

# Bora Pharmaceuticals Co., Ltd.

## Sustainable Development Best Practice Principles

### Chapter 1. General Provisions

- Article 1 In order to fulfill corporate social responsibility, promote economic, environmental, and social progress, and achieve the goal of sustainable development, the Company has established these principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to manage the Company's economic, environmental and social risks and impacts.
- Article 2 The Principles apply to the Company, including the entire operations of the Company and its business group.  
While engaging in business operations, the Company actively practices sustainable development to conform with international development trends, and through corporate citizenship, enhances the national economic contribution, improves the quality of life of employees, communities, and society, and promotes sustainable development as the Company’s competitive advantage.
- Article 3 In promoting sustainable development , the Company shall pay attention to the rights and interests of stakeholders, and while pursuing sustainable operation and profits, the Company shall attach importance to environmental, social and corporate governance factors and incorporate them into the Company’s management guidelines and operating activities.  
The Company shall conduct risk assessments on environmental, social and corporate governance issues related to the Company’s operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies.
- Article 4 The Company’s sustainable development practices are based on the following principles:  
I. Implement corporate governance.  
II. Develop a sustainable environment.  
III. Contribute to social welfare.  
IV. Enhance disclosure of corporate sustainable development information.
- Article 5 The Company shall take into account the development trend of domestic and foreign sustainable development and the relevance of the Company’s core business, and the impact of the Company’s own and the overall business activities of the Group on stakeholders, etc., when formulating policies, systems, or related management guidelines for sustainable development ; and after the specific implementation plan is approved by the Board of Directors, it will be reported to the shareholders’ meeting.  
When shareholders put forward relevant proposals involving sustainable development , it is advisable for the Company’s Board of Directors to consider and include them in the shareholders’ meeting agenda.

### Chapter 2. Implement corporate governance

- Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies to establish an effective governance framework and relevant ethical standards to improve corporate governance.
- Article 7 The Company's directors shall exercise due care as good administrators in urging the Company to practice sustainable development , and review the effectiveness of such implementation for continuous improvement to ensure the implementation of sustainable development policies.
- When promoting the Company's sustainable development goals , the Board of Directors should give full consideration to the interests of stakeholders, including the following:
- I. Propose the mission or vision of sustainable development, and formulate sustainable development policies, systems or related management guidelines.
  - II. Incorporate corporate social responsibility into the Company's operating activities and development directions, and approve concrete promotion plans for sustainable development.
  - III. Ensure the timeliness and accuracy of disclosure of information related to sustainable development .
- The Board of Directors shall authorize the senior management to handle economic, environmental and social issues arising from the Company's business activities. The status of handling shall be reported to the Board of Directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.
- Article 8 The Company shall regularly organize education and training to promote sustainable development, including the promotion of matters in Paragraph 2 of the preceding article.
- Article 9 In order to improve the management of sustainable development , it is advisable that the Company establish a governance structure to promote sustainable development , and set up a dedicated (or part-time) unit to promote sustainable development, responsible for sustainable development policies, systems or related management guidelines and specific promotion plans and implementation, and report to the Board of Directors on a regular basis.
- It is advisable for the Company to establish a reasonable remuneration policy to ensure that the remuneration plan is in line with the strategic goals of the organization and the interests of the stakeholders.
- The employee performance appraisal system shall be integrated with the sustainable development policy, and a clear and effective reward and disciplinary system shall be established.
- Article 10 The Company shall respect the rights and interests of stakeholders, identify its stakeholders, and set up a stakeholder section on the Company's website, understand the reasonable expectations and needs of stakeholders through appropriate communication means, and appropriately respond to their concerns on sustainable development.

### Chapter 3. Develop a sustainable environment

- Article 11 The Company shall comply with environmental laws and regulations and relevant international standards to appropriately protect the natural environment, and shall strive to achieve the goal of environmental sustainability in the implementation of business activities and internal management.
- Article 12 The Company is advised to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
- Article 13 The Company is advised to establish proper environmental management systems based on the characteristics of its industries. Such systems shall include the following tasks:
- I. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
  - II. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
  - III. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.
- Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environmental education courses for their managerial officers and other employees on a periodic basis.
- Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:
- I. Reduce resource and energy consumption of its products and services.
  - II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
  - III. Improve recyclability and reusability of raw materials or products.
  - IV. Maximize the sustainability of renewable resources.
  - V. Enhance the durability of products.
  - VI. Improve efficiency of products and services.
- Article 16 In order to improve the efficiency of water use, the Company shall properly and sustainably use water resources and establish relevant management measures.
- The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce the corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
- II. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
- III. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company's carbon reduction strategies shall include obtaining carbon credits and be promoted accordingly to minimize the impact of its business operations on climate change.

#### Chapter 4. Contribute to social welfare

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
- III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- IV. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

- Article 19 The Company shall provide information for its employees so that they have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.
- Article 20 The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities, and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.
- Article 21 The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.  
The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.  
The Company shall respect the employee representatives' rights to bargain for working conditions, and shall provide employees with the necessary information and hardware equipment, in order to improve negotiations and cooperation among employers, employees and employee representatives.  
The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.
- Article 23 The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It shall also establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Company shall ensure the quality of their products and services by following the laws and regulations of the government and the relevant standards of its industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.  
The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Data Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact its procurement has on society as well as the environment of the community from which it is procuring, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those whose actions are against corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the contents shall include terms stipulating mutual compliance with the corporate social responsibility policy, and that the contract may be terminated or rescinded at any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

#### Chapter 5. Enhance disclosure of corporate sustainable development information.

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

I. The policy, systems or relevant management guidelines, and concrete

promotion plans for sustainable development initiatives, as resolved by the Board of Directors.

- II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures for promoting the sustainable development initiatives established by the Company, and performance in implementation.
- IV. Major stakeholders and their concerns..
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other information related to sustainable development initiatives.

Article 29

The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- I. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
- II. Major stakeholders and their concerns..
- III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- IV. Future improvements and goals.

Chapter 6. Supplementary Provisions

Article 30

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of the business environment so as to examine and improve its established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 32

The Principles, and the amendments hereto, shall be implemented after approval from the Board of Directors.