively seeks patent cooperation with domestic and foreign peers to jointly promote innovation and development of technological products. At the same time, we also strictly protect our own patents, safeguard the legitimate rights and interests of innovative achievements, and contribute to the healthy development of the industry.



Successfully Applied for **269** Patents



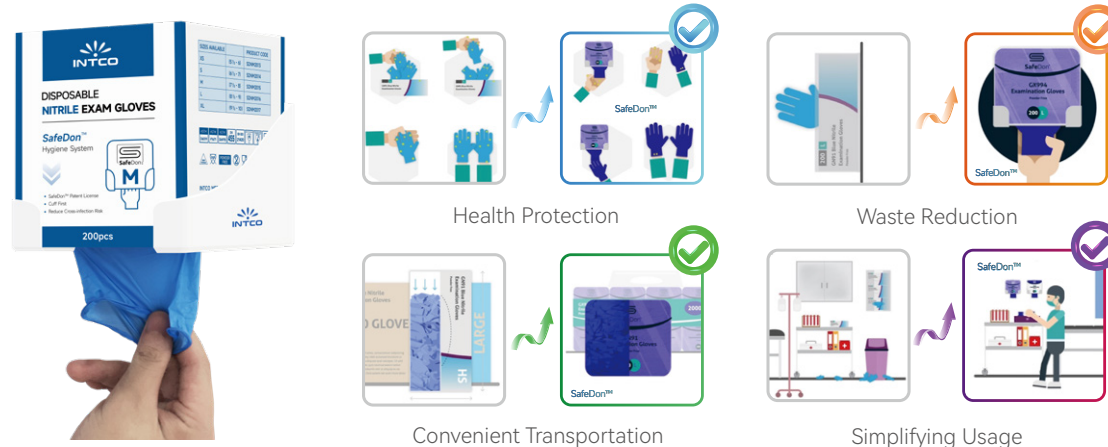
Total of **240** Patents Were Authorized



**36** New Patent Authorizations Added in 2023

## INTCO | SafeDon™

The SafeDon™ hygiene system is the world's first disposable glove dispensing system that enables individual dispensing of gloves from the bottom of the box. Compared to traditional similar products, it is healthier, faster, smaller, more environmentally friendly, and more cost-effective. During the reporting period, we collaborated to promote the application of SafeDon™ product patents, achieving a 96% reduction in cross-contamination risk, a 10% reduction in glove waste rate, a 25% reduction in transportation and storage costs, and a 50% reduction in wearing and preparation time.



In terms of patent protection, we have completed the patent registration for Synguard C+ Nitrile Exam Gloves, covering two core areas: production process and formula.

During the reporting period, we actively transformed innovative achievements, successfully declared 269 patents and obtained a total of 240 patent authorizations, of which 36 new patents were authorized in 2023.

◀ Synguard C+ Nitrile Exam Gloves

# Controlling Quality Management

Product quality is the cornerstone of enterprise growth, and high-quality products also reflect our responsibility to customers and society. We always uphold the corporate mission of "Global INTCO, Global Health", understand the customer's vision and strategy, strictly adhere to high-quality standards in production, research, and service, continuously improve our products, services, and values, and establish effective alliances between customers and suppliers.

INTCO Medical complies with the *Medical Devices - Quality Management Systems - Requirements for Regulatory Purposes* (EN ISO 13485:2016) and *Quality Management Systems - Requirements* (GB/T 19001-2016) in the production process and has obtained the corresponding certificates. We have also passed quality system certifications such as MDSAP and BRC. Additionally, we have developed internal quality management documents such as *ISO 13485 Quality Manual* and *ISO 9001 Quality Manual*, establishing a four-level quality management system document structure that clarifies quality management goals. This ensures that our quality management system meets the requirements of the *Quality System Regulation* (FDA 21 CFR PART 820 QMSR) and other relevant laws and regulations. During the reporting period, we refined and upgraded the content of secondary and tertiary documents in quality management system to further improve the level of production quality management.



We conduct simulated product recalls annually in accordance with quality management regulations and internal systems. Through production dates and batch numbers, we trace back the records of raw materials, production, and transportation to identify the source of any quality issues. During the reporting period, we did not have any recalls due to product delivery quality.

## Quality Control

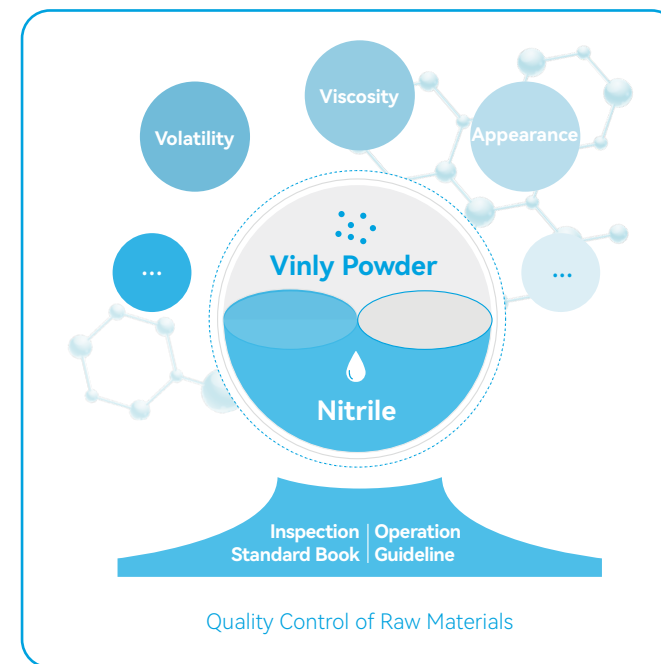
INTCO Medical's quality management system covers every step from raw material inspection, the whole production process to final product delivery, ensuring that product quality consistently meets relevant domestic and international standards.

During the reporting period, through the upgrade of digital tools, we recorded the inspection processes of each production stage into the system, achieving paperless graphical data presentation. Meanwhile, we unified inspection procedures across every production base and established product chromaticity standards to ensure stable and consistent performance data for products of the same category produced in each base.

## Quality of Raw Materials

INTCO Medical strictly follows national and local standards. For raw materials used in product production, such as nitrile latex and PVC powder, we have formulated internal documents like the *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 material.

During the reporting period, INTCO Medical expanded raw material testing items in the quality testing process, adding a total of 149 new projects, including box and carton compression tests, accelerator melting point tests. These additional tests help us further understand the performance, composition, and safety of raw materials, thereby ensuring product quality.





## Production Process Quality

INTCO Medical emphasizes quality control during the production process, which is subject to strict monitoring and management. During the reporting period, we expanded the quality inspection methods in the production process, introduced new quality tools, and conducted quality analyses. We added cause verification analysis methods, error-proofing techniques, control plans, layered audits, etc., to the detection methods. These efforts helped to reduce the proportion of oil stains on glove surfaces, improved the control standards for shedding tests, and effectively avoided issues like packaging shortages. Meanwhile, we introduced the colorimeter and upgraded automatic visual inspection system to enhance the coverage of the automatic visual inspection system in the production process and ensuring the quality of products.

Colorimeter	Automatic Visual Inspection System
<p>Unlike the previous visual inspection method, the introduction of the colorimeter allows for accurate measurement of colour differences, enabling quick identification of box and carton variations. This eliminates the subjectivity and errors associated with human visual inspection, making the results more objective and reliable. Moreover, the colorimeter helps us timely detect colour differences in boxes and cartons, avoiding the occurrence of semi-finished products, reducing the risk of product returns and reboxing, and improving product quality.</p>	<p>The automatic visual inspection system combines industrial camera image acquisition with deep learning algorithm analysis, efficiently identifying and eliminating product defects such as damage and oil stains, thereby improving the shipment yield. Visual inspection can achieve 24-hour full inspection, effectively avoiding human fatigue. Additionally, visual inspection can analyse defects in real-time, output alarm information, and provide effective and timely early warning of abnormalities in the production process.</p>

## Digital Quality Management

Quality control throughout the production lifecycle has been achieved by Quality Management System (QMS) and Manufacturing Execution System (MES), further strengthening the real-time, comprehensive, and accurate nature of digital quality management.

Quality Management System, QMS	Manufacturing Excursion System, MES
<ul style="list-style-type: none"> <li>QMS comprehensively covers business modules such as incoming inspection, process inspection, finished product inspection, and non-conforming product handling. This enables full-process data collection for quality inspection, ensuring accuracy, timeliness, and traceability of quality inspection work.</li> <li>A new visual quality inspection board has been added, with real-time updates of inspection data. This allows timely responses to abnormal quality data, enabling full lifecycle product quality management where the source can be traced and the destination can be tracked.</li> <li>The incoming and process inspection procedures has been optimized to achieve the inspectio data entry and export query function, so as to improve the accuracy of reports. Meanwhile, OBA (Out of Box Audit) inspection has been added to improve the quality inspection process.</li> <li>Integration with third-party systems has been achieved, allowing real-time transmission of inspection results.</li> </ul>	<ul style="list-style-type: none"> <li>MES covers modules such as raw materials, finished products, production feeding, workshop planning, and exception management, etc.</li> <li>MES interacts with APS (Advanced Planning and Scheduling) for workshop planning, guiding workshop execution of production tasks; interacts with DCS (Distributed Control System) to correlate production process parameter data; interacts with QMS to correlate quality process inspection data, enabling a full lifecycle traceability system for products.</li> </ul>

## Product Packaging and Delivery Quality

During the reporting period, we added processes such as premium order sampling, container inspection, and automatic packaging machines to ensure product packaging and delivery quality.

### Premium Order Sampling

- A new shipment sampling mechanism was added to the shipment sampling inspection process.
- Orders from different time periods were randomly selected for inspection, and any non-conforming time periods were marked, fed back, investigated, and processed with return shipping, effectively improving the inspection pass rate and sampling qualification rate.

### Container Inspection

- Truck containers were inspected ahead of time to address or avoid issues such as container damage, oil stains, and odors before loading, reducing the risk of secondary pollution or transport of products due to weather or other reasons during transit, and lowering labor and transportation costs.

### Application of Automatic Packaging Machines

- The number of automatic packaging machine applications increased, reducing manual workload, and enhancing production automation.
- To adapt to the automatic packaging machine, new inspections for the inner lids of cartons and tests for the penetration of the tooth blade were added, effectively reducing damaged cartons caused by the automatic packaging machine and lowering product damage rates and loss costs.

## Quality Training for Employees

Through comprehensive quality training for new and in-service employees in all departments, we have effectively raised the quality awareness and professional expertise of our employees, providing a strong guarantee for the continuous improvement of quality management. During the reporting period, we conducted quality training for all employees.

### Quality Training for New Employees

During the reporting period, we provided quality training to newly hired employees, achieving a 100% coverage rate. This effectively raised new employees' awareness of quality, laying a solid foundation for their subsequent roles in various positions.

### Quality Training for In-service Employees

According to the training plan, a total of **155** training sessions on quality management were conducted for current employees. The training content encompassed various quality aspects such as laws and regulations, quality management systems, social responsibility management systems, job responsibilities, operating procedures, measurement and calibration, etc. The training targeted various departments across the Company. Employees were able to consolidate their knowledge of quality management and raise their awareness of quality management through different assessment methods, including oral questions, practical operations, and written tests.

## External and Internal Audits

INTCO Medical has established the *Internal Audit Control Procedures* and conducts internal quality audits annually to ensure the effective implementation of the quality management system.

Regarding internal audits, each of our production bases implements a monthly quality system inspection system. We promptly announce any issues identified during inspections, and urge each department to respond quickly and take effective measures for rectification.

By the end of the reporting period ▶

the Huaibei production base conducted identifying and resolving nearly

**143** monthly system inspections

**1,581** issues

In terms of external audits, we actively cooperate with external third-party organizations for auditing and supervision. We have obtained certifications from NSF (National Sanitation Foundation), PPE (Personal Protective Equipment), and MDR (Medical Device Regulation). Meanwhile, our products have meet international standards such as ASTM, CE, ISO, and Japanese food hygiene and safety standards.

During the reporting period, we cooperated with audits from clients and third-party organizations ▶

hosted a total of

**87** client audits

**94** third-party audits and certifications

**10** internal quality audits

**100%** qualified

Certifications	Subsidiaries
ISO 9001 Quality Management System	INTCO Medical Technology Co., Ltd. Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd. Jiangxi INTCO Medical 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. Jiangsu 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. Jiangxi INTCO Medical Co., Ltd.
MDSAP Certification <sup>2</sup>	Shandong INTCO Medical Products Co., Ltd. Anhui INTCO Medical Products Co., Ltd.
Module D Certification <sup>3</sup>	Anhui INTCO Medical Products Co., Ltd.
Integration of Informatization and Industrialization mManagement Systems	INTCO Medical Technology Co., Ltd.
GB/T 19580-2012 Criteria for Performance Excellence	INTCO Medical Technology Co., Ltd.

<sup>1</sup>BRC (Global Consumer Products) Certification: BRC Consumer Products Standard is developed by the BRC (British Retail Consortium).

