Bora Pharmaceuticals

Sustainability Report 2021

Contents

Preface：About this Report

Bora Pharmaceuticals (hereinafter Bora or the Group) released the Group's first Sustainability Report in 2022, mainly encompassing our corporate operations and sustainability actions in 2021. In future, we plan to issue sustainability reports annually.

Report Period, Boundaries, and Scope

The information disclosed by this Report encompasses the period from January 1, 2021 to December 31, 2021. The main disclosure boundaries and scope of this Report covers Environment, Social, and Governance information and data from Bora Pharmaceuticals headquarters and factories in Taiwan, with some information from Bora Pharmaceutical Services Inc., our subsidiary in Canada, as well as our responses and actions to the material topics of interest to our stakeholders.

Principles for Compilation

The information in this Report were mainly prepared in accordance with Global Reporting Initiative (GRI) guidelines. Non-financial information were disclosed in accordance with Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) frameworks, and we have also mapped associations with the United Nations Sustainable Development Goals (SDGs). An index of GRI and SASB guidelines is provided in the appendix.

Publication Frequency

The Bora Pharmaceuticals 2021 Sustainability Report (hereinafter referred to as this Report) encompasses the period from January 1, 2021 to December 31, 2021, and was issued in August 2022. This annual report is released in both Chinese and English, and associated files have been placed on the Bora Pharmaceuticals official website for stakeholder download.

Independent Assurance

To enhance the disclosure quality and credibility of this Report, we have ensured that specific indicators adhere to the Assurance Engagements No.1－“Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Taiwan Accounting Research and Development Foundation, and commissioned EY Taiwan to provide limited assurance. The assurance statement is disclosed in the appendix of this Report.

Contact Information

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盛 保 熙
保瑞集團總裁 董事長

Message from Chairman and CEO

Bora Sustainable Management Vision and Strategy

Bora Pharmaceuticals is a professional pharmaceutical group with international Contract Development and Manufacturing Organization (CDMO) and global sales capabilities, a leadership team with an international outlook, expertise in handling pharmaceutical laws in various countries, and world-class pharmaceutical technologies. In the face of rapid growth, Bora Pharmaceuticals will continue to strengthen corporate governance and expand social participation. We took the lead in incorporating ISO14064 greenhouse gas inventory standards this year; formulated short, medium, and long-term carbon reduction goals; and actively responded to the risks, challenges, and opportunities of sustainable management.

ESG has become an important corporate indicator of sustainable management and risk control. Bora Pharmaceuticals formally established the Sustainability Committee to respond to sustainable management challenges and opportunities. We integrated our pharmaceutical expertise and core mission (“Contributing to Better Health All Over the World”) with sustainable development issues of interest to our stakeholders for formulation of our sustainable vision and plans focusing on five main strategies (“responsible integrity, talent cultivation and happy workplace, healthy society and social participation, responsible manufacturing and innovative development, and ecological sustainability”) linked to the United Nations SDGs. We implemented all sustainable management targets using our core corporate values and expertise to promote economic growth, social development, and environmental protection, thereby enhancing our corporate competitiveness and exerting our positive influence as a pharmaceutical company.

Sustainability Performance Highlights for 2021

- 2021 Began preparing for ISO 14064:2018 greenhouse gas emissions verifications at the end of 2021 and completed verifications in June 2022.

(Environment)

E

S

(Social)

- Received HR Asia Best Company To Work For In Taiwan Award
- New employees health checks at our factories in Taiwan was 100%
- Employees health checks at Zhunan Factory was 100%
- Employees health checks at Tainan Factory was 100%

G

(Governance)

- We established the Sustainability Committee to coordinate our sustainable management policies

Annotation :

- Received HR Asia Best Company To Work For In Taiwan Award, and was listed as one of the best companies to work for in Asia
- A total of 10 new employers at our Zhunan Factory and 21 new employees at our Tainan Factory underwent health checks; the proportion of new employees who underwent health checks at our factories in Taiwan was 100%
- A total of 194 (100%) employees at our Zhunan Factory underwent health checks
- A total of 108 (100%) employees at our Tainan Factory underwent health checks

