



北京市春立正達醫療器械股份有限公司

**Beijing Chunlizhengda Medical Instruments Co., Ltd.\***

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock code: 1858



ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

**2021**

\* For identification purpose only

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG)

The Board is responsible for determining the Group's ESG risks and developing ESG strategies. The General Manager directly manages and oversees the effective implementation of all ESG activities and reports to the Board, while the ESG working team is responsible for dedicated implementation.

The Board identifies significant ESG issues from annual materiality assessments involving a wide range of stakeholders, including senior management, key employees and business partners, and reviews progress against the relevant emission targets and internal systems set by the Company.

This report provides an overview of the environmental and social performance from 1 January, 2021 to 31 December, 2021. The scope of information disclosed and the statistical methods used in this report remain consistent with those of the previous year.

## I. ABOUT THIS REPORT

Beijing Chunlizhengda Medical Instruments Co., Ltd., founded in 1998, has been focusing on research and development, production and sales of implantable orthopedic medical devices for 20 years. We are one of the medical device enterprises that holds the most comprehensive registration certificates for joint prosthesis products in China and the first enterprise in mainland China to obtain BIOLOX® delta ceramic joint prosthesis, covering both full-ceramics and half-ceramics joint prosthesis.

Over the past 20 years, the Company is committed to fulfil corporate social responsibility while maintaining a healthy and rapid development and serving orthopedic patients all over the world. This report is a consolidated summary about the environmental, design and governance performance of the Company in the financial year 2021, which is prepared in accordance with the related requirement of Appendix 27 "Environmental, Social and Governance Reporting Guide" of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and has complied with the "comply or explain" provision set forth in the Guide.

## II. ENVIRONMENT

The business activities of the Company resulted in greenhouse gas emissions, consumption of energy and resources, wastes and pollutant emissions. The Company has established the Environmental Protection Management System (《環保管理制度》), including the Environmental Protection Management System in Production Process (《生產過程中環境保護管理制度》), the Environmental Protection Facilities Inspection and Management System (《環保設施檢修與管理制度》), the Environmental Monitoring Management System (《環境監測管理制度》), the Environmental Protection Training and Education Management System (《環境保護培訓教育管理制度》) and the Contingency Plan for Shutdown of Production during Heavy Air Pollution (《空氣重污染期間車間停產應急預案》), and has established the Environmental Protection Supervision and Assessment Management System (《環保監督與考核管理制度》) and other corresponding environmental protection management-related systems.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG)

## 1. Management of emissions and wastes

The Company attaches great importance to the management of emissions and wastes. We strictly comply with the relevant laws and regulations, such as “Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》)”, “Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》)”, “Detailed Rules for the Implementation of the Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法實施細則》)”, “Integrated Wastewater Discharge Standard (《污水綜合排放標準》)”, “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China (new) (《中華人民共和國大氣污染防治法(新)》)”, “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)” by such doings: dust-proof treatment and recycling system are set up to improve the working environment; professional waste recycling companies are engaged to recycle hazardous wastes. We keep optimizing the management approaches of emissions and wastes at institution level and specific implementation level.

The pollutants generated by the Company in the production process are mainly air pollutants and solid wastes. The Company has installed dust removal equipment in benchwork workshops, which could eliminate above 98% of dust, higher than the national standard of environmental requirement such as Integrated Emission Standard of Air Pollutants and the Hygienic Standard for the Design of Industrial Enterprises of the People’s Republic of China. We have also entrusted a third-party inspection institution to conduct environmental inspection on workshops and the result is above the standard. We have entrusted Beijing Jinyu Hongshulin Environmental Protection Technology Co., Ltd. (北京金隅紅樹林環保技術有限責任公司) to recycle the hazardous wastes produced from production and issued the Receipts of Hazardous Wastes Transfer (《危險廢物轉移聯單》), which has enabled hazardous wastes produced from production to be recycled effectively and reasonably. The Company has entered into waste recycling contracts with professional firms to recycle 100% of harmless wastes including titanium production wastes, CoCrMo production wastes, and polyethylene wastes.