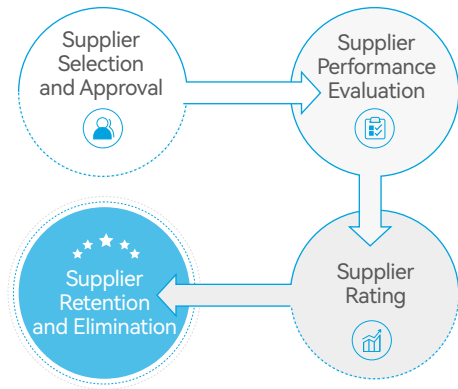
<sup>2</sup>MDSAP Certification: Medical Device Single Audit Program includes the standards and regulatory requirements of Australia, Brazil, Canada, Japan and the United States. This certification is audited by the regulatory agencies with five countries authorization.

<sup>3</sup>Module D Certification: Based on the quality assurance of the production process, it ensures that the manufacturer has the ability to produce qualified products.



# Ensuring Responsible Supply

INTCO Medical understands the importance of a stable and sustainable supply chain for anticipating and meeting customer needs, as well as ensuring business continuity. We strictly adhere to industry norms and ethical guidelines, carefully selecting suppliers with professional capabilities and good reputations. We integrate sustainable development concepts into our supplier evaluation system. Moreover, we are committed to working closely with suppliers to build transparent and win-win supply and demand relationships and continue to provide high-quality, efficient services and safe, reliable products to our customers.



Supply Chain Management Processes

## Supplier Management

To better optimize our supplier management system, we have established internal management systems such as the *Supplier Management Procedures and Formulation* and *Management of Procurement Strategies*, etc. These aim to fully identify and assess potential risks in the procurement and supply chain. Meanwhile, we have further upgraded our SRM system to standardize processes such as supplier certifications, change, and evaluation. This enhances transparency in supplier management, allows for early detection and response to potential risks, and mitigates their adverse effects.

### Supplier Selection and Approval

We collect and analyse suppliers' qualifications, capabilities, and quality through the Supplier Questionnaire and Enterprise Risk Assessment Form. Meanwhile, in combination with offline field assessment and review, we sign the Supplier Anti-Bribery Commitment with suppliers who pass the assessment and include them in the Qualified Supplier List.

Based on the specific industry and commodity risks of suppliers, we have formulated strict regulations on their environmental, social, governance, and business relevance. Qualified suppliers must be certified by ISO 9001 or GB/T 19001 Quality Management System, ensuring that their product quality meets relevant regulatory standards or technical requirements. They also must provide effective quality certification and pass relevant inspection requirements. Meanwhile, we sign the Supplier Quality Assurance Agreement with key raw material suppliers. Furthermore, we prioritize suppliers that hold relevant environmental management system certifications such as ISO 14000. We also sign the Social Responsibility Commitment with suppliers, requiring them to strictly comply with local labour laws, relevant environmental regulations and social responsibility standards. Suppliers and subcontractors are prohibited from using child labor, forced labor, or other violations of labor laws and regulations to ensure the Company's environmentally friendly and sustainable development.

Requirements Related to Social Responsibility of Suppliers		
Social Responsibility	Environmental Protection	Health and Safety
<p>Establish social responsibility files of suppliers, sign social responsibility commitment, and promise abide by local labor laws and social responsibility standards:</p> <ul style="list-style-type: none"> <li>• Prohibit strictly to employ child labor or use underage workers without any measures</li> <li>• Prohibit strictly forced labor</li> <li>• Prevent sub-suppliers from violating social responsibility standards</li> <li>• Working hours, equality, freedom of association, collective bargaining rights and other legitimate rights and interests of employees</li> <li>• Fair business</li> </ul>	<ul style="list-style-type: none"> <li>• Abide strictly by relevant environmental laws and regulations</li> <li>• Formulate waste disposal plan</li> <li>• ISO 14000 and other management system certification</li> </ul>	<ul style="list-style-type: none"> <li>• Fire safety, early warning and other protection measures of the plant</li> <li>• Safety maintenance and protection measures for equipment and chemicals</li> <li>• Emergency measures guarantee</li> <li>• Employee protection measures and</li> <li>• Health protection</li> </ul>

INTCO Medical continues to conduct strict selection of existing and new suppliers.

By the end of the reporting period

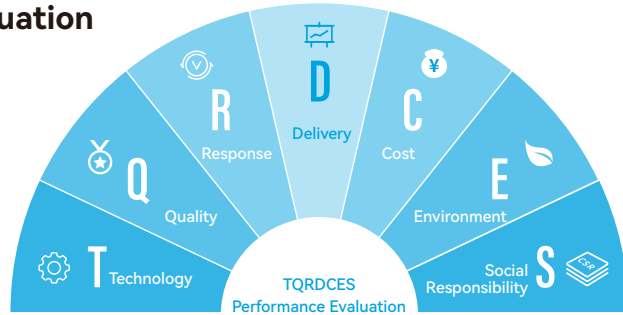
we had a total of

# 1,917

cooperating suppliers

## Supplier Performance Evaluation

INTCO Medical strictly follows the supplier performance evaluation system and the standards required by the Supplier Performance Evaluation Form. From multiple dimensions such as TQRDCES, we comprehensively evaluate suppliers in important aspects such as product quality, supply performance, social responsibility, and service conditions, to confirm whether they follow social responsibility standards and effectively implement our requirements.



Furthermore, we have introduced a multi-dimensional data analysis tool in the BI platform. This allows the procurement department to have a more scientific and comprehensive insight into the core indicators and comprehensive performance of suppliers, such as production capacity, delivery punctuality, quality and cost. It also improves the accuracy and efficiency of the evaluation process.

During the reporting period, coordinating with the Internal Control Department, the Quality Department and the Supply chain Management Department, we conducted comprehensive inspections, evaluations and ratings on the commercial qualifications, production levels and actual performances of **1,190** important suppliers related to raw materials, infrastructure and production line equipment, with a coverage rate of **62%**.

## Supplier Retention and Elimination

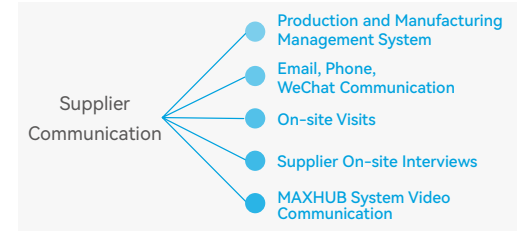
INTCO Medical classifies the suppliers into four levels of A, B, C and D based on the assessment results. By the end of the reporting period, we had 1,100 Level A suppliers, 80 Level B suppliers, and 10 Level C suppliers.

We issued Supplier Improvement Matters Report for Level B and C suppliers, and requested suppliers to respond with improvement plans timely. We track and verify the improvement measures throughout the process to confirm their effectiveness, and would cancel the qualified supplier status if they continue to fail to meet the standards.



## Establishing Sustainable Supply Chain

INTCO Medical regularly communicates with suppliers through multiple channels, gaining a deep understanding of the process industry and commerce. Based on their needs and technological advantages, we continuously provide product training and technical guidance, timely solve difficulties and problems that arise during the cooperation process, and promotes the sustainable development of the supply chain.



### Supplier Training and Coach

INTCO Medical regularly conducts training for suppliers to further enhance their comprehensive capabilities. Meanwhile, we continuously focus on enhancing suppliers' research and development and management capabilities. We consider improving product safety and quality as a common goal for both parties. Through on-site guidance, we improve suppliers' production efficiency and qualification rate, and combine it with changes in customer and market demands to conduct technical expansion and improvement by technical seminars.

#### Quality Improvement Training

Focusing on suppliers' product quality issues, the Company promptly communicates and provides training on INTCO Medical's quality requirements and non-conforming products, assisting suppliers in advancing quality improvement works to raise their quality awareness.

#### Standard Training

The Company conducts supplier training on relevant inspection standards for raw material deliveries, aiming to improve the supply quality of suppliers.

#### On-site Guidance

We provide on-site guidance for selected suppliers to increase the qualification rate of production.

#### Technical Seminars

Conduct technical seminars with supplier teams to discuss new product initiatives.

By the end of the reporting period through online communication, we provided

**63** training sessions to **238** suppliers held with a total of **96** technical seminars **455** suppliers participating in the discussions



Supplier Communication Meeting



# Delivering Excellent Service

By providing high-quality services, INTCO Medical safeguards the product experience for customers and establishes long-term cooperative relationship with them. To ensure that customer needs are anticipated and met, we have established an efficient customer service centre, improved complaint and feedback mechanisms, and strengthened the professionalism and efficiency of customer service management, striving to improve customer satisfaction and user recognition.

## Customer Service Management

We have formulated and optimized internal documents such as the *Customer Evaluation, Complaint and Feedback Handling Mechanism and the Specification and Process in INTCO Medical Customer Service Centre*, continuously improving customer relationship management mechanisms and customer service system construction. We have also incorporated corresponding indicators into employee performance appraisals. Through a strict and efficient customer service management system, we promptly respond to and handle customer complaints and feedback. Meanwhile, we analyze and summarize the complaints, conduct follow-up investigations on relevant departments' handling results, and provide feedback on improvement progress to customers.

Adhering to the principle of customer first, INTCO Medical strives to create value for customers, builds long-term trusting relationships with customers, and earnestly fulfils our responsibilities to customers.

## Customer Demands and Feedback

INTCO Medical standardizes the processing flows for different customer needs and regularly deepens cooperation and communication with customers through video calls, on-site visits, and invitation to factory tours to ensure effective and timely information transmission. We have set up the 400 customer service hotline and email to ensure smooth communication channels with customers and efficient and accurate information transmission. Simultaneously, we have established a telephone follow-up mechanism to ensure that customer issues are effectively resolved.

INTCO Medical prioritizes user experience. The 400 customer service team has set up a special complaint channel, while actively collecting customer feedback. Upon receiving customer complaints, the team makes detailed records immediately, ensuring that every customer issue is taken seriously and properly handled. Subsequently, the team carefully categorizes the problems to precisely locate the issues and formulate corresponding solutions. During the reporting period, the complaint resolution rate on e-commerce platforms reached 96.82%.

In addition, during the reporting period, we introduced the Leadscloud Marketing CRM System and implemented the Top customer service program to further improve customer service quality and customer satisfaction.

### Leadscloud Marketing CRM System

This system connects all touchpoints for foreign trade customers and refines the private domain operation system.

### TOP Customer Service Program

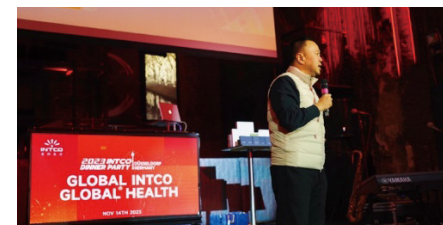
We implements a regular customer visit system to keep up with the latest developments and feedback from customers, provide precise services, identify and address potential issues, and further strengthen our close and win-win relationship with customers.

By the end of the reporting period

we conducted a satisfaction survey among **32** major domestic customers, with a final score of **93** ;  
the customer satisfaction survey on e-commerce platforms scored **9.14** out of **10** ;  
and the satisfaction score for 57 foreign customers was **90.96** .

## Customer Care

To further enhance the customer service experience, we sent sincere wishes to customers via SMS on specific holidays. In addition, we organized customer appreciation events to thank our customers for their long-term support and trust, effectively deepening the relationship with customers and enhancing the Company's customer recognition. During the reporting period, we held a total of 3 foreign customer appreciation conferences and 2 domestic customer appreciation conferences.



Appreciation Dinner in Düsseldorf Medica, German



Customer Appreciation Conferences in Zibo





# 04. Talent First, Work Together for a Win-win

INTCO Medical regards outstanding talents as precious wealth of the Company and takes talents as the foundation of development, and continuously improves the employee management system. We strive to protect rights and benefits of our employees, and try our best to help them realize their full potential and maximize their personal value. At the same time, the health and safety of employees is always our top priority. We resolutely protect the safety and health of employees and strive to create a happy and harmonious workplace environment. We firmly believe that only by fully respecting and unleashing the potential of every employee, and building a diverse, inclusive and positive work environment, can we grow with employees together and move towards a better future.

**5** GENDER EQUALITY

**8** DECENT WORK AND ECONOMIC GROWTH

**10** REDUCED INEQUALITIES



# Protecting Employee Rights and Benefits

To protect employees' rights and benefits, INTCO Medical always committed to establishing a fair, just, and non-discriminatory working environment. We actively promote diverse and anti-discrimination employment policies to provide equal employment opportunities for every employee. We emphasize the communication with our employees and value their feedbacks, to ensure that every employee's voice can be heard and properly addressed in a timely manner.

## Diversity, Equality, and Inclusion

INTCO Medical respects and values every employee, and we are actively creating a positive culture centered on diversity, equality, and inclusion. During the reporting period, we have committed to promoting the principles of Diversity, Equality and Inclusion (DEI), integrating them into our corporate culture and all business practices.

During the recruitment, we strictly adhere to the relevant labour and employment laws and regulations in the country where we operate, evaluate candidates based on their work experience, abilities and qualifications, ensuring that they are not discriminated against or treated differently in any form due to factors such as gender, age, marital status, race, background, sexual orientation, or religious belief, etc.

We make full efforts to ensure the compliance of employment and hiring processes. By incorporating anti-discrimination and anti-harassment content into orientation training and requiring all employees to sign a commitment letter, we are aim at eliminating workplace discrimination and harassment. In addition, we strictly prohibit illegal activities such as forced labour, labour trafficking, and the use of child labour, etc. Accordingly, we regularly conduct labour-related compliance reviews to ensure that our hiring and employment processes are legal and compliant. During the reporting period, we had no incidents of child labour or forced labour.