Chapter One.
About Bora Pharmaceuticals

1.1 Company Overview

Bora Pharmaceuticals is a professional pharmaceutical group with international Contract Development and Manufacturing Organization (CDMO) and global sales capabilities, a leadership team with an international outlook, expertise in handling pharmaceutical laws in various countries, and world-class pharmaceutical technologies. Our main business axes of R&D, production, sales, and marketing have been implemented according to plan since our establishment in Taiwan in 2007, and we have worked step by step to reach our current multinational business scale. Our core business is focused on CDMO and we have rapidly expanded our production capacities and technologies through mergers and acquisitions. Our global footprint encompasses Japan, the US, the Middle East, France, Europe, Southeast Asia, and more than one hundred countries around the world. We collaborated with the top pharmaceutical brands in each region and facilitated rapid growth through precision strategies to become one of the leading pharmaceutical brands in Taiwan.

Our excellent business performance garnered us second place in the *CommonWealth Magazine* list of Hundred Fastest Growing Companies in 2020 and we also received the MAPECT Taiwan M&A Award. Our continued business growth and performance is constantly demonstrated through the resilience and expertise we display when faced with challenges and competition. We will continue to maintain our capabilities and models for success, adhere to rigorous quality standards, provide quality products and efficient services, and accelerate our progress to become a comprehensive CDMO pharmaceutical company that produces world-renowned medications while facilitating sustainable growth in revenues and profits.

Brand Essence

Contributing to Better Health All Over the World

“Contributing to Better Health All Over the World” is the corporate mission of Bora Pharmaceuticals. As we are responsible for protecting the health of the general public, we adhere to high standards, insist on “Do what is right and not what is easy,” and take pride in offering quality products and efficient services. We plan to uphold these beliefs as we work to become a producer of world-renowned medications while facilitating corporate sustainable growth.

Bora Pharmaceuticals

Our Core Values

bora star

- **S** Solve problems first
- **t** To do the right thing
- **a** Always be proactive
- **r** Respect everyone

Corporate Culture

"Putting people first and respecting expertise" is one of the core values of our corporate culture. We uphold the four main principals of **"Solving problems first," "Be proactive," "Respect everyone,"** and **"Do what is right, not what is easy."** with the mutual respect for the capabilities of our colleagues to aim at offering the highest quality of products and services. Therefore, driving progress at Bora Pharmaceuticals through implementations.

2022

- Acquired CDMO assets from Eden Biologics, Inc., Taiwan
- Acquired 100% of shares in TWI Pharmaceuticals, Inc.

2021

- Established Bora Management Consulting Co., Ltd.

2020

- Acquired Canadian facilities of British-based company GlaxoSmithKline and signed a five-year contract for CDMO services
- Established Canadian subsidiary Bora Pharmaceutical Services Inc.

2019

- Signed second five-year contract with Eisai Japan
- Signed exclusive licensing agreement with French company Boiron
- Received “Best Company To Work For In Taiwan Award”
- Bora Pharmaceuticals sustained-release capsule for treating Parkinson’s disease symptoms received new dosage form, new dosage regimen, and new strength approval from the Ministry of Health and Welfare in Taiwan

2018

- Signed a collaboration agreement with US company Vitruvias to develop treatment for hypokalemia
- Acquired 100% of shares in Impax Laboratories (Taiwan), Inc. held by Impax (currently Amneal)

2017

- Bora Pharmaceuticals listed on OTC market
- Official launch of Bora Health Inc.