In 2021, 7.015 tons of titanium production wastes (per output value of RMB10,000 was 0.09 kg); 0.479 tons of CoCrMo production wastes (per output value of RMB10,000 was 0.0051 kg); 20.984 tons of cutting fluid (per output value of RMB10,000 was 0.105 kg); and 99 kg of polyethylene wastes (per output value of RMB10,000 was 0.003 kg) were produced from production; 7.66 tons of harmless waste in total; and 16.546 tons of hazardous waste were produced from production.

Greenhouse gases emission profile in 2021: carbon dioxide emissions for Scope 1 (energy direct emissions) were 10.91 tons, carbon dioxide emissions for Scope 2 (energy indirect emissions) were 2,092.9 tons and carbon dioxide emissions for Scope 3 (other indirect emissions) were 3.99 tons. The carbon dioxide emissions per product of RMB10,000 were 0.0162 tons. Waste emissions include 34.74 kg of ammoniacal nitrogen (NH<sub>3</sub>) and 183 kg of suspended solids (SS).

Based on the development characteristics of the industry and the business development plan of the Company, we have set a CO<sub>2</sub> emission target as to 0.0157% in 2030, a decrease of 35% compared to 0.0243 tons of CO<sub>2</sub> emissions per RMB10,000 products in 2020.

The Company adheres to the philosophy of sustainable development and actively responds to the national call for a “carbon neutral” policy by regularly disclosing carbon emissions. The Company calls on its employees to conserve paper, go paperless in the office and adopt “green travel” to actively explore the potential of reducing carbon emissions and contribute to environmental improvement and sustainable development.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG)

### 2. Water saving

Water is the source of life and the indispensable resources used in production and used domestically. The Company always pays special attention to the water preservation and water saving as well as sewage treatment, recycling and reuse. As for sewage treatment, the Company has established sewage treatment stations, so that the standard of water used in production and used domestically discharged after filtration and sedimentation can satisfy, and be even higher than, the national discharge standard. The Company hires professionals to conduct maintenance on sewage treatment equipment per annum to ensure the quality of the water treatment. The Company will pay continuous attention to these issues.

In 2021, 9,925 tons of sewage were produced and treated during production and 16,660 tons of water resources were used (volume of water usage per output value of RMB10,000 was 0.150 tons).

The Company have no problem in sourcing suitable water sources. Based on the development characteristics of the industry and our business development plan, we have set a water consumption target of 0.13 tons of water consumption per RMB10,000 of output value in 2030, a decrease of 27.8% when compared to 0.180 tons of water consumption per RMB10,000 of output value in 2020.

### 3. Energy saving

The Company's products are Class III orthopedic implant products and Class I surgical tools and the raw materials used are titanium alloy, CoCrMo alloy, polyethylene and stainless steel. The Tongzhou Second Production Base of the Company has built up geothermal heat pump air-conditioning. No water is consumed or polluted and no boiler, cooling tower and areas for piled up fuel waste is required during the operation of geothermal heat pump unit, which achieves in effective energy saving and environmental protection. The Company built lots of solar power generation facilities during the construction of Daxing New Production Base, which will result in effective power saving in the future.

In 2021, we used 42.2 tons of titanium alloy, 31.5 tons of CoCrMo alloy, 11.4 tons of polyethylene and 66.8 tons of stainless steel while 4.9483 million kwh electricity was consumed.

In 2021, packaging materials used include 43.5 tons of carton box, 32.1 tons of product packaging box and 7.6 tons of plastic film; the packaging material consumption per product of RMB10,000 was 0.58 kg and the consumption of others was 6 tons.

Based on the development characteristics of the industry and the business development plan of the Company, we have set an electricity consumption target to 43 kWh per RMB10,000 in 2030, a decrease of 29.4% when compared to 60.9 kWh per RMB10,000 in 2020.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG)

## III. EMPLOYEE

## 1. Recruitment and promotion

The Company values the protection of employees' legitimate rights and interests and strictly abides by the requirements of "Labor Law" (《勞動法》), "Labor Contract Law" (《勞動合同法》) and other laws and regulations. The Company insists on the recruitment concept of "persons with both virtue and talent should be given accelerated promotion; persons with virtue but no talent should be retained with training; persons with virtue but no talent should be retained with revision on talent; and persons with no virtue but with talent should never be retained (有德有才、提拔重用；有德無才，培養使用；有德無才，修正使用；無德有才，堅決不用)". The Company recruits and trains its employees based on their virtue and ability. We strongly oppose discrimination against employees for their nationality, race, sex, age, marriage, etc. The Company recruits its employees through diversified channel in order to give fair chance to each applicant. We emphasize the legal rights of the employees and the employees are managed through contract. Our working hours comply with the requirement of the laws and regulations while our holidays are in accordance with the national statutory holidays. The Company do not employ child labor and forced labor. The Company has established a labor union to protect the legitimate rights and interests of the employees and handle labor related matters. The Company is concerned about the development of employees and thus there are numerous channels for promotion, such as the technological path and the management path.