### During the reporting period ▶

INTCO Medical underwent a third-party social responsibility audit that covered various aspects of the Company's labour management. We have passed the audits and certifications of

## BSCI

Business Social Compliance Initiative

## WRAP

Worldwide Responsible Accredited Production

## SMETA

the Sedex Members Ethical Trading Audit and have obtained corresponding certificates.



WRAP Gold Certificate

## Talent Attraction

INTCO Medical is committed to building an organization with high talent density, striving to become a world-class manufacturing enterprise. By continuously improving our recruitment system, we provide various positions and widely attract diverse talents. During the reporting period, we utilized the MOKA recruitment system to enhance our talent recruitment efficiency, improve the platform for social and school recruitment, aiming at continuously broaden our recruitment channels. Additionally, we insist on implementing several measures such as internal recruitment competition promotion and encouraging internal recommendation to help the Company establish a sound talent echelon and diversifies talent team.

### Internal Recruitment

- **Internal Competition:** Based on the needs of the position, internal competition is conducted for internal talent selection and development
- **Internal Recommendation:** Using the "talent inventory" tool to match the employee with suitable positions; Offering referral bonuses to encourage employees to recommend suitable candidates

### External Social Recruitment

- **Online Recruitment:** Attract potential candidates through recruitment live streams, social media, and websites
- **Offline Recruitment:** Attend job fairs organized by relevant organizations in the city or county

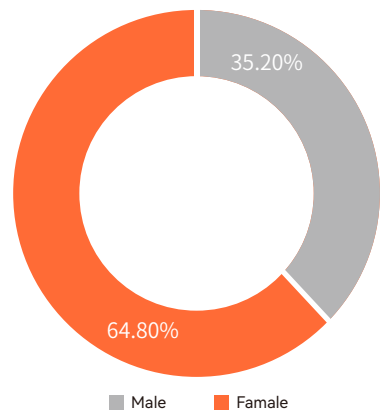
### External Campus Recruitment

- **Campus Recruitment:** Attracting young talents through school-enterprise cooperation, online and offline publicity, and activities such as one-day trip to INTCO

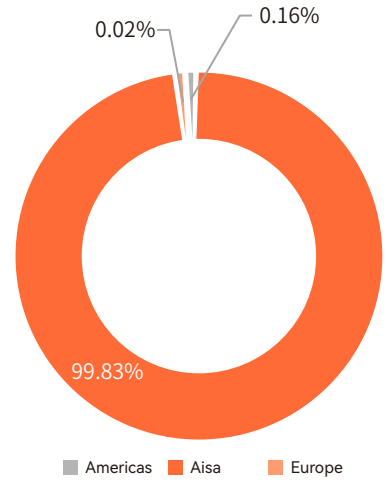
2023 INTCO Medical's Recruitment Activity



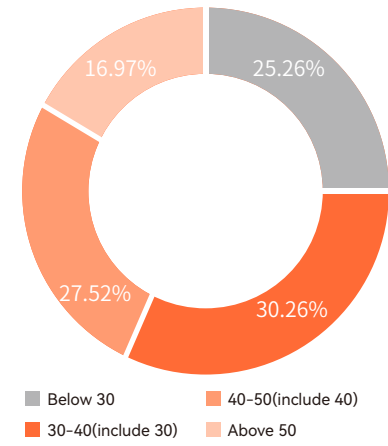
Number of Employees by Gender



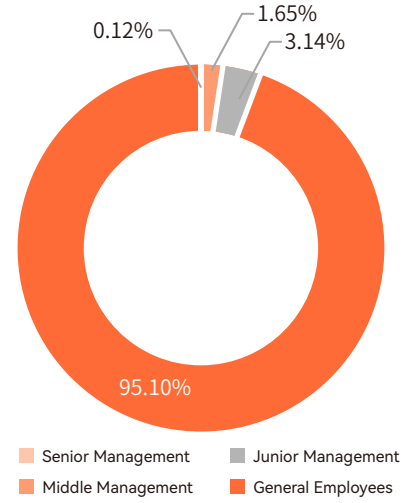
Number of Employees by Region



Number of Employees by Age



Number of Employees by Management Level



As of December 31, 2023 ▶

INTCO Medical's full-time employees were **10,939**

An increase of **2,115** employees compared to 2022

There are **7,089** female employees, accounting for **64.8%**

As of December 31, 2023 ▶

The proportion of female in senior management positions is **44.44%**

The proportion of female in STEM -related positions is **76.52%**

There are **100** ethnic minorities and **87** disabled individuals

## Communication and Feedback

INTCO Medical values communications and interactions with its employees and actively creates diverse communication channels to ensure smooth internal information flow within the Company. Through establishing open WeChat groups, feedback hotlines, satisfaction surveys, employee unions and improvement and innovation conferences, we can timely listen to employees' voices and adopt their reasonable opinions and suggestions effectively. We are committed to promoting information sharing and concepts transmission to ensure that employees can exercise their rights of democratic supervision and management, continuously improving the level of democratic management and employee satisfaction. Meanwhile, a transparent and open communication atmosphere allows employees to have a greater sense of ownership, promoting a more dynamic development of the Company.

During the reporting period ▶

INTCO Medical conducted employee satisfaction surveys regarding the working environment, necessities and corporate culture. The result showed that **88.33%** of employees were very satisfied.

Meanwhile, by the end of the reporting period, the Company's collective agreement coverage reached **100%**

\*STEM: STEM (Science, Technology, Engineering, and Mathematics) employees use scientific, technological, engineering, or mathematical knowledge in their daily work. To be classified as a STEM employee, one should possess STEM-related qualifications and utilize these skills in their job position. These positions include but are not limited to computer programmers, web developers, statisticians, logistics personnel, engineers, physicists, and scientists.

# Supporting Employee Growth

INTCO Medical pays attention to employee's growth. We have established a fair incentive mechanism which offers diverse career promotion channels and abundant training opportunities, to help employees continuously improve and maximize their self-worth. We are committed to improving our talent promotion system to drive the construction of the Company's talent echelon and effectively ensure the Company's long-term development.

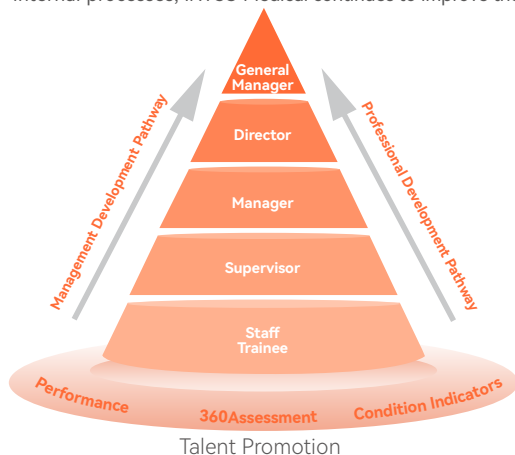
## Talent Incentives

Under the premise of strictly complying with national laws and regulations, we closely follow market dynamics and industry development trends to conduct a comprehensive and in-depth review and innovation of our compensation and benefit system. We are committed to building a differentiated compensation management system based on employee's contribution, actively innovating compensation growth and profit-sharing mechanisms. By tightly integrating compensation with the Company's business performance and employees' contribution, we aim to create a fair and effective compensation incentive mechanism to motivate employees to continuously pursue excellence and jointly promote the Company's sustainable development.

During the reporting period, by strictly following the *Employee Handbook*, and closely combining with the individual's actual performance, we further strengthened our efforts to attract and retain outstanding talents and business core experts through multiple measures such as evaluation and selection, performance bonuses, and equity incentives, etc.

## Talent Promotion

Following the *Post Promotion Management Process*, the *Internal Transfer Management Process*, and other related internal processes, INTCO Medical continues to improve the



"management development + professionalism development" dual-track parallel employee promotion and development pathways. We adopt a 360-degree evaluation mechanism to provide all employees with performance evaluations and promotion opportunities twice a year. Meanwhile, we provide tailored career development plans and training strategies for our employees and build a flexible and highly motivating promotion mechanism to create a clear development space for employees.






## Employee Development

INTCO Medical have established the Training Management System and actively improve the employee training system, allowing all employees to have access to excellent learning conditions and resources to continuously improve their professionalism. We continue to carry out INTCO Medical's three-level training program, formulating development plans for all employees at each growth stage, and providing comprehensive training from the perspective of leadership, professional skills, general knowledge literacy, and other dimensions.



Three-level Training System

We regularly collect employees' advice on training needs and constantly improve our internal training course system. During the reporting period, the coverage of trained employees reached 100%, with an average training duration of 22.48 hours per person.

<b>Induction Training</b>	➔	Through the introduction of the Company's basic situations, rules and regulations, behavioral norms, salary and benefits, etc., the aim is to help new employees quickly adapt to the company environment, understand job responsibilities, and integrate into the corporate culture.	
<b>Internal Public Classes</b>	➔	"In the Name of Youth, Fulfill the Dream" – INTCO YOUNG was launched in July 2023. More than 240 new employees gathered in Zibo, Shandong, to visit the production base. We also conducted corporate culture education presentations. The two-day quality training and professionalization training enhance the cohesion of new employees and helps them quickly adapt to the transition from campus to workplace.	
<b>Professional Competency Training</b>	➔	During the reporting period, we invited external experts to conduct gold medal team leader training. Employees were trained on standardization systems and operating standards, work guidance, 5S management, quality, and other related content. The training helped the Jiangxi production base to complete 238 focus improvements, resulting in a benefit of RMB 1.31 million yuan.	
<b>External Training of Managers</b>	➔	During the reporting period, we partnered with Empowerment Institute to launch the Management Refinement Training Camp, focusing on five modules: cultural strength, growth capacity, organizational strength, leadership, and practical ability. This provided comprehensive systematic training for mid-to-high level management team at INTCO Medical.	
<b>CEO Courses</b>	➔	During the reporting period, we collaborated with Empowerment Institute to conduct two sessions of International CEO Course Training. Renowned external lecturers were invited to deliver training courses for the mid-to-senior management team at INTCO Medical, adding new dimensions of learning and reflection.	

# Protecting Occupational Safety

INTCO Medical attaches great importance to occupational safety, thoroughly implements safety production guidelines and policies, continuously optimizes the occupational health management system, and strives to create a healthy and safe working environment for employees. At the same time, we actively strengthen employee safety training and integrate the concept of safety production throughout the entire Company production and operation process to enhance the safety awareness of all employees, safeguarding employee's occupational health and safety.

To ensure the effective implementation of health and safety management regulations, we have established an EHS Management Committee at the company level to formulate the Company's EHS policies, systems and management objectives, and to supervise the implementation of related work by various departments, forming an effective and complete EHS health and safety management mechanism.

## Safety Management

A healthy and safe working environment is a fundamental entitlement for every INTCO employee. To continuously improve safety management and occupational health within the Company's operations and effectively prevent unexpected events, INTCO Medical keeps enhancing safety facilities and occupational disease protection facilities. Meanwhile, we strictly abide by national and local laws and regulations such as the *Law of The People's Republic of China on Work Safety*, the *Fire Law of the People's Republic of China*, and the *Regulations on Emergency Response to Work Safety Accidents* in all aspects of production and operation. In response to the actual needs of the Company's safety production management, we updated the *Safety Helmet Use Management System*, the *Dust Explosion Safety Management System*, the *Safety Management Agreement for External Contractors*, and the *Safety Production Emergency Plan* during the reporting period to ensure the stability and effectiveness of internal safety management.

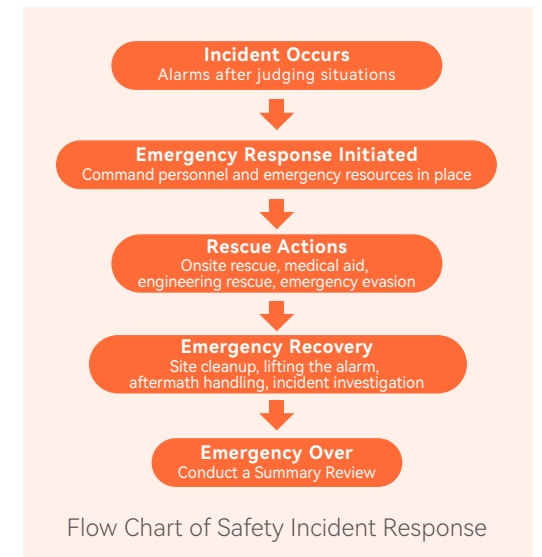
We encourage all production and R&D bases within our operational scope to obtain ISO 45001 Occupational Health and Safety Management System certification. During the reporting period, each factory of the Company improved their occupational health and safety system. The Qingzhou production base and the Kaize latex production base passed the ISO 45001:2008 Occupational Health and Safety Management System review, and the ISO 45001:2008 certification for the Huaibei and Jiujiang bases is also steadily progressing.

In terms of implementing safety production responsibilities, we adhere to the core concept of "Safety First, Prevention Centre, Comprehensive Management," and have established a strict safety management system and clarify the primary responsibility of safety production. The chief safety officer formulates safety work goals and plans precisely, and safety principal from each department take swift actions. In addition, we require departments at all levels to sign the Safety Target Responsibility Agreement which aimed at clarifying safety production responsibilities and ensuring the smooth realization of safety production goals.