2014

- Established Bora Pharmaceuticals R&D laboratory
- Acquired 100% shares in Union Chemical & Pharmaceutical Co., Ltd. and obtained 185 drug licenses
- Bora Pharmaceuticals listed on emerging stock market

2013

- Obtained operating rights for Tainan facility owned by Eisai Japan

2010

- Achieved breakthrough innovation in processing technology for lipid-lowering drugs and obtained approval for clinical trials from the Department of Health

2007

- Established Bora Group

Bora Pharmaceuticals Profile

Company headquarters	6F, No. 2, Alley 36, Lane 26, Ruiguang Road, Neihu District, Taipei City
Date of establishment	June 12, 2007
Paid-in capital	NT$ 684,122 thousand
Industry	Biotechnology and pharmaceutical industry
Ticker symbol	6472

Operational Locations

Taipei Head Office	6F, No. 2, Alley 36, Lane 26, Ruiguang Road, Neihu District, Taipei City
Zhunan Facility	No.1, Kedong 3rd Road, Zhunan Township, Miaoli County
Tainan Facility	No.54, Gongye West Road, Gongtian District, Tainan City
Canadian Facility	7333 Mississauga Rd., Mississauga, Ontario, L5N 6L4 Canada

Products & Services Categories and Business Performance

Bora Pharmaceuticals is a professional pharmaceutical group with international Contract Development and Manufacturing Organization (CDMO) and global sales capabilities, as well as a leadership team with an international outlook. Our core business is focused on CDMO, and we adhere to rigorous quality standards to provide quality products and efficient services. Our main operations are as follows:

Overview of Main Operations

1. International Contract Development and Manufacturing Organization (CDMO) business：

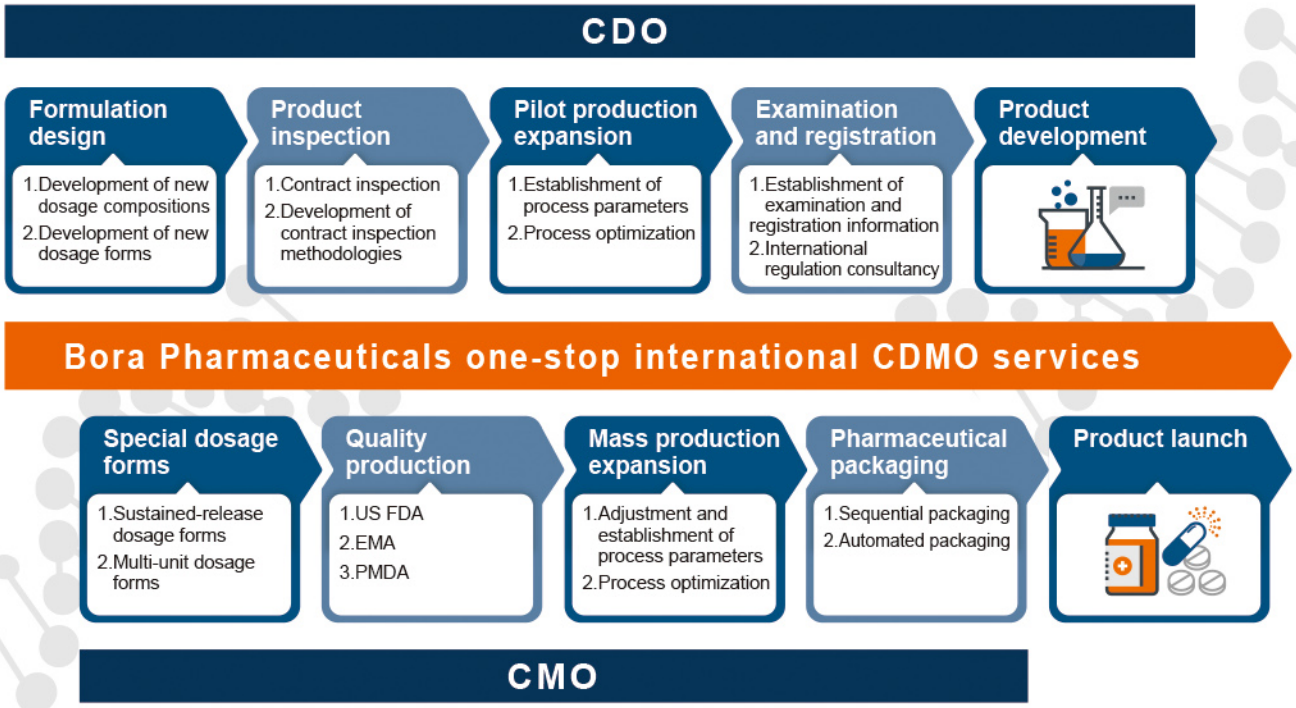
We own high-end facilities with quality verifications from various regions such as the US, the UK, Europe, and Japan, and are equipped to manufacture a diverse range of dosage forms including nasal sprays, oral solid dosage forms, liquid preparations, and semi-solid dosage forms for topical use. Our professional CDMO production facilities include our Tainan Facility (PIC/S GMP), Zhunan Facility (PIC/S GMP/USFDA/MHRA), and our Canada Facility (USFDA/ Health Canada/MHRA). Our main manufacturing and supply contract clients for Western pharmaceutical products include GSK, US company Amneal, and Eisai Taiwan, and we continue to expand the reach of our international CDMO services.