As of 31 December 2021, the Company had a total of 951 employees, all located in Mainland China. During 2021, 231 employees left office, representing a turnover rate of 19.54%. For the employees employed with labour contracts, 906 employees were in office and 208 employees left office during 2020, representing a turnover rate of 18.67%. For the employees retained with service agreements, 3 employees were in office and 2 employees left office during 2020, representing a turnover rate of 66.7%. 678 employees were male, including 169 employees who left office, representing a turnover rate of 19.95%. 266 employees were female, including 62 employees who left office, representing a turnover rate of 18.90%. 403 employees were aged under 30, including 122 employees who left office, representing a turnover rate of 23.24%. 453 employees were aged between 30 to 39, including 84 employees who left office, representing a turnover rate of 15.64%. 72 employees were aged between 40 to 49, including 23 employees who left office, representing a turnover rate of 24.21%. 16 employees were aged over 50, including 2 employees who left office, representing a turnover rate of 11.11%.

## 2. Health and safety

The Company adopts medical examination policy for both new employees and old employees. Newly recruited employees are required to bring along medical examination report when they report to work. Welfare medical examination card is issued to employee that work for more than a year to ensure employees' medical examination result and build personal health record.

In order to ensure employees' health, the Company provides lunch on normal working days. The lunch meals are arranged by the administrative department which ensure employees' nutritional balance. The Company strictly supervises the procurement of food so that food unfit for health will not be procured.

The Company encourages sport activities and provides table tennis, basketball, badminton sports ground and other facilities to its employees. The administrative department of the Company held interesting sports competition every month to enrich the employees' life and motivate employees to actively persist in sport activities.



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We place great emphasis on our responsibility for safety. Production safety is the lifeline of the Company, which we always hang on to. As a responsible medical instruments company, the Company communicates with relevant departments on its responsibilities to ensure that safe and high standards are maintained during production. The Company has signed the Safe Production Target Letter of Responsibility (《安全生產目標責任書》), which stipulates the main steps and targets for safe production. All departments shall abide by and implement the measures and activities stipulated in the Letter of Responsibility. The Company carries out production safety inspection activities every month to investigate whether there is any safety risk in the workplace. Based on the results of investigation, corrective and preventive recommendations will be passed on to responsible departments within a pre-determined period of time for rectification. At the same time, in order to protect the safety of the employee and enhance their self-help ability, fire safety trainings are held on a half-yearly basis to train the team to achieve “safety development, prevention first (安全發展·預防為主)”. The Company will continue to provide safety funds annually for the upgrade of protective equipment and the maintenance of safety and protective facilities.

In order to reduce the rate of accidents, the Company has implemented a safety management system and formulated a safety manual, which covers various aspects including the duties and responsibilities of each department, organizations, trainings, inspection system, special equipment management, fire safety facilities management and hazardous substances management, as well as a set of contingency plans such as fire safety production, environmental protection, food poisoning, fights and electric shock. The Company has also established a contingency team for the immediate and effective control and treatment of emergency cases. In 2017, the Company was awarded the “Work Safety Standardization Certificate (《安全生產標準化證書》)” (Certificate No.: BJ112JX000500) and recognized as III-Grade Enterprise of Work Safety Standardization. In 2018, the Company was awarded the Certificate of “‘Golden Safety Enterprise’ in Work Safety Standardization (《安全生產標準化「金安企業」》)”. In 2019, the Company was awarded the Certificate of “Outstanding Award in ‘Ankang Cup’ Knowledge Competition (《「安康杯」知識競賽中榮獲優秀獎》)”. In 2020, the Company obtained the “Safety Standardization Certificate” (《安全標準化證書》).