During the reporting period, INTCO Medical's Qingzhou production base reformulated the *Emergency Plan for Safety Production*, which further clarified the work standards for emergency management. Following the principle of "unified leadership, hierarchical responsibility, combination of sectors, territory based", it committed to minimizing the impact of accidents on the Company's property, employees' lives and health, the environment, and society.



Occupational Health and Safety Management Certification





In terms of daily safety management, we actively carry out reward activities of autonomous hidden hazards investigation to encourage employees to proactively report and rectify potential hazards and provide corresponding rewards to employees who report them. This has effectively motivated employees to participate in safety management and improves the overall safety level of the Company. We organize monthly joint inspections and pre-holiday comprehensive inspections to discover potential safety hazards in a timely manner and urge the local departments to rectify them, ensuring the safety and stability of the production site.



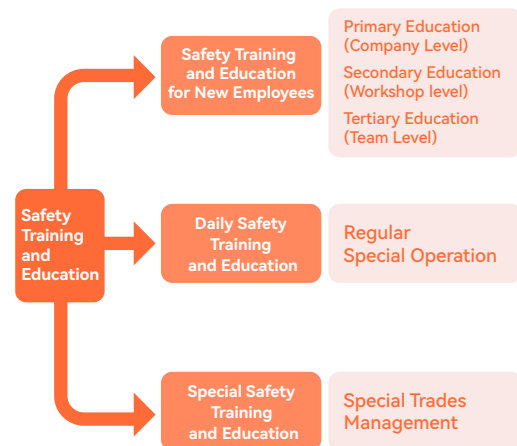
Monthly Comprehensive Safety Inspections

We also attach importance to the health and safety of our contractors. We have formulated internal rules and regulations such as the *Management System of the Contractor's Ministry of Safety and Environmental Protection* and the *Management Regulations of the Construction Site*, and implemented clear safety production rules and operating procedures in the contract, and established and improved the contractor's responsibility system to ensure the safety and health of project construction operators.

As of December 31, 2023, our safety production work has achieved remarkable results, fully accomplishing our safety production targets. The incidence of production safety accident was 0%, and there were no work-related fatality among our employees and contractors. Safety training, rectification of hidden hazards, and the intact rate of fire-fighting facilities all met the standards. A total of 231 hidden hazards were identified throughout the year and all of them have been fully rectified to ensure safe and stable production.

## Safety Training and Activity

Adequate promotion of safety awareness and culture will greatly reduce the probability of potential safety hazards and risky incidents. We have not only established internal systems such as the *Safety Training Education Management System*, *Special Operations Personnel Management System*, but also conducted high-frequency customized safety training based on the risk characteristics of different positions, which covers safe production responsibility, operation of labor protective equipment, special operation procedures, hazardous chemical operation procedures, first aid operations, etc., forming a comprehensive safety training and education system that effectively enhances employee's safety awareness and self-protection ability. Meanwhile, each plant, together with the lean department, has promoted the KYT (Kiken Yochi Training) program, providing safety education and training on danger prediction, analysis, control, and response for operational teams, improving employees' sensitivity in perceiving dangers and effectively preventing work-related injuries.



During the reporting period ▶

The Company conducted more than **20** training sessions for daily basic operations, and **9** specialized trainings including forklift operation, use of fire-fighting facilities and other special work content.

Conducted over **500** safety-related trainings

Initiated **138** KYT programs

**8** comprehensive safety and emergency drills involving all employees covering approx.

**15,000** employees.



## Safeguarding Employee Health

To reduce the hazards of occupational diseases and protect the employees' good physical and mental health, INTCO Medical strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Management Standards for Employers' Labour Protection Articles*, and other relevant laws and regulations. We have *Occupational Health Management System*, *Labour formulated the internal management system*, including *Protection Equipment (Tools) and Health Products Distribution Management System* to clarify the objectives of employee's occupational health and safety. During the reporting period, we completed the construction and acceptance of occupational disease protection facilities, and carried out annual testing and risk assessment of occupational disease hazards, paying great attention to employees' health.

INTCO Medical provides annual physical examinations and healthy catering for all employees. For each of our production base, we have constructed comfortable and convenient fitness centres and basketball courts and continue to improve sports facilities and equipment in other base. We also provide employees with professional fitness coach training courses, effectively enhancing their interests in participating in sports and fitness. During the reporting period, we improved the Company's employee occupational health surveillance archives and completed annual health check-ups for all employees, and there were no cases of occupational diseases.

### 2023 Comprehensive Emergency Response Drill

On June 14th, INTCO Medical Shandong R&D Base held an emergency drill which simulated a workshop fire scenario to enhance employees' ability to respond to emergencies. During the drill, the company quickly activated the emergency plan and established various emergency response teams that collaborated efficiently. The medical rescue team promptly treated the injured and assisted in their transportation, the evacuation and security team orderly evacuated personnel to ensure safety, and the fire rescue team effectively controlled the fire and coordinated the support from the fire-fighting team. This drill effectively demonstrated our professional level and team collaboration abilities in responding to emergencies.

# Creating a Happy Workplace

INTCO Medical respects and values every employee. We insist on building an inclusive corporate culture, creating a comprehensive employee benefit system, organizing diversified activities to help employees balance work and life, and committed to improve employee's sense of fulfilment, happiness and belonging.



## Employee Benefits

INTCO Medical has established a comprehensive and benefit system, providing dormitories, canteen subsidies, shuttle buses, performance bonuses and equity incentives, etc. This is aimed at meeting the needs of employees in all aspects, safeguarding their lives and enhancing their sense of belonging. Considering the current situation and environmental characteristics of different bases, We provide accommodation and commuting facilities to meet the needs of different employees with the consideration of current situation and environmental characteristics of different bases to effectively provide practical life support for employees. Moreover, in the Employee Handbook, we regulate the leave benefits that all female employees in three periods (pregnancy, maternity, lactation) should enjoy in line with national and local laws and regulations of holiday benefits to implement the great care for our employees in the greatest detail and to create a loving and warm working environment.

### Meals

- Enrich the variety of dishes in the canteen, introducing new items such as nutritious meal sets, small hot pots, and cold noodles in bone broth;
- Install hand-washing stations in the canteen for employees to wash their hands after meals;
- Increase the variety of products in vending machines, providing employees more diverse snack, fruit, and beverage options;

### Accommodation

- Install direct drinking hot water in employee dormitories and provide supporting facilities such as first aid kits, shoe shining machines, and umbrella baags for employees;
- Comprehensively renovate employee dormitories, replacing equipment such as hanging stoves and water pumps, using branded, high-quality products;

### Commuting

- Replace employee shuttle buses with brand new new-energy buses, improving employee comfort during commuting;
- Add rain shelters to sidewalks, providing shade and rain protection for employees;
- Install electric vehicle charging stations for the convenience of employees who drive electric cars.

## Employee Activities

INTCO Medical continuously invests effort to enrich employee activities by planning various special festival events and team-building activities, which enhanced the cohesion of employees and helped them adjust their work pressure so that they can devote themselves to their work with better physical and mental state. During the reporting period, we held special festival activities such as Lantern Festival and Dragon Boat Festival, and organized team-building activities such as overseas trip to Thailand and Huangcangyu excursion. In addition, we insist on providing employees with caring activities such as birthday parties to create a warm working environment for them.



Lantern Festival Event



Badminton Tournament

## June 1st Family Tour – Parent-Child Day Activity

On the occasion of Children's Day, the Company meticulously planned a family tour activity, organizing employees to bring their children and families to visit the Xuzhou Jiuding-shan Zoo, allowing employees to enjoy an unforgettable family time amidst their busy work.



## Thailand Tour

On August 5, 2023, INTCO Medical organized an overseas trip to Thailand for employees and their families which broadened their horizons and helped them to understand different cultures and local customs.



## Team Building Activity

On December 3, 2023, INTCO Medical organized employees to go to the Anhui Huangcangyu National Forest Park for team building which allowed them to relax in the scenic surroundings of mountains and enjoy the beauty of nature.





# 05.

# Delivering Warm, Caring Health

As a global corporate citizen, INTCO Medical contributes to public health, community development, and social sustainability. We integrate our resources and strengths through closely cooperating with our partners, while creating business value.





# Industry Co-construction

IINTCO Medical always adheres to the corporate philosophy of “Learning from the Top 500, buying from Top 500, selling as Top 500, and becoming a Top 500”, and has been actively promoting industry co-construction based on our professional capabilities, corporate resources, and innovative technologies. We take the initiative to promote reciprocal collaboration with industry partners to jointly explore product innovation and new development opportunities of the industry. At the same time, we actively communicate and cooperate with universities and colleges to inject potential talent resources for INTCO Medical and the industry through school-enterprise cooperation. During the reporting period, together with CLS and LeadLeo research institute INTCO Medical released the first White Paper of the domestic disposable nitrile gloves industry. In addition, the Company maintains the linkage with Qingdao University of Science and Technology to further facilitate the zero-distance cooperation between schools and enterprises.

## 2023 China Disposable Nitrile Gloves Industry Development White Paper Released

On March 10, 2023, the “Innovation for New Growth · Handling Healthier” 2023 China Disposable Nitrile Gloves Industry Market Research White Paper launch event was held in Shanghai. INTCO Medical, as a leading enterprise in the medical equipment industry, jointly released the “2023 China Disposable Nitrile Gloves Industry Development White Paper” (hereinafter referred to “White Paper”) together with CLS and LeadLeo research institute. Based on a profound insight of authoritative data in the field and market demand of the disposable gloves industry, the White Paper provides a comprehensive introduction to the current state of the disposable gloves industry and the development logic of the industry's sub-sectors. At the event, we based on our practical experience, explored the future development potential of the global nitrile glove market and Chinese disposable nitrile glove enterprises with experts of the industry.



## Collaborating to Create a New Chapter with Qingdao University of Science and Technology

On July 21, 2023, INTCO Medical and Qingdao University of Science and Technology jointly organized the event of “Zero Distance between School and Company, Collaborating to Create a New Chapter” was successfully concluded. The secretaries and counsellors from various departments of Qingdao University of Science and Technology visited INTCO Medical’s Intelligent Medical Device R&D, Marketing, and Technology Park located in Zibo, Shandong Province. Two sides together held an exchange symposium after the visit, which enabled the school to have a more comprehensive understanding of INTCO Medical’s business progress and talent needs, and INTCO Medical also expressed its support for school's talent cultivation. The Company has maintained a good school-enterprise cooperation relationship with Qingdao University of Science and Technology, setting up INTCO Scholarships in schools, hosting INTCO Employment and Entrepreneurship Conferences, etc., and taking practical actions to develop hand in hand with schools.



# Spread Health Knowledge

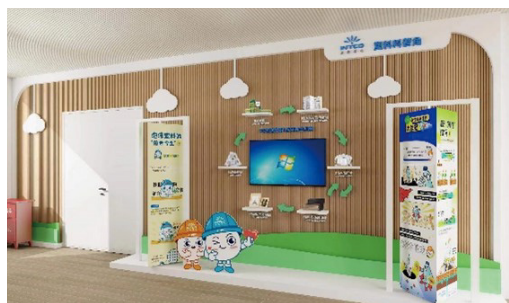
Realizing a healthy life is a common aspiration of people around the world since health is an essential requirement for individuals' comprehensive development and a fundamental condition for economic and social advancement. INTCO Medical popularizes medical and health knowledge to the whole society with multi-dimensional and multi-channel. While continuously expanding the company's market share, we also focus on raising public awareness of medical protection, actively undertaking the responsibility as a corporate citizen. We disseminate correct and effective protection knowledge for consumers, students, community residents and other various social entities to fully assist in realizing a healthier, faster and stable protection industry development, which allow the truly implementation of prevention and protection measures, and to improve the protection knowledge and skills of all people.

## Offline Popularization

INTCO Medical attaches importance to the healthy growth of adolescents. We collaborate with primary and secondary schools in setting up science popularization corners to propagate health knowledge and environmental protection concepts for students. This initiative aims to ignite the interest of adolescents in resource regeneration, environmental protection, and health protection, and cultivate their environmental protection awareness and healthy living habits.

### Pujiang Foreign Language Primary School Plastic Science Popularization Corner

In August 2023, together with INTCO Recycling, we set up a Plastic Science Popularization Corner in Shanghai Pujiang Foreign Language Primary School Affiliated to WFL Education. Through vivid IP images and posters with pictures and texts, we shared interesting environmental protection knowledge to students, helping them to understand the harm of plastics to human beings and the planet's environment. This initiative aims to enhance student's environmental awareness and integrate healthy and environmental-friendly habits into students' daily study and life.



## Online Dissemination

INTCO Medical actively responds to the Internet Health Science Popularization Initiative issued by the national government. We popularize health protection knowledge and health concepts to the public by updating a series of articles such as "INNO Science Popularization" and "INTCO Rehabilitation" on the Company's WeChat Official Account. On other platforms such as Weibo and Douyin, we simultaneously introduce the importance of cultivating healthy habits to the platform user customers, helping to foster a favorable environment for a healthy lifestyle for all members of society.

By the end of the reporting period ▶

**206** articles were released on INTCO Medical's WeChat Official Account with a total of over **285,000** times' reading

Our official Weibo account posted

**156** blog posts accumulatively, with a total reading volume of over **1,804.3** million

And the official Douyin platform published a total of

**48** videos accumulatively, with a total broadcast volume of over **27.328** million times

### The Series of "INNO Science Popularization"

During the reporting period, we created the INNO corporate IP image and published a total of 11 "INNO Science Popularization" articles, which included information and knowledge on seasonal high-incidence disease protection, nursing pad introduction, cleanroom glove usage, wheelchair travel guides, and other content closely related to consumers' and the publics' daily lives. During the prevalence of influenza and mycoplasma pneumonia in the fall and winter, our propaganda article "Viral Cross-Infection is Raging" published on WeChat Official Account gained 1,207 views.