2. Partnering (license-in and license-out services)：

The Bora Group works to establish long-term partnerships with international in-licensing and out-licensing companies. Creating win-win situations is part of our formula for success. In recent years, Bora has actively sought out products both at home and abroad that are suitable for acquisition or licensing. Our targets for strategic collaboration include products with market share or potential. Bora has a tightly knit sales network in Taiwan and has obtained licenses from internationally renowned pharmaceutical companies such as Eisai Japan, SSP, Amneal, and Vitruvias, as well as distribution and licensing agreements for Lexapro, Ebixa, and Brintellix from original manufacturer Danish company Lundbeck; sustained-release Numient capsules for Parkinson's disease from US company Impax; and hypnotic Lendormin from leading German pharmaceutical company Boehringer Ingelheim. In the future, we plan to strengthen our existing channels and integrative marketing strategies to maximize sales effectiveness. The effervescent beverage product series under our long-established self-owned brand Immu Boost has a good market reputation and loyal consumers, and products distributed by our subsidiary Bora Health now include health care and skin care products from SSP (the third largest pharmaceutical company in the Japanese cosmeceutical market) and Eisai; said subsidiary has also obtained exclusive rights for marketing and distribution in Taiwan from Boiron, a leading global producer of topical medications.

3. Innovative R&D：

Bora owns the world's most advanced laboratories, possesses cutting-edge pharmaceutical expertise, and aligns with international pharmaceutical markets. Our research and development team not only has extensive pharmaceutical market experience, but is also dedicated to professional development and analysis of drugs. Our team keeps informed of the latest pharmaceutical laws and is familiar with application, registration, and verification regulations and processes for different countries, making us the most advantageous and competitive partner for clients looking to develop, register, and launch drugs in different regions.



Overview of Facility Production Items

The main items produced at our Zhunan, Tainan, and Canada Facilities are as follows：

Zhunan Facility

USFDA, MHRA, cGMP

Mainly manufactures oral dosage forms for exportation to the US market, as well as some products sold in Taiwan. Our Zhunan Facility is equipped with advanced process and automation equipment, laboratory analysis equipment, and quality management systems to meet the high standards of international regulations.

Tainan Facility

PIC/S, TFDA, GCC, cGMP

Mainly produces solid dosage forms as a PIC/S GMP verified contract manufacturer adhering to market needs in Taiwan. Products can also be exported to countries in Southeast Asia, Central America, and South America.

Canada Facility

USFDA, Health Canada, EMA, PMDA

Mainly specializes in production of tablets, capsules, semi-solid dosage forms, and liquid dosage forms. Our Facility adheres to the US FDA and global PIC/S standards, and our products are exported to countries in North America, South America, Europe, and other more than one hundred countries.

Main Products

Product Ratio(%)	2019	2020	2021
Western pharmaceutical products	13.68	13.35	5.26
Health care and skin care products	11.49	11.87	4.81
CDMO income	74.83	74.76	89.93

Notes：Western pharmaceutical products: Includes CNS drugs, antibiotics, and gastrointestinal drugs.
Health care and skin care products: Nutritional supplements, energy supplements, vitamin supplements, and skin care products.
CDMO income: Technical CMO and CDO services.

Sales Volumes

Product Volumes	2019		2020		2021	
	Domestic sales	Export sales	Domestic sales	Export sales	Domestic sales	Export sales
Semi-solid dosage forms (thousand tubes)	4,766	-	223	1,234	170	22,300
Oral solid dosage forms (thousand tablets)	487,095	272,286	495,624	319,667	411,190	312,300
Oral solid dosage forms (thousand pieces)	-	-	-	13	-	122,380
Oral solid dosage forms (thousand pieces)	-	-	-	-	-	159
Liquid dosage forms (thousand bottles)	262	-	322	-	219	16,643

Main Sales Regions

Revenues (thousand NTD)	2019	2020	2021
Domestic market	554,275	615,870	645,022
Overseas markets	974,941	1,183,700	4,254,863

Operational Performance

Our consolidated revenues for 2021 were NT$ 4,899,885,000, an increase of 172% compared with the previous year. Consolidated after-tax profits were NT$ 749,736,000, an increase of 29.62% over the previous year (NT$ 578,426,000), and after-tax basic earnings per share was NT$ 11.04.

Economic value distributed (thousand NTD)				
Composition	Description	2019	2020	2021
Direct economic value generated (A)				
Revenues	Net revenues	1,529,216	1,799,570	4,899,885
	Interest/dividends/rent	3,428	15,395	47,679
Direct economic value distributed (B)				
Operating costs	Costs arising from operational activities	778,442	1,041,206	2,376,582
Personnel costs	Salaries, dividends, bonuses, employee benefits (pensions and insurance fees)	405,948	559,287	1,477,312
Payments to providers of capital	Interest fees and dividend payments	186,402	225,063	292,462
Payment to government	Taxes (not including deferred taxes)	26,214	7,878	70,858
Community investments	Donations, sponsorships	550,000	720,000	1,716,831
Economic value retained (A-B)		(414,362)	(738,469)	(986,481)

Corporate Finances

Financial Performance (thousand NTD)			
Financial information	2019	2020	2021
Total assets	3,382,624	7,004,179	7,372,334
Equity	1,653,751	2,464,764	3,152,541
Net profit after tax	305,031	578,426	749,736
Basic earnings per share	6.08	8.63	11.04

1.2 External Participation :

Awards and Recognition

Bora Pharmaceuticals continually strives to achieve the vision of the Group ("Produce world-renowned medications in Taiwan"). We actively participate in various domestic and overseas awards, review our internal processes and management measures using external evaluation mechanisms and indicators to identify directions for optimization and progress, and work to strengthen internal management mechanisms through a continued and cyclical improvement process. We use high management standards to enhance the quality and performance of our product and service quality for enhancement of customer satisfaction. We have received the following awards:

CPhI Pharma Awards
Award Category
CEO of the Year

MAPECT Taiwan M&A Awards
Award Category
Most Innovative M&A Deal of the Year Award

HR Asia
Award Category
Best Company To Work For In Taiwan Award

Outstanding Enterprise Manager Association Golden Peak Award
Award Category
Top 10 Outstanding Enterprises of the Year and Top 10 Outstanding Leaders

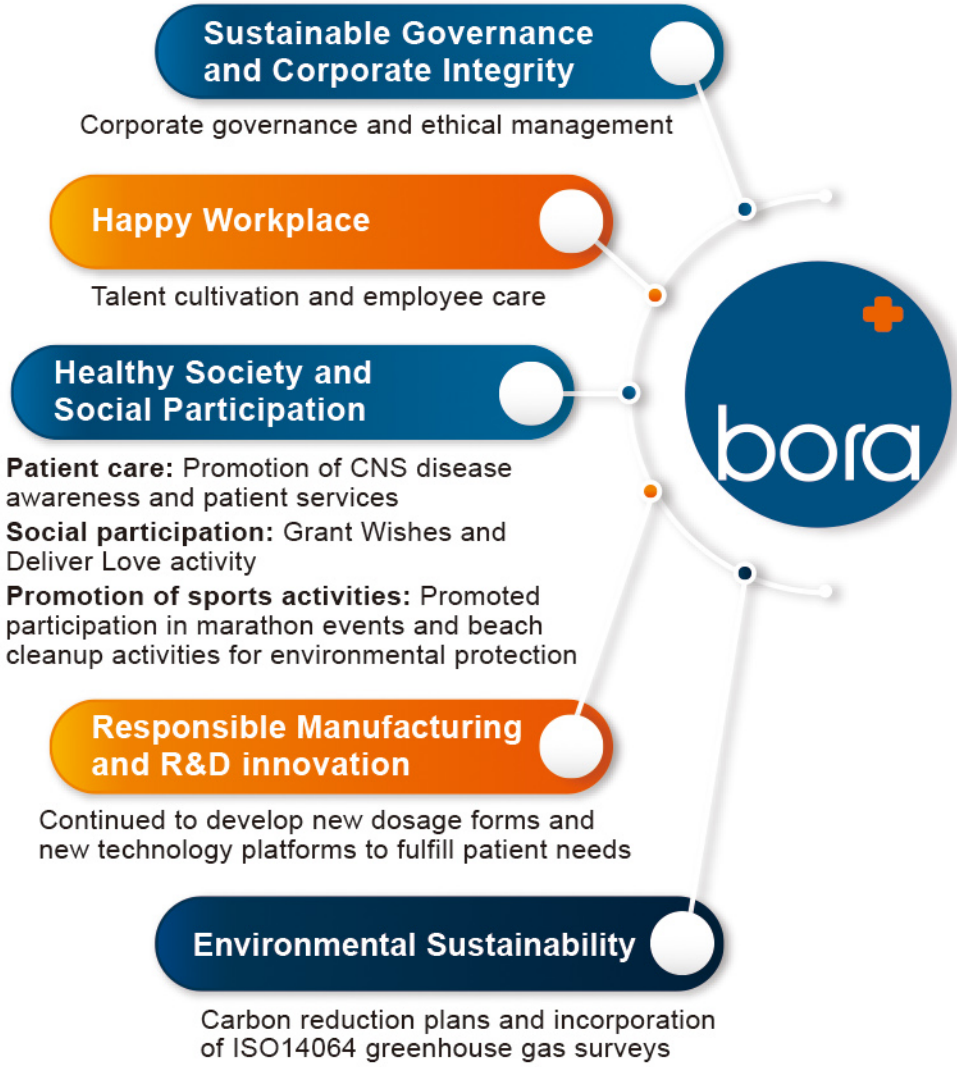
CommonWealth Magazine Hundred Fastest Growing Companies
Award Category
Second place in Hundred Fastest Growing Companies

Chapter Two.
Vision for Sustainability and Development

2.1 Vision for Sustainability and Development Goals

Vision and Main Axes for Sustainability

Bora Pharmaceuticals launched the "ESG Program" in response to the challenges and opportunities brought on by sustainable management and to incorporate issues of concern to our stakeholders. We have established a Sustainability Committee to focus on our five main strategies which are linked to the UN SDGs. We strive to achieve all sustainable management indicators with our core corporate values and expertise for promotion of economic growth, social development, and environmental protection so as to enhance our competitiveness and exert our positive influence as a pharmaceutical company.