The Company has conducted layout planning and alteration on the overall fire facilities. The fire facilities and equipment are divided into different areas and managed separately. According to the principle of “who is in charge, who bears the responsibility (誰主管·誰負責)”, the Company ensures that the fire facilities and equipment will be in good standby condition at all time. Regular fire equipment inspection is conducted by the professionals on a yearly basis to ensure that they will be in a good standby condition.

In order to improve the working environment, the Company inputs significant manpower, materials and financial resources to grow different kinds of plants such as magnolia, chrysanthemum, boxwood and bamboo in the Company to purify air while concrete flooring is used in other areas to eliminate dust.

In 2021, neither the Company encountered any employees’ death and work injury in relation to work, nor did any losses in working days due to employees’ work injury and death.

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### 3. Development and training

The Company insists on the principle of corporate culture development of “make the factory our home and be proud of it so as to build a harmonious development between corporate and employees (以廠為家 · 以廠為榮 · 企業與員工和諧發展)”. The Company pays special attention to employees’ development and provides sufficient opportunities of internal and external training. The Company strongly believes that development of talent is the fundamentals of the development of the Company.

The Company has provided multiple development paths for the development of the employees, such as the technological development path and management development path and has established the employment qualification management system. The Company has also enhanced the ability of the employees through continuous internal training within the Company and external training. As for the newly recruited employees, the Company conducts corporate culture training to help the employees to understand the corporate culture and organizational structure of the Company, its main products, Company’s value, concept and quality principle and also the Company’s systems related to attendance and office environment management, etc. Targeting employees with demands for different professional skills, the trainings are conducted in different approaches and channels. For example, the skill training provided to new workshop employees adopts a “one-to-one teaching” mode to ensure the learning efficiency and quality of the newly recruited employees.

In 2021, among those employees who received training, 72.40% of them were male and the average training hours were 67 hours while 29.60% of them were female and the average training hours were 30 hours. 100% of senior management received training and the average training hours were 66 hours, 99.50% of middle level management received training and the average training hours were 44 hours, 96% of basic-rank employees received training and the average training hours were 48 hours.

### 4. Employee care

The Company persists in the principle of corporate culture development of “a harmonious development between corporate and employees (企業與員工和諧發展)”. We pay attention to the physical and mental health of the employees and build a healthy, safe and comfortable working environment so as to practically fulfil its duty of employee care.

The Company insists on holding monthly birthday party for employees during their birthday month to give the employees the feeling of home. Hostel is provided to employees who are in need. The newly constructed Daxing New Production Base is equipped with enough number of hostel to ensure the living environment of the employees.

### 5. Labor Standards

The Company has been paying attention to the prohibition of child labor and mandatory labor consistently. We strictly adhere to “Labor Law of the People’s Republic of China (《中華人民共和國勞動法》)”, “Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》)”, and “Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》)” by the State Council. We also understand laws and regulations such as “Measures for Lump-sum Compensation to the Disabled or Deceased Employees of Entities Involving Illegal Employment (《非法用工單位傷亡人員一次性賠償辦法》)” formulated by Ministry of Human Resources and Social Security. The measures set out “Overtime/Compensatory Leave Management Measures (《加班／調休管理辦法》)”. The Labor Contract specifies the prohibition against the use of child labor and sets out the time, protection and conditions of labor, etc.

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### IV. OPERATION

#### 1. Product responsibility

The Company's products are Class III orthopedic implant and Class I and Class II surgical tools, which are closely linked with patients' health. The Company persists in the quality principle of "as if it is for self-use and keep innovating (視如己用、不斷創新)" and strictly complies with laws and regulations such as "Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》)", "Good Manufacturing Practice Rules for Medical Devices (《醫療器械生產質量管理規範》)", "Measures for the Administration of Medical Device Recalls (《醫療器械召回管理辦法》)". We have built a comprehensive quality management system and corresponding procedures and systems, we have also passed the GMP and obtained the ISO13485 certification.