### The Series of "INTCO Rehabilitation"

To better inform consumers about our company's products and scenarios to use, we launched the "INTCO Rehabilitation" series on our WeChat Official Account, with the slogan of "INTCO Rehabilitation, Joyful Living". Through illustrative materials, we introduced rehabilitation and physical therapy products such as mobility scooters, manual wheelchairs, and walking aids, etc., which allowed product demanders conveniently understand the features, functions, use methods and other information of these products through online channels.

# Strengthen Social Responsibility

INTCO Medical firmly believes that the achievements of the enterprise are closely related to the return to the society. We insist on giving back to the society and integrating public welfare into the genes of corporate development while developing steadily. During the reporting period, the Shanghai INTCO Public Welfare Foundation (hereinafter referred to as INTCO Public Welfare), as a charity organization established by INTCO Medical and INTCO Recycling, adhered to the corporate values of "Love, Kindness and Truth", and actively assumed responsibilities of Company as a corporate citizenship and worked for the well-being of the whole society, effectively established the corporate image of INTCO Medical with love and social responsibility.

Under the guidance of the *Management Policy for External Donations*, the *Sponsorships Charter of Shanghai INTCO Public Welfare Foundation* formulated by INTCO Public Welfare, and the *Charity Law of the People's Republic of China*, the *Trust Law of the People's Republic of China* and other national relevant laws and regulations, we assist the weak, the poor, and the students under the standardized management regulations. We constantly expand the boundaries of public welfare, holding our original aspirations and moving towards kindness.

The Company insists on fulfilling its social responsibility and continuously injecting the power of INTCO for social welfare. By the end of the reporting period, the Company has made a total of over RMB 73 million of gratuitous donations to the society.

## Foster Dreams through Education Assistance

The wisdom of young people will make the country wise, and the strength of young people will make the country strong. INTCO Medical values the growth and development of adolescents and children, continues to care about the education of the next generation. We actively seek opportunities to support the healthy development of children and uplift their dreams with genuine care and affection. During the reporting period, INTCO Medical successively donated a total of 66,000 disposable nitrile gloves, 172,800 surgical face masks, 117,600 children's masks, 1,700 bottles of hand-sanitizing gel, and 1,980 boxes of fever patches to seven primary and secondary schools in Shaozhuang Town. INTCO Medical Shanghai Office cumulatively donated protective materials worth about RMB 69,000 to Pujiang Foreign Language School.

### Warming Hearts on Children's Day, Supporting Public Welfare Education (Anhui Station)

On May 30, 2023, INTCO Medical donated stationery, computers and other teaching materials worth RMB 100,000 to the Jinzhai Quanjun Experimental School in Lu'an City, Anhui Province, to support the educational activities of the school's teachers and students and to improve the school's hardware facilities. In addition, together with caring individuals from all walks of life, we donated more than RMB 200,000 to create and develop the "Red Azalea Rural Children's Choir of Jinzhai County, Lu'an City, Anhui Province", lighting up the children's dreams with true love and affection.



### Love Gathering, Rural Revitalization Public Welfare Trip (Jiangxi Station)

On September 27, 2023, the donation ceremony of the "Love Gathering, Rural Revitalization Public Welfare Trip" (Jiangxi Station) was held at the Xuanming Primary School in Fengjiafang Village, Tutang Town, Duchang County, Jiujiang City, Jiangxi Province. INTCO Medical donated more than 20,000 bottles of hand sanitizer sprays and other disinfection and protective supplies, as well as stationery and exercise books, to help children better engage in their studies and open the door for their future.



The value of protective materials donated to the school  
RMB 69,000



The value of stationery and computers donated to the school  
RMB 100,000



Total public welfare donations over  
RMB 73 million

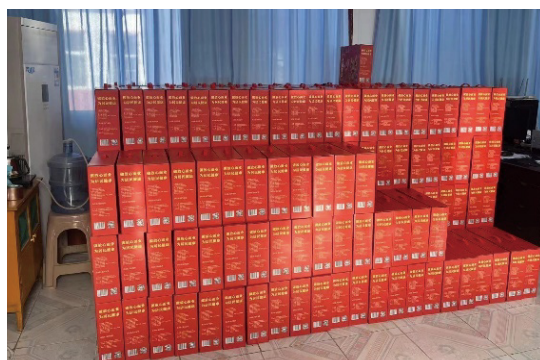


## Community Welfare

INTCO Medical actively participates in community welfare initiatives with the integration of our own resources and strengths. We adhere to the concept of “One Contribution, Transmits One Touch; One Love, Spreads One Warmth”, hoping to bring love and warmth to more people in need and contributing to community development with INTCO’s support.

### Supporting the Construction of Community Elderly Happy Canteens

On October 30, 2023, INTCO Medical donated 16 sets of dining tables and chairs, rice, flour, oil, and other supplies to the Xingwangzhuang Village Elderly Happy Canteen in Shaozhuang Town, Qingzhou City, Shandong Province. As a partner enterprise of the Shaozhuang Town Happy Canteen, INTCO Medical has fully demonstrated its corporate social responsibility, not only transferred warmth to the elderly in the Happy Canteen with love but also helped Shaozhuang Town with its construction and gave full play to the power of the enterprise to support rural revitalization.



### Volunteering for Hangzhou Asian Paralympic Games

From October 26 to 27, 2023, INTCO Medical, as a caring enterprise, participated as a partner in supporting the Hangzhou Asian Paralympic Games Shanghai Support Group organized by Jinchang Public Welfare Service Center to watch the 4th Asian Paralympic Games in Hangzhou, delivering care, support and encouragement to the athletes. Many members of the support team are retired Paralympic champions. During the event, we actively communicated with the members of the support team, listened to their life experiences, paid attention to their on-site needs, and provided as much support and help as we could for spectating activity.



## Disadvantaged Support and Needy Assistance

INTCO Medical consistently focuses on the needs of vulnerable groups in society. Based on our own resources and channels, we connect with social welfare and charitable organizations to address living difficulties for disabled people and help improve the quality of life for those in need.

By the end of the reporting period ▶

we donated

# 2,100

wheelchairs to our long-term cooperative partner, the Shanghai AnCi Public Welfare Foundation (hereinafter referred to as AnCi Public Welfare), to support the disabled and the poor with practical actions.



### Continuing Charitable Donations, Sustaining Social Welfare Connections

On October 28, 2023, the donation ceremony of 2,100 wheelchairs was successfully held in Shanghai, hosted by Anci Public Welfare. As a long-term cooperation partner of Anci Public Welfare, INTCO Medical has donated nearly 8,000 wheelchairs to Anci Public Welfare to promote the spirit of philanthropy and to inspire the whole society's passion and love in helping people with disabilities.



### Assistance to Children in Need in Pujiang Town, Shanghai

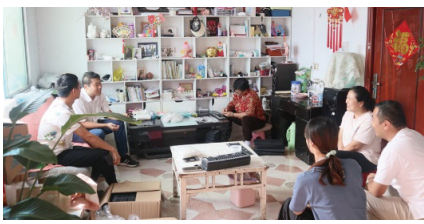
On October 27, 2023, INTCO Public Welfare held the "Having You, Moving Forward" donation ceremony. INTCO Public Welfare donated 168 boxes of warming patches to Pujiang Charity Workstation for children in difficulty, people in specific hardship, people with disabilities over 75 years old and women in difficulty. Additionally, 180 wheelchairs were donated and placed in several residential (village) committees and public welfare service stations to help individuals with mobility issues and physical disabilities to overcome their transportation challenges. This donation fully reflected the INTCO Medical's support for the charitable causes in Pujiang Town and its commitment to philanthropy.



By the end of the reporting period ▶  
INTCO Public Welfare donated **168** boxes **180** wheelchairs of warming patches to Pujiang Charity Workstation for children in difficulty

### Condolences to Employee Representatives in Difficulty

INTCO Medical listened to the employees who are struggling to make ends meet and organized a heart-warming condolence activity within the company for employees facing hardships. On September 22, 2023, a consolation team including the chairman of the labor union and staff from administration, human resources, and marketing departments visited the homes of employees facing difficulties to communicate with employees and their families, carefully listened to the challenges and needs of employee's daily life. The Company donated RMB 1,000 in cash and supplies to those employees to help them solve practical problems.



## Medical Assistance

As the leading listed companies in the global medical consumables and equipment field, INTCO Medical combines the resource advantages in the medical and health industry, continuously injecting INTCO power to help improve the medical treatment environment in underdeveloped areas and to enhance medical protection conditions of the society.

### Launch of the "Firefly Guardian · Midwest 100 Plan" Public Welfare Project

On March 3, 2023, INTCO Medical, collaborated with the China Voluntary Service Foundation, the only national public fundraising foundation in the field of voluntary service under the unified management of the Central Propaganda Department, held the signing ceremony of the public welfare activity of "INTCO Medical · Firefly Guardian · Midwest 100 Plan". This plan points at protecting the health of doctors and patients and improving medical protection. In this public welfare assistance, INTCO Medical will continuously donate nitrile and PVC disposable medical examination gloves and other protective consumables and send professional physician volunteers to 100 county-level hospitals in the central and western areas to improve the diagnosis and treatment level of those hospitals.



### By the end of the reporting period ▶

the project has donated protective gloves and disinfection and sterilization materials worth RMB **1 million** to several township hospitals and health centers in Suixi County of Huaibei City.

Disinfections and protection supplies worth RMB **400,000** has been donated to medical and health care institutions in Huaining County.



## Optimizing Medical Conditions in Nanjian County, Dali City, Yunnan Province

On August 1, 2023, INTCO Public Welfare, as a delegation representative, participated in the poverty alleviation inspection activity in Nanjian County, Dali City, Yunnan Province. This donation was used to improve the diagnosis and treatment level, medical protection conditions and the environment of medical treatment of county-level hospitals in central and western regions in China.

**By the end of the reporting period ▶**  
**The INTCO Public Welfare donated medical materials worth RMB**

**100,000**  
 and RMB  
**100,000** in cash

targeting Nanjian People's Hospital and Maternal and Child Health Hospital in Dali, Yunnan



## Female Care

INTCO Medical encourages female group to share their stories and experiences to discern female's needs. The Company not only providing comprehensive benefits for female employees, but also providing care for female consumers.

### Tailored Rehabilitation Equipment for Female

To facilitate female's use of wheelchairs, walkers and other rehabilitation assistance equipment, INTCO Medical has developed two products that are more tailored to the comfort and functionality needs for female users. These products solve difficulties that female may encounter due to the weight and immobility of the equipment, providing a more considerate rehabilitation experience for female users. The Company developed Spirit X4 walker which made of carbon fiber material, so that women can easily lift it with one hand, and the foldable design makes the carrying and handling process more labor-saving and convenient.

**女性使用轮椅的主要场景**

**“使用者”与“陪护者”双重身份**

日常出行      居家使用      陪同护理

**碳纤维助行器**  
**—Spirit X4**

### Listen to Female, Honor Female

INTCO Medical sends blessings to female group on the International Women's Day by publishing "Read her story through a pair of hands" on WeChat Official Account. This article was reported to express sincere tribute to every female employee who shines in her respective position. INTCO Medical is committed to creating an equal, free and friendly workplace environment for women, and encouraging more female employees to explore opportunities for their personal career developments.

英科医疗希望借由国际劳动妇女节这个契机  
 向每一位女性致敬  
 让我们共同举杯  
 敬平等、独立、力量与自由





# 06. Enhancing Governance, Respecting Responsibility

A solid governance framework is an important safeguard for the sustainability of an enterprise. INTCO Medical strengthens its responsibility and compliance, takes honesty and integrity as business principles, adheres to high standards of business ethical, and continuously upgrades the level of governance during operations. We keep in mind our responsibilities to employees, team, customers, enterprise and society, clarifying the division of power and responsibility to enhance corporate value.