Bora's Mission

Contributing to Better Health All Over the World

Bora Pharmaceuticals launched the "ESG Program" in response to the challenges and opportunities brought on by sustainable management and to incorporate issues of concern to our stakeholders. We have established a Sustainability Committee to focus on our five main strategies which are linked to the UN SDGs. We strive to achieve all sustainable management indicators with our core corporate values and expertise for promotion of economic growth, social development, and environmental protection so as to enhance our corporate competitiveness and exert our positive influence as a pharmaceutical company.

Sustainable Development Goals and Corresponding SDGs

The United Nations officially announced the Sustainable Development Goals (SDGs) under the 2030 Agenda for Sustainable Development in 2015 to serve as a strategic blueprint for peace and prosperity of mankind and the Earth. The SDGs include 17 core sustainable development goals and 169 specific practical goals. The aim of the 2030 Agenda for Sustainable Development is to ensure that all countries, enterprises, and people around the world can work together to face challenges and implement sustainable development goals before 2030. Bora Pharmaceuticals considers sustainable development to be an important indicator for long-term corporate operations ,expecting to exert our influence on society and the environment. We matched our vision for sustainability and link our five strategic axes and actions for sustainable development with the SDGs referenced the SDG Compass guidelines published by UN Global Compact, GRI standards, and WBCSD, to align our sustainable development strategies with international trends.

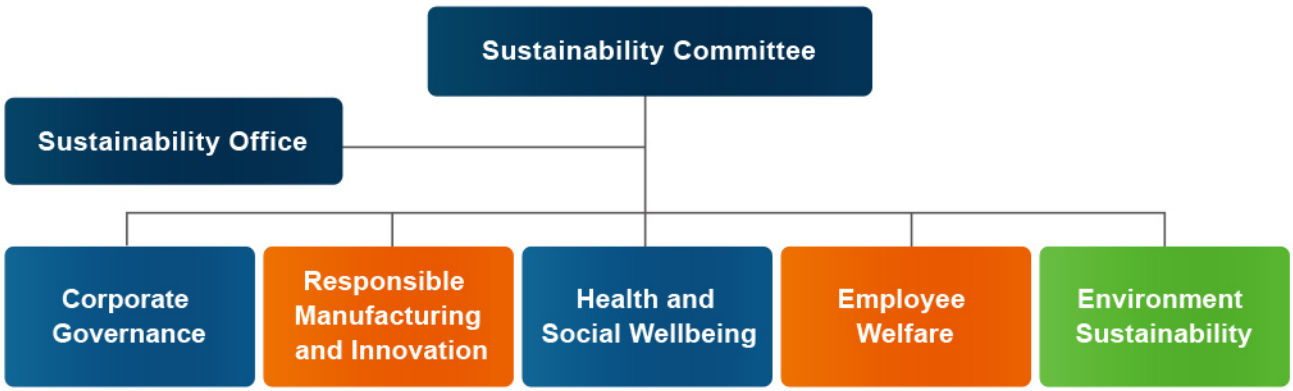
2.2 Corporate Sustainability Management Framework

Sustainability Committee and Governance Structure

To realize our vision for sustainable development, fulfill our corporate social responsibilities, and strengthen our sustainability actions, we submitted a proposal to establish a sustainability committee to the Board in 2022. The proposal was approved in February, following which our Sustainability Committee was formally established and our corporate goals for sustainable development were elevated to the level of the Board. The Sustainability Committee is subordinate to the Board and is composed of three committee members in accordance with corporate needs. Chairman Sheng Pao-Shi heads the Committee, and Independent Director Lee Yi-Chin and Director Chen Shih-Min serve as Committee members. The Committee coordinates corporate strategies for sustainable development, management guidelines, and specific plans for implementation, and also provides regular progress reports to the Board. The main responsibilities of the Committee are as follows :

1. Formulation of goals, strategies, and directions for corporate, social, and sustainable development, management guidelines and specific plans for implementation.
2. Compilation of information relating to annual goals and implementations of sustainable development and ESG indicators.
3. Tracking, review, and revision of sustainable development implementations and performance.
4. Other matters relating to Board resolutions and ESG developments.