In order to ensure that quality control is implemented on raw materials procured/products externally procured in the aspects of product intake, process, inspection and release of final products and product recall and to safeguard the adequacy and effectiveness of quality inspection process, the "Procedure for Product Quality Control (《產品品質控制程序》)" is formulated. Quality inspection process is divided into inspection of product intake, process inspection, final product inspection and product recall inspection process. In order to satisfy the requirement of the China Food and Drug Administration on the monitoring of adverse events, product recall and release of advisory notice and control the PRC listed products of the Company in the activities such as monitoring adverse events, product recall and release of advisory notice, the "Procedure for CE Device System, Adverse Events, Product Recall and Release of Advisory Notice (《CE器械系統、不良事件、產品召回及忠告性通知發佈程序》)" is formulated. According to the procedure, the quality management department is responsible for filling in the "Report of Medical Device Recall Events (《醫療器械召回事件報告表》)" for the recalled products while departments such as market department, sales department and international department would release the information of product recall to relevant customers and report to the competent drug regulatory department. The quality management department is responsible for tracking the implementation of product recall and ensure that all products that required to be recalled are reasonably disposed. In order to achieve identification, verification and protection on orthopedic property controlled or used by the Company, the Company formulates the "Procedure for Orthopedic Property Control (《骨科財產控制程序》)".

The Company insists on the strategy of innovative research and development and establishes the operational concept of "relying on employees to manage the corporate, relying on technology to enhance ability, relying on quality to win customer, relying on innovation to promote development (靠員工管理企業·靠科技提高能力·靠質量贏得客戶·靠創新促進發展)". In 2018, the Company obtained the approval for the two special applications for innovative medical instruments, which are "single knee joint prosthesis (《單膝關節假體》)" (acceptance number: CQTS1700268) and "customized and personalized pelvic prosthesis (《定製個性化骨盆假體》)" (acceptance number: CQTS1700269), respectively. Such approvals marked the recognition of national authorities on the Company's innovation as well as research and development capacity. The "customized and personalized pelvic prosthesis", which was jointly developed by the Company and several top oncology experts in China, is awarded "First Prize of Chinese Medical Science and Technology Award in 2013 (2013年中華醫學科技獎一等獎)" and "Second Prize of State Science and Technology Improvement Award in 2014 (2014年國家科學技術進步獎二等獎)" successively. In order to protect the intellectual property of the Company's products, according to the "Patent law of the People's Republic of China (《中華人民共和國專利法》)", the Company currently has 99 authorized domestic patents. In December 2018, the Company obtained the approval for planning a state-level postdoctoral working station for scientific research, which would significantly enhance the overall research and development entity of the Company. In September 2019, the Company has been approved to establish an Academician Expert Work Station. Leveraging on the Academician Expert Work Station, the Company will enlarge its innovative effort to resolve current complications and difficult technical issues in joint prosthesis sector. In June 2020, the "Porous Tantalum Bone Repair Material and Implantable Product Development and Clinical Application" project (the "Project") that the Company took the lead in the application was approved by the Ministry of Science and Technology of the PRC as a key special project under the 2020 national key research and development program – "Research and Development of Bio-medical Materials and Repair and Replacement of Tissues and Organs". This project is carried out by our Company in conjunction with renowned universities, scientific research institutes, clinical hospitals and enterprises in the PRC, which will promote the synergy and innovation of production, academics, research and development and clinical studies, and accelerate the introduction of our Company's high-end medical devices to the market.

In 2021, no material complaint was received by the Company.



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### 2. Supply chain management

In order to ensure that the material procured are up to our requirement, and that we can control the procurement process and suppliers, the Company establishes the “Procedure for Procurement Control (採購控制程序)” in accordance with relevant laws and regulations. This procedure is applicable to the procurement of material that the Company needed for producing products and control on outsourced sterilization as well as the raw materials that the Company needed and the selection, assessment and control on suppliers of supplementary production materials.

The Company manages its materials by dividing them into Class A, B and C according to their level of impact on the quality of the finished products. Class A is materials with high risk (raw material for implant), class B is materials with moderate risk (raw material for device) and class C is materials with low risk (neither implant into human body, nor in contact with patients). If on-site examination is necessary for class A materials, the procurement department will organize on-site examinations for the suppliers and fill in the “supplier investigation form (《供方調查表》)”. The procurement department will organize various departments to conduct examination and complete the “supplier assessment form (《供方評價表》)” and the qualified suppliers would be enlisted in the “qualified supplier list (《合格供方名單》)”, which is subjected to reassessment annually. The suppliers for Class B materials will be enlisted in the “qualified supplier list-Class B” upon recommendation by the procurement department after approval of factory director and dynamic tracking and control would be conducted. Class C is recommended by procurement staff and will be enlisted in “qualified supplier list-Class C” after approval of the manager of procurement department and dynamic tracking and control would be conducted. Monitoring department conducts strict examination and daily supervision on whole process such as all design development, production process and quality control. In 2021, a total of 134 suppliers were accepted into the List of Qualified Suppliers of the Company. By location of suppliers, there are 124 in Asia, 5 in Europe, and 5 in North America.