8 DECENT WORK AND  
ECONOMIC GROWTH



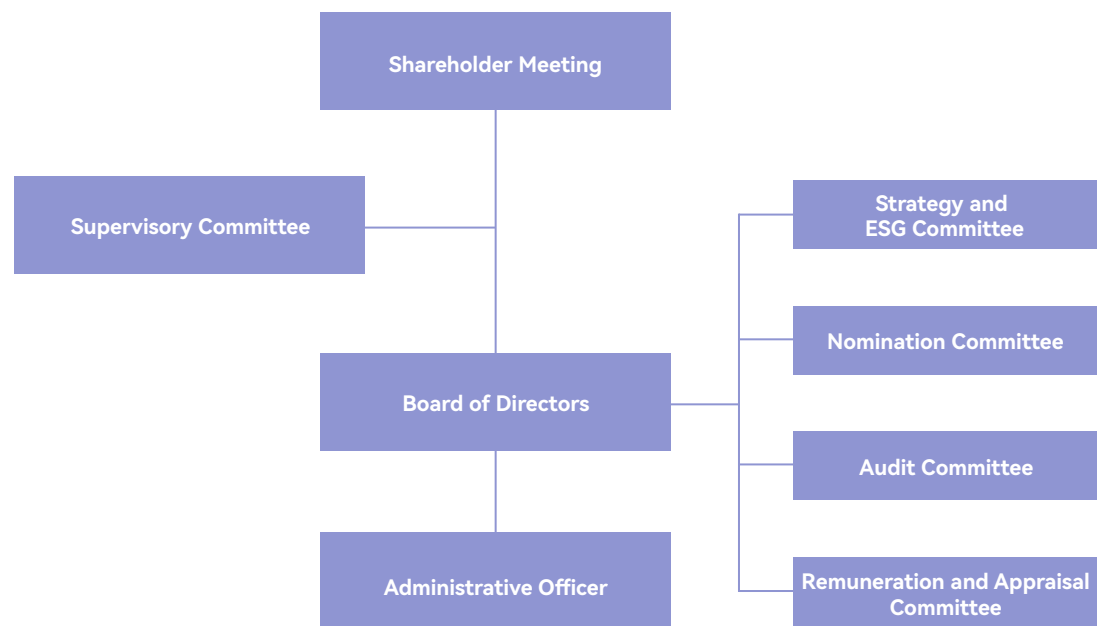
# Enhance Corporate Governance

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. We constantly improve our governance structure and enhances the governance level. During the reporting period, the Board of Director completed the deliberation on the amendments to *the Articles of Association of INTCO Medical Technology Corporation, the Work Policy of Specialized Committees of the Board of Directors, the Rules of Procedure of the Board of Directors and the Rules for the Work of Independent Directors* in accordance with the regulatory rules.

## Governance Structure

With the Board of Directors as the core governance body, INTCO Medical has set up four specialized committees, including the Strategy and ESG Committee, the Nomination Committee, the Audit Committee and the Remuneration and Appraisal Committee. The Board of Directors is responsible for formulating the Company's operational management and strategies, supervising the execution and implementation of the strategies by various departments. It helps continuously monitor the Company's operation and financial performance, to ensure that the internal control and risk management system is sound and complete, and to help enhance the Company's core competitiveness and sustainability capability.

For more information, such as the *Articles of Association of INTCO MEDICAL TECHNOLOGY CO., LTD.* and the *Operating Rules for Specialized Committees of the Board of Directors* and other internal management policies. Stakeholders may refer to the Exchange's website or the investor relations page on Company's official website.



INTCO Medical Governance Structure

### During the reporting period ▶

In 2023, the Company held

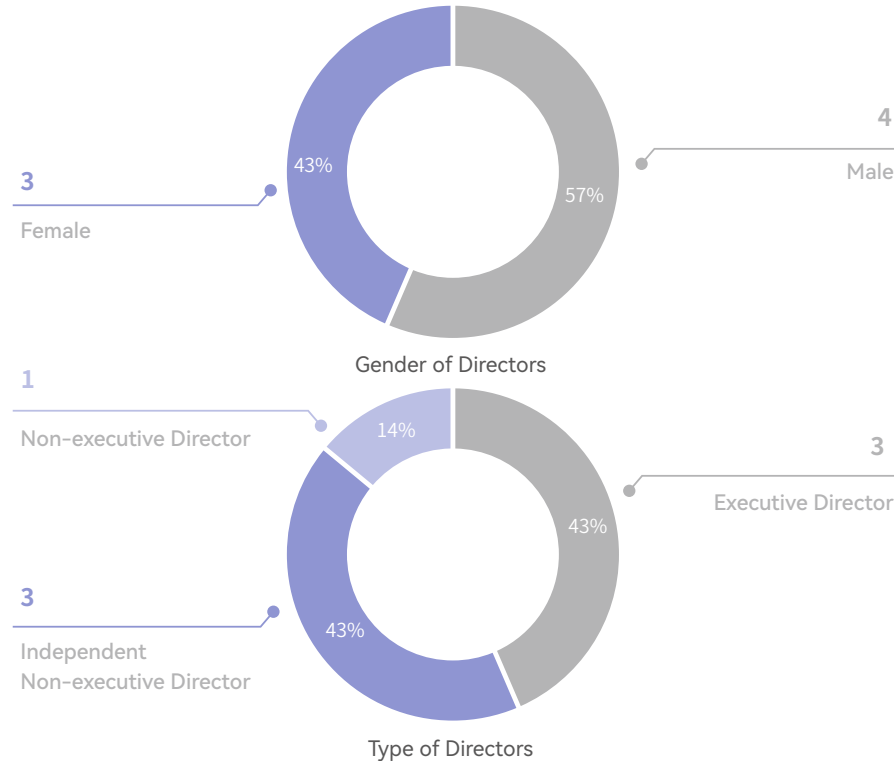
- 4 Shareholders' Meetings
- 7 Board Meetings
- 7 Supervisory Committee Meetings
- 3 Audit Committee Meetings
- 2 Remuneration and Appraisal Committees Meetings
- 1 Strategy and ESG Committee Meeting, and considered and passed a total of **103** Proposals.

During the reporting period, we organized 5 board training sessions covering a wide range of topics such as corporate governance, market rules, securities market operation norms and legal compliance. We encourage our Board members to learn and understand the latest laws, regulations and regulatory information, so as to continuously improve the Company's compliance level.

## Board Diversity and Independence

The diversity and independence of the directors will continue to bring valuable experience, knowledge and professionalism to the Board. INTCO Medical recognizes diversity and independence as important assessment factors in the construction of the Board of Directors, taking into account factors such as gender, age, culture, ethnicity, educational background, professional knowledge, industry and work experience of the directors.

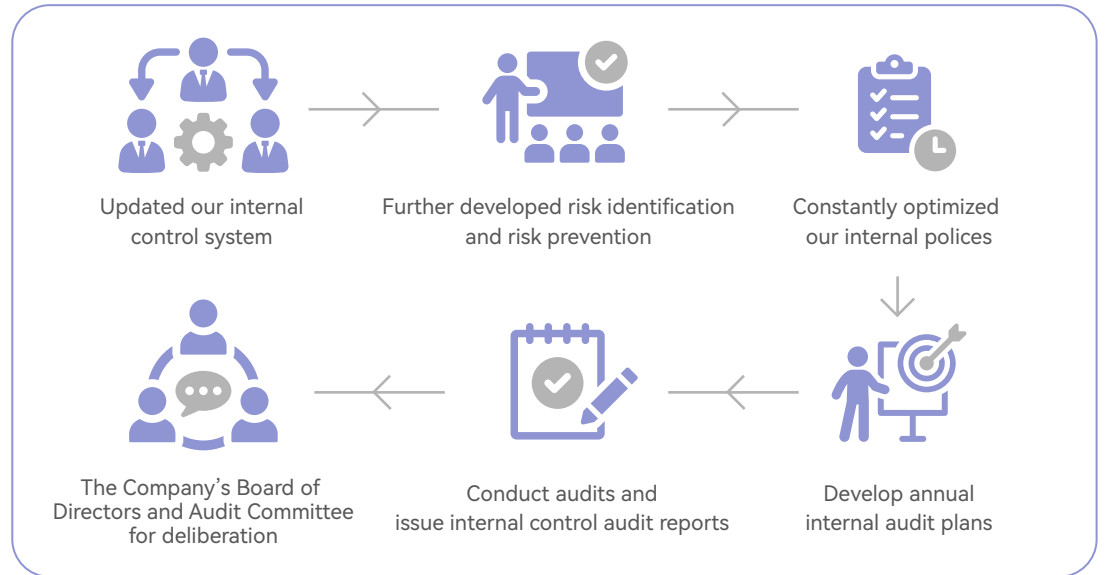
As the end of the reporting period, the Board of Directors in INTCO Medical comprises 3 executive directors, 1 non-executive director and 3 independent non-executive directors, of which 3 are female. These 7 directors have extensive experience in the disposable glove industry, medical devices, business, law, finance and other fields, bringing a diversified perspective to the Company and facilitating the implementation of sustainable decision-making. The Board of Directors has fully utilized checks and balances with reasonable distribution to protect the interests of shareholders and the Company.



## Risk and Internal Control Management

INTCO Medical is committed to building a comprehensive risk management system to effectively control risks in the process of operation. We have formulated the *Risk Assessment Management Policy*, the *Internal Audit Management*, the *Internal Control Evaluation Management* and other management policies, and regularly conducts risk control and internal control covering the whole group. We develop annual internal audit plans, conduct audits and issue internal control audit reports, and submit annual internal control self-evaluation reports to the Company's Board of Directors, the Supervisory Committee and Audit Committee for deliberation, and the Board of Directors is responsible for the effective execution of internal control.

During the reporting period, INTCO Medical added a new supplier risk assessment to dynamically monitor the corporate behavior and reduce the level of corporate risk.





# Adherence to Integrity and Ethics

INTCO Medical is strongly committed to ethical business standards, and strives to provide a reliable and transparent environment for business activities by resisting bribery and corruption. At the same time, we make the same request to our business partners to jointly promote the healthy industry operation and create a sustainable business loop.

## Policy and Management Structure

INTCO Medical strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Company Law of the People's Republic of China* and other national laws and regulations as well as relevant local policies of operating locations. We have formulated internal management policies, such as the *Anti-Money Laundering and Anti-Terrorist Financing Management Policy* and the *Anti-Bribery Management Policy*, to provide requirements and guidelines on business ethics for all of our employees, members of the Board of Directors, suppliers and other internal and external stakeholders.

In the management of business ethics, the Board of Directors is at the core of our management, and the Audit Committee carries out guidance and supervision. In the event of any violation of business ethics, we uphold a "zero-tolerance" attitude, and the Audit Committee will take appropriate measures and report to the Board of Directors to ensure the fairness and effectiveness of business ethics management.

During the reporting period, we did not experience any incidents related to corruption and bribery, conflict of interest and money laundering or insider trading.

### Summary of the *Anti-Money Laundering and Anti-Terrorist Financing Management Policy*

According to the Company's anti-money laundering and anti-terrorist financing management objectives, the leading group is established, and the leading group is headed by the chairman of the Board of Directors, who is in charge of the anti-money laundering and anti-terrorist financing leading work.

The Internal Control Department is responsible for the compliance management of the Company's anti-money laundering and anti-terrorist financing, and supervises, inspects and coordinates. The Finance Department, the Legal Department and other departments are the responsible departments, and have set up anti-money laundering and anti-terrorist financing supervisory posts in the relevant departments, which are responsible for analyzing, auditing and judging abnormal transactions.

### Summary of the *Anti-Bribery Management Policy*

Implementing the Agreement Mechanism for Preventing Commercial Bribery in Key Segments and Key Positions of Personnel. Individuals in key positions and companies or individuals with business dealings should sign the Supplier Anti-Bribery Commitment.

Employees of the Company and its subsidiaries shall strictly abide by the policy, and are strictly prohibited from bribing the relevant person in charge of the customer in order to obtain a sales order, or soliciting a bribe or implying acceptance of an advantage from a supplier, service provider or contractor.

## Whistleblowing Channel

INTCO Medical is committed to creating an anti-fraud culture environment within the Company and its subsidiaries. We have established whistleblowing hotlines, e-mail, letters and other whistleblowing channels to encourage employees to report any violations of business ethics or laws and regulations. The Company actively keeps the whistleblowing channels open and regularly evaluates their effectiveness.

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. After the investigation team verifies the authenticity of the fraud incident, the company will reward the employees who have made significant contributions.

### Summary of the Anti-Fraud and Whistleblowing Management Policy

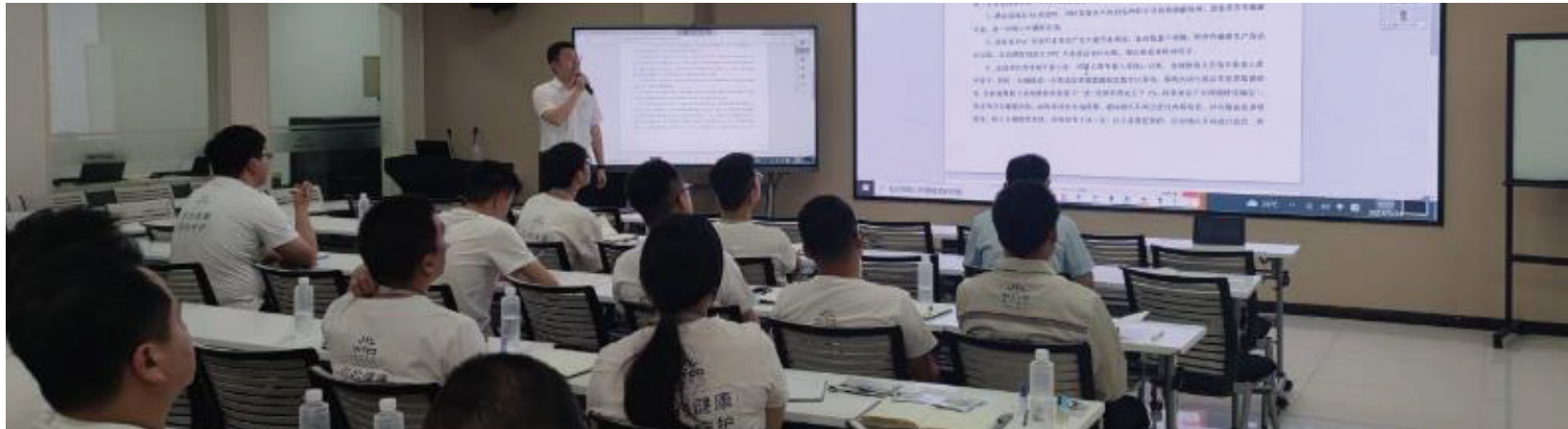
Through the whistleblowing channels including the hotline, e-mail and letters, etc., employees at all levels as well as social parties that have direct or indirect economic relations with the Company and its subsidiaries may report information on actual or suspected incidents of fraud by the Company and its subsidiaries, as well as the complaints and reports on violations of professional ethics.

Complaints and whistleblowers will be protected when assisting in the investigation. The Company prohibits any unlawful discrimination and retaliation, or the use of hostile measures against employees. Any person who violates the law by divulging the information of the reporting personnel or taking retaliation against the reporting personnel will be dealt with accordingly in accordance with the relevant regulations of the Company; and the person will be transferred to the judicial authorities for legal treatment, who violates the law.

## Integrity Delivery

At the same time, we required all employees (including part-time employees) to sign the Integrity and Self-discipline Commitment Letter, linking integrity behavior to employee performance, and strictly eliminating incidents of corruption, bribery, malpractice, money laundering, terrorist financing, and improper transactions, so as to promote the continuous improvement of governance level.

In addition, we pass on business ethics awareness to all our employees and partners such as suppliers through the Ethics Compliance Hotline Card, which regulates daily integrity behavior. When we work with suppliers, we require them to sign the Supplier Anti-Bribery Commitment and conduct training on business ethics and integrity-related knowledge to further strengthen integrity management.



Codes of Conduct Training for Employees

### During the reporting period ▶

INTCO Medical provided all employees (including part-time employees) with training on the Code of Conduct, including

## Business Ethics And Anti-corruption

with a coverage rate of

**100%**  
to further regulate their behavior.

In 2023, all the subsidiaries of INTCO Medical carried out the "Anti-Corruption and Integrity Alert Education Activity". We organized the visit to the prison, during which the prison guards introduced in detail the prison management system, the daily life of the inmates, and the reform and education situation. Through this activity, our employees deeply realized the seriousness of corruption and the importance of self-discipline.



Anti-Corruption and Integrity Alert Education Activity

# Maintain Information Security

INTCO Medical attaches great importance to information and data security, and takes the security protection of business information and data as a priority during operation to ensure a safe, reliable and stable working environment. In our daily work, we continuously optimize our infrastructure and enhance the technical capabilities of information system security protection. We prevent potential information security risks through a comprehensive network security management mechanism.

During the reporting period, we did not experience any incidents related to cyber security and leakage of customers' private information.

## Information Management

INTCO Medical strictly abides by the *Cybersecurity Law of the People's Republic of China* and other relevant laws and regulations, and continuously improves the information security management system in accordance with the requirements of ISO 27001 and National Network Security Level Protection 2.0. Under the supervision of the Board of Directors and the management, INTCO Medical has formulated internal policies such as the *Information Security Management Policy*, *Enterprise Information Security Policy*, *Information Security Issue Handling Method*, *Internet Security Management Policy*, and Information Automation Department Officer is responsible for overseeing the Company's information security management.

We have established emergency response procedures for network and information security incidents, security incident reporting process and other contents in accordance with our internal management policies. We regularly carry out behavioral audits of information security, and incorporated information security into the performance appraisal of our employees to reduce the information security risk. At the same time, we update the policies related to information security, and conduct training for all employees through emails and courses to ensure that employees comply with the relevant requirements of information security management.

For the protection of customer information privacy, we have formulated the Customer Privacy Protection Policy, which requires the classification and graded encryption management of customer information, and strictly restricts the control authority.

## Implementation Action

INTCO Medical continuously strengthens and optimizes the construction of information security management system according to our own business scenarios. We invite third-party organizations to carry out network inspections from time to time and carry out vulnerability fixes, security upgrades and risk prevention based on the abnormalities reported in the tests.

During the reporting period, we accepted and passed the UES (Unified Endpoint Security) test, aES (Endpoint Detection Response) test and IPS (Intrusion Prevention System) test from a third party. Internally, we conducted self-assessment based on the DCMM data management capability maturity standard to further safeguard the reliability of information security. At the same time, we launched a number of systems in 2023 to continuously improve our information security assurance capabilities.



INTCO Medical requires all new employees to participate in information security training. During the reporting period, we conducted five training sessions on network information security management for employees at several sites to further enhance their awareness of information security.

During the reporting period ▶

We conducted a total of **5** training sessions on network information security management covering **All Employees**



Network Information Security Training



# Practice Responsible Marketing

Responsible marketing is an important part of INTCO Medical's involvement in the market competition. We have deepened our responsible marketing management to ensure compliance with all marketing practices and the accuracy of marketing information.

## Marketing Management

All marketing activities of INTCO Medical are strictly in compliance with the *Advertising Law of the People's Republic of China*, the *Federal Trade Commission Act*, the *Truth in Advertising Act*, and the *General Data Protection Regulation* in the *European Union*, and other laws and regulations of operating locations.

INTCO Medical has developed the *Marketing Management Policy*, the *Sales Code of Conduct Management Policy* and other internal management policies. We have included marketing activities as part of the internal control review and has stipulated a series of compliance review procedures to review the content of text, pictures, videos and other content of promotional materials to ensure the compliance, standardization and accuracy. At the same time, we regulated the marketing order of our products on each e-commerce platform, including brand authorization, price monitoring, etc., to prevent the emergence of online and offline market collusion, low price competition and other malicious marketing phenomena.

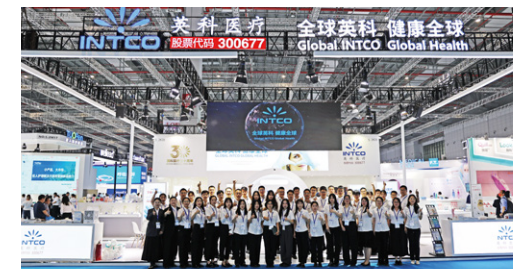
## Marketing Initiatives

To regulate the responsible marketing behaviour of our employees and enhance the awareness of compliance, we cooperate with external third-party agencies and regularly hire experts to conduct training on responsible marketing for our sales staff. We also adopt the "online + offline" approach to conduct training for all of our sales staff on industry knowledge, product, responsible marketing, etc. This ensures that the terminology used in the marketing process is accurate and professional, and at the same time, further standardizes the responsible marketing behaviours of our employees and maintains our company's brand and reputation. During 2023, we conducted a total of approximately 100 training sessions related to responsible marketing for our employees.

During the reporting period, the Company did not have any administrative penalties or legal cases due to marketing violations.

## Marketing Behavior

We adhered to the principle of responsible marketing, in-depth exchanges with our partners from various countries, all-round display of our high-quality products and services, pulling the distance between us and customers, widely recognized by our customers, and effectively enhance our brand image.



2023 China International Medical Equipment Fair - CMEF



The 55th Medical Exhibition (MEDICA) in Düsseldorf, Germany

During the reporting period ▶

we participated in

**14** domestic exhibitions

and

**26** foreign exhibitions

to show our strong industrial technology strength to the world and enhance the brand influence.

# Appendix I: Key Performance Indicators

## Key Environmental Performance in 2023

KPI <sup>1</sup>	2023	2022	2021	Unit
<b>Main Products's production volume</b>				
Disposable Nitrile, PVC Gloves	<b>641.52</b>	455.60	411.19	billion
Wheelchair	<b>62.28</b>	66.41	48.05	thousand
Cold/Hot pads	<b>1,419.25</b>	1,425.94	1,056.16	million
TAB Electrode	<b>14,470.42</b>	11,022.95	7784.77	million
<b>Energy Use <sup>2</sup></b>				
Purchased electricity	<b>482,831.97</b>	337,014.49	326,117.93	MWh
Purchased heat <sup>3</sup>	<b>140,222.83</b>	1,653.93	503.78	GJ
Coal	<b>67.58</b>	50.21	46.46	10,000 tons
Diesel	<b>80.78</b>	137.13	115.55	10,000 liters
Gasoline	<b>166.51</b>	21.95	31.45	10,000 liters
Natural gas	<b>161.09</b>	63.27	1,039.67	10,000 cubic meters
LNG	<b>18.08</b>	-	-	Ton
Coal gas	-	-	1,513.17	Cubic meters
Total energy consumption <sup>4</sup>	<b>55.97</b>	40.28	38.64	10,000 tons of standard coal equivalent
Energy consumption intensity	<b>0.81</b>	0.61	0.24	Ton of standard coal equivalent per revenue (10,000 RMB)
<b>Greenhouse Gas Emissions</b>				
Total GHG emissions <sup>5</sup>	<b>170.01</b>	122.45	122.85	10,000 tons of carbon dioxide equivalent

KPI <sup>1</sup>	2023	2022	2021	Unit
Scope 1	<b>140.93</b>	104.55	98.87	10,000 tons of carbon dioxide equivalent
Scope 2	<b>29.08</b>	17.89	23.98	10,000 tons of carbon dioxide equivalent
GHG emission intensity	<b>2.46</b>	1.85	0.76	Ton of carbon dioxide equivalent per revenue (10,000 RMB)

<b>Water Resources</b>				
Municipal water	<b>847.47</b>	161.28	49.34	10,000 cubic meters
Underground water	<b>102.23</b>	73.74	89.76	10,000 cubic meters
Surface water	<b>624.44</b>	866.58	661.26	10,000 cubic meters
Total water consumption	<b>1,574.14</b>	1,101.60	800.36	10,000 cubic meters
Water consumption intensity	<b>22.75</b>	16.66	4.93	Cubic meters per revenue (10,000 RMB)
Water recycled	<b>43.73</b>	31.44	31.05	10,000 cubic meters
Water recycling rate	<b>2.78</b>	2.85	3.88	%
Wastewater treatment	<b>1,240.95</b>	761.78	540.16	10,000 cubic meters
COD	<b>1,986.81</b>	657.49	551.38	Ton
NH <sub>3</sub> -N	<b>57.07</b>	24.78	31.08	Ton

<b>Air Emissions</b>				
Particulate	<b>27.15</b>	29.68	4.16	Ton
SO <sub>2</sub>	<b>100.86</b>	75.10	11.04	Ton
Nitrogen oxide	<b>386.09</b>	257.15	68.28	Ton
Nonmethane hydrocarbons (NMHC)	<b>2.48</b>	2.37	14.00	Ton

<b>Waste</b>				
General solid waste	<b>116,175.18</b>	63,318.21	50,620.21	Ton

KPI <sup>1</sup>	2023	2022	2021	Unit
General solid waste intensity	0.17	0.10	0.03	Ton per revenue (10,000 RMB)
Recyclable waste	1,440.21	214.30	477.00	Ton
Office paper	65.70	88.60	113.78	10,000 papers
Hazardous waste	1,547.12	400.82	169.85	Ton
Hazardous waste intensity	0.0022	0.0006	0.0001	Ton per revenue (10,000 RMB)
Medical waste	-	-	245.58	Ton
<b>Packaging Materials</b>				
Plastics	187.39	74.66	104.00	Ton
Cartons	27,203.25	47,266.99	39,263.23	Ton
Packaging material use	27,390.64	47,341.65	39,367.23	Ton
Packaging material use intensity	0.04	0.07	0.02	Ton per revenue (10,000 RMB)

<sup>1</sup> This year, Anhui Guoyi Mold Technology Co., Ltd. was added in this Key Environmental Performance.

<sup>2</sup> The statistical scope of energy use is the group. Direct energy includes coal, diesel, gasoline, natural gas and LNG, and indirect energy includes purchased electricity and purchased heat.

<sup>3</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>4</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>5</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 Announcement on the Work Related to the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Sector in 2023-2025.