### 3. Anti-corruption

The Company requires all of its employees to conduct their work in accordance with the “Prevention of Bribery Ordinance (《防止賄賂條例》)” of Hong Kong and the “Criminal Law of the People’s Republic of China (《中華人民共和國刑法》)”. The entry training of new employees of the Company and the “Staff Handbook (《員工手冊》)” expressly provided that all employees of the Company should comply with the anti-corruption requirement and set out the penalty for non-compliance.

In 2021, the Company had no corruption litigation cases.

## V. INVESTMENT IN SOCIETY

During 2021, there were sporadic cases of COVID-19. The Company has been proactively responding to the call of action of the government and making effort in the implementation of prevention measures of the Company, such as enforcing the temperature measurement and registration of employees when reporting on and off duty and of outsiders, regularly distributing masks and other anti-epidemic materials to employees and regularly disinfecting and ventilating public areas. In addition, the Company also strengthened the promotion of vaccination for employees and advocated that everyone should be vaccinated.

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The Company is fully aware of the importance of joint development between the Company and the community. We integrate social contribution into corporate development. In the past, the Company has been initiating proactive collaborations with various charity groups by donations of different approaches (such as donations to The Community Chest (香港公益金), China Health Promotion Foundation (中國健康促進基金會), etc) and is proud of our effort in paying back the society. In 2018, we made donation to Somu's "Two No Worries, Three Guarantees" collective economic support project organized by the Red Cross in Keyouzhong Banner and awarded the donation certificate (Certificate No.: you hong juan zheng) [2018] No. 21). In 2019, we launched the "bearing in mind the initial objective, being mindful of the mission, sending warmth and giving love (不忘初心、牢記使命、送溫暖、獻愛心)" activity during the Chinese New Year. Leveraging on the mutual development mode, the branch visited and delivered warmth to two families in need in Jigezhuang village, Tongzhou District. The Bai family has a disabled person who suffer from numerous diseases and require long-term medication while both the mother and daughter in the Cheung family are disabled people that require long-term medication and unable to look after themselves. We donated daily necessities like rice, noodle and oil to each family to assist in solving their practical difficulties.

Since August 2009, the Company and China Charity Federation have been joining hands in a key medical project, the "Chunli Sunshine Plan (春立陽光計劃)", which provides free internal fixation material needed in joint prosthesis replacement surgery to poor patients with serious joint disease. For the past decade, the charitable project of Chunli Sunshine Plan had become partners with 80 project designated hospitals in 22 provinces, cities and special administrative regions in China. The aiding program successfully implemented more than 600 joint prosthesis replacement surgeries, which helped patients to relief pain and medical burden and received good social feedback. In 2021, the Company continues to provide free internal fixation material for joint replacement through the Chunli Sunshine Plan to relieve the pain and lift the burdens of medical fees of the patients.

In 2021, the Company paired up with the assistance of Saiqin Tala Administrative Village (賽沁塔拉噶查) and Sidaozhangfang Village (四道杖房村), Wudan Town (烏丹鎮), Ongniud Banner (翁牛特旗) to comprehensively achieve poverty alleviation and promote rural revitalization. The Company has provided a capital of RMB100,000 to the two rural areas for the construction of public facilities, the improvement of living environment, the establishment of public welfare positions and the temporary relief of poverty-stricken households (marginal households) and households with sudden difficult situations, helping the poverty-stricken households develop industries.

In 2021, the Company has donated to the "Jinan Disabled Welfare Foundation (濟南市殘疾人福利基金會)" through the Jifu "Healthy Spring City, Rural Revitalization, Disability Prevention (健康泉城鄉村振興殘疾預防)" charity project for subsidizing the poor disabled, providing rehabilitation to the disabled in poverty, assisting the disabled children in poverty, and developing education, culture and sports for the disabled.