## Key Social Performance in 2023

KPI	2023	Unit
<b>Employee Profile</b>		
number of employees	10,939	Person
<b>By type of employment</b>		
Full-time	10,939	Person
Number of employees in other forms	0	Person
<b>By gender</b>		
Male	3,850	Person
Female	7,089	Person
<b>By age</b>		
Below 30	2,763	Person
30-40	3,310	Person
40-50	3,010	Person
Over 50	1,856	Person
<b>By management level</b>		
General employees	10,403	Person
Junior management	343	Person
Middle management	180	Person
Senior management	9	Person
<b>By education</b>		
Master's degree	85	Person



KPI	2023	Unit
Bachelor's degree	1,332	Person
Other degrees	9,522	Person
<b>By work area</b>		
In China	10,870	Person
In other Asian countries	50	Person
In North America	17	Person
In Europe	2	Person
<b>Employee Diversity</b>		
Disability	87	Person
Minority	100	Person
Hispanic or Latino	4	Person
White	3	Person
Women in top management positions	4	Person
Share of women in top management positions	44.4	%
Share of women in junior management positions	33.82	%
Share of women in all management positions	32.89	%
Share of women in management positions in revenue-generating functions	52.13	%
Share of women in STEM-related positions	76.52	%
<b>New Employee Overview</b>		
Total number of new employees	2115	Person
Male	725	Person
Female	1390	Person

KPI	2023	Unit
Below 30	700	Person
30-40	575	Person
40-50	525	Person
Over 50	315	Person
<b>Employee Training (Hours)</b>		
Average hours of training	22.48	Hour
<b>By gender</b>		
Male	27.28	Hour
Female	19.91	Hour
<b>By management level</b>		
General employees	20.57	Hour
Junior management	53.54	Hour
Middle management	76.83	Hour
Senior management	86.06	Hour
<b>By age</b>		
Below 30	27.37	Hour
30-40	24.48	Hour
40-50	19.24	Hour
Over 50	17.31	Hour
<b>Employee Training (Spent)</b>		
Average amount spent on training	717.39	RMB
<b>By gender</b>		

KPI	2023	Unit
Male	770.75	RMB
Female	688.41	RMB
<b>By management level</b>		
General employees	110.30	RMB
Junior management	3,262.37	RMB
Middle management	27,471.03	RMB
Senior management	83,388.01	RMB
<b>By age</b>		
Below 30	464.74	RMB
30-40	1,487.57	RMB
40-50	479.65	RMB
Over 50	73.21	RMB
<b>Occupational Health and Safety</b>		
Number of work-related accidents	122	Event
Number of death due to work-related accident	0	Person
Lost days of due to work-related accidents	36166.9	Hour
Absence rate	0.15	%
Lost-Time Injury Rate	1.12	Per 200,000 working hours
<b>Performance and Career Development Assessment</b>		
Percentage of employees who received performance appraisal and career development appraisal for the first time	100	%
Percentage of employees who received performance appraisal and career development appraisal for the second time	100	%
<b>Employee Average Hiring Cost</b>		

KPI	2023	Unit
2021	1,142.01	RMB
2022	1,321.16	RMB
2023	836.23	RMB
<b>Percentage of open positions filled by internal candidates</b>		
2021	0.52	%
2022	0.7	%
2023	1.07	%
<b>Supply Chain Management</b>		
Number of Suppliers	1,917	Unit
Chinese Mainland	1,866	Unit
Overseas area	51	Unit

# Appendix II: GRI Standards Index

<b>Statement of use</b>	<b>INTCO Medical has reported in accordance with the GRI Standards for the period from 1st January 2023 to 31st December 2023</b>
<b>GRI used</b>	<b>GRI 1: Foundation 2021</b>

## GRI 2: General Disclosures 2021

GRI Standard	Disclosure	Chapter Index	Page
<b>The organization and its reporting practices</b>			
2-1	Organizational details	About INTCO Medical – Our Business	07-08
2-2	Entities included in the organization's sustainability reporting	About this Report	02
2-3	Reporting period, frequency and contact point	About this Report	02
2-4	Restatements of information	No information restatements	
2-5	External assurance	No external assurance	
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	About INTCO Medical	04-11
2-7	Employees	Talent First, Work Together for a Win-win	31-37
		Appendix I: Key Performance Indicators	52-55
2-8	Workers who are not employees	Appendix I: Key Performance Indicators	52-55
<b>Governance</b>			
2-9	Governance structure and composition	About INTCO Medical – ESG Governance	09-11

GRI Standard	Disclosure	Chapter Index	Page
2-10	Nomination and selection of the highest governance body	Annual Report 2023	
2-11	Chair of the highest governance body	Annual Report 2023	
2-12	Role of the highest governance body in overseeing the management of impacts	About INTCO Medical – ESG Governance	09-11
		Annual Report 2023	
2-13	Delegation of responsibility for managing impacts	About INTCO Medical – ESG Governance	09-11
		Annual Report 2023	
2-14	Role of the highest governance body in sustainability reporting	About INTCO Medical – ESG Governance	09-11
		Annual Report 2023	
2-15	Conflicts of interest	Annual Report 2023	
2-16	Communication of critical concerns		
2-17	Collective knowledge of the highest governance body		
2-18	Evaluation of the performance of the highest governance body		
2-19	Remuneration policies		
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio		
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Chairman's Message	03
2-23	Policy commitments	Enhancing Governance, Respecting Responsibility – Enhance Corporate Governance	46-47
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts		
2-26	Mechanisms for seeking advice and raising concerns		
2-27	Compliance with laws and regulations		
		In 2023, we were not subject to significant fines or nonmonetary sanctions for non-compliance with laws or regulations	



GRI Standard	Disclosure	Chapter Index	Page
2-28	Membership associations	Delivering Warm, Caring Health – Industry Co-construction	39
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	About INTCO Medical – ESG Governance	09-11
2-30	Collective bargaining agreements	Talent First, Work Together for a Win-win – Protecting Employee Rights and Benefits	32-33

## GRI 3: Material Topics 2021

GRI Standard	Disclosure	Chapter Index	Page
3-1	Process to determine material topics	About INTCO Medical – ESG Governance	09-11
3-2	List of material topics		

## Economic

GRI Standard	Disclosure	Chapter Index	Page
<b>GRI 201: Economic Performance 2016</b>			
3-3	Management of material topics	About INTCO Medical – Our Business	07-08
201-1	Direct economic value generated and distributed		

GRI Standard	Disclosure	Chapter Index	Page
201-2	Financial implications and other risks and opportunities due to climate change	Low-carbon Environment Protection, Going Green – Climate Change	16-18
201-3	Defined benefit plan obligations and other retirement plans	Talent First, Work Together for a Win-win – Creating a Happy Workplace	37
201-4	Financial assistance received from government	Withheld due to commercial confidentiality restrictions	
<b>GRI 202: Market Performance 2016</b>			
3-3	Management of material topics	About INTCO Medical – Our Business	07-08
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Withheld due to commercial confidentiality restrictions	
202-2	Proportion of senior management hired from the local community		
<b>GRI 203: Indirect Economic Impacts 2016</b>			
3-3	Management of material topics	Delivering Warm, Caring Health – Strengthen Social Responsibility	39
203-1	Infrastructure investments and services supported		
203-2	Significant indirect economic impacts		
<b>GRI 204: Procurement Practices 2016</b>			
3-3	Management of material topics	Manufacturing with Inventive Mind, Adhering to Quality – Ensuring Responsible Supply	28-29
204-1	Proportion of spending on local suppliers	Withheld due to commercial confidentiality restrictions	
<b>GRI 205: Anti-corruption 2016</b>			
3-3	Management of material topics	Enhancing Governance, Respecting Responsibility – Adherence to Integrity and Ethics	48-49
205-1	Operating sites that have undergone corruption risk assessment		
205-2	Communication and training about anti-corruption policies and procedures		

GRI Standard	Disclosure	Chapter Index	Page
205-3	Confirmed incidents of corruption and actions taken		48-49
<b>GRI 206: Anti-competitive Behavior 2016</b>			
3-3	Management of material topics	Enhancing Governance, Respecting Responsibility -Adherence to Integrity and Ethics	48-49
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		

## Environmental

GRI Standard	Disclosure	Chapter Index	Page
<b>GRI 301: Materials 2016</b>			
3-3	Management of material topics	Low-carbon Environment Protection, Going Green - Efficient utilization of resources	19
301-1	Materials used by weight or volume	Appendix I: Key Performance Indicators	52-55
301-2	Recycled input materials used	Low-carbon Environment Protection, Going Green - Climate Change - Efficient utilization of resources	16-19
301-3	Reclaimed products and their packaging materials		
<b>GRI 302: Energy 2016</b>			
3-3	Management of material topics	Low-carbon Environment Protection, Going Green - Climate Change	16-18
302-1	Energy consumption within the organization	Appendix I: Key Performance Indicators	52-55

GRI Standard	Disclosure	Chapter Index	Page
302-2	Energy consumption outside of the organization	The external energy statistics/estimation methods are being gradually improved, but withheld due to lack of/incomplete information	
302-3	Energy intensity	Appendix I: Key Performance Indicators	52-55
302-4	Reduction of energy consumption	Low-carbon Environment Protection, Going Green -Green Production Management	16-18
302-5	Reductions in energy requirements of products and services	The methods for statistics/estimation of energy demand for products and services are being gradually refined, but are withheld due to lack of/incomplete information.	
<b>GRI 303: Water and Effluents 2018</b>			
3-3	Management of material topics	Low-carbon Environment Protection, Going Green - Efficient utilization of resources - Enhance Pollution Control	19-21
303-1	Interactions with water as a shared resource	Withhold due to lack of information	
303-2	Management of water discharge-related impacts	Low-carbon Environment Protection, Going Green - Enhance Pollution Control	20-21
303-3	Water withdrawal	Appendix I: Key Performance Indicators	52-55
303-4	Water discharge		
303-5	Water consumption		
<b>GRI 305: Emissions 2016</b>			
3-3	Management of material topics	Low-carbon Environment Protection, Going Green - Green Production Management	16-18

GRI Standard	Disclosure	Chapter Index	Page
305-1	Direct (Scope 1) GHG emissions	Appendix I: Key Performance Indicators	52-55
305-2	Energy Indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions	The methods for statistics/estimation of scope 3 GHG emissions are being gradually refined, but are withheld due to lack of/incomplete information.	
305-4	GHG emissions intensity	Appendix I: Key Performance Indicators	52-55
305-5	Reduction of GHG emissions	Low-carbon Environment Protection, Going Green – Climate Change	16-18
305-6	Emissions of ozone-depleting substances (ODS)	No ODS emission during the operation and production	
305-6	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I: Key Performance Indicators	52-55
<b>GRI 306: Waste 2020</b>			
3-3	Management of material topics	Low-carbon Environment Protection, Going Green – Enhance Pollution Control	20-21
306-1	Waste generation and significant waste-related impacts		
306-2	Management of significant waste-related impacts		
306-3	Waste generated	Appendix I: Key Performance Indicators	52-55
306-4	Waste diverted from disposal	Withhold due to lack of information	
306-5	Waste directed to disposal	Appendix I: Key Performance Indicators	52-55
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
3-3	Management of material topics	Manufacturing with Inventive Mind, Adhering to Quality – Ensuring Responsible Supply	28-29

GRI Standard	Disclosure	Chapter Index	Page
308-1	New suppliers that were screened using environmental criteria	Withhold due to lack of information	
308-2	Negative environmental impacts in the supply chain and actions taken	Manufacturing with Inventive Mind, Adhering to Quality – Ensuring Responsible Supply	28-29

## Social

GRI Standard	Disclosure	Chapter Index	Page
<b>GRI 401: Employment 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win – Protecting Employee Rights and Benefits	32-33
401-1	New employee hires and employee turnover	Appendix I: Key Performance Indicators	52-55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent First, Work Together for a Win-win – Creating a Happy Workplace	37
401-3	Parental leave		
<b>GRI 403: Occupational Health and Safety 2018</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win – Protecting Occupational Safety	35-36
403-1	Occupational health and safety management system		
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		



GRI Standard	Disclosure	Chapter Index	Page
403-5	Worker training on occupational health and safety	Talent First, Work Together for a Win-win – Protecting Occupational Safety	35-36
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system	Appendix I: Key Performance Indicators	52-55
403-9	Work-related injuries		
403-10	Work-related ill health	Talent First, Work Together for a Win-win – Protecting Occupational Safety	35-36
<b>GRI 404: Training and Education 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Supporting Employee Growth	34
404-1	Average hours of training per year per employee	Appendix I: Key Performance Indicators	52-55
404-2	Programs for upgrading employee skills and transition assistance programs	Talent First, Work Together for a Win-win –Supporting Employee Growth	34
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix I: Key Performance Indicators	52-55
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
405-1	Diversity of governance bodies and employees	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
		Appendix I: Key Performance Indicators	52-55

GRI Standard	Disclosure	Chapter Index	Page
405-2	Ratio of basic salary and remuneration of women to men	Company adheres to the principle of equal pay for equal work, due to commercial confidentiality restrictions withhold disclosure	
<b>GRI 406: Non-discrimination 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
406-1	Incidents of discrimination and corrective actions taken		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Withhold due to lack of information	
<b>GRI 408: Child Labor 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
408-1	Operations and suppliers at significant risk for incidents of child labor		
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
3-3	Management of material topics	Talent First, Work Together for a Win-win –Protecting Employee Rights and Benefits	32-33
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		
<b>GRI 413: Local Communities 2016</b>			
3-3	Management of material topics	Delivering Warm, Caring Health –Spread Health Knowledge –Strengthen Social Responsibility	40-44

GRI Standard	Disclosure	Chapter Index	Page
413-1	Operations with local community engagement impact assessments, and development programs	Withhold due to lack of information	
413-2	Operations with significant actual and potential negative impacts on local communities	Withhold due to non-appliance	
<b>GRI 414: Supplier Social Assessment 2016</b>			
3-3	Management of material topics	Manufacturing with Inventive Mind, Adhering to Quality -Ensuring Responsible Supply	28-29
414-1	New suppliers that were screened using social criteria		
414-2	Negative social impacts in the supply chain and actions taken		
<b>GRI 416: Customer Health and Safety 2016</b>			
3-3	Management of material topics	Manufacturing with Inventive Mind, Adhering to Quality -Controlling Quality Management	25-27
416-1	Assessment of the health and safety impacts of product and service categories		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
<b>GRI 417: Marketing and Labelling 2016</b>			
3-3	Management of material topics	Enhancing Governance, Respecting Responsibility -Practice Responsible Marketing	51
417-1	Requirements for product and service information and labelling		
417-2	Incidents of non-compliance concerning product and service information and labeling		
417-3	Incidents of non-compliance concerning marketing communications	No related incidents occurred during the Reporting Period	
<b>GRI 418: Customer Privacy 2016</b>			
3-3	Management of material topics	Enhancing Governance, Respecting Responsibility -Maintain Information Security	50
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related incidents occurred during the Reporting Period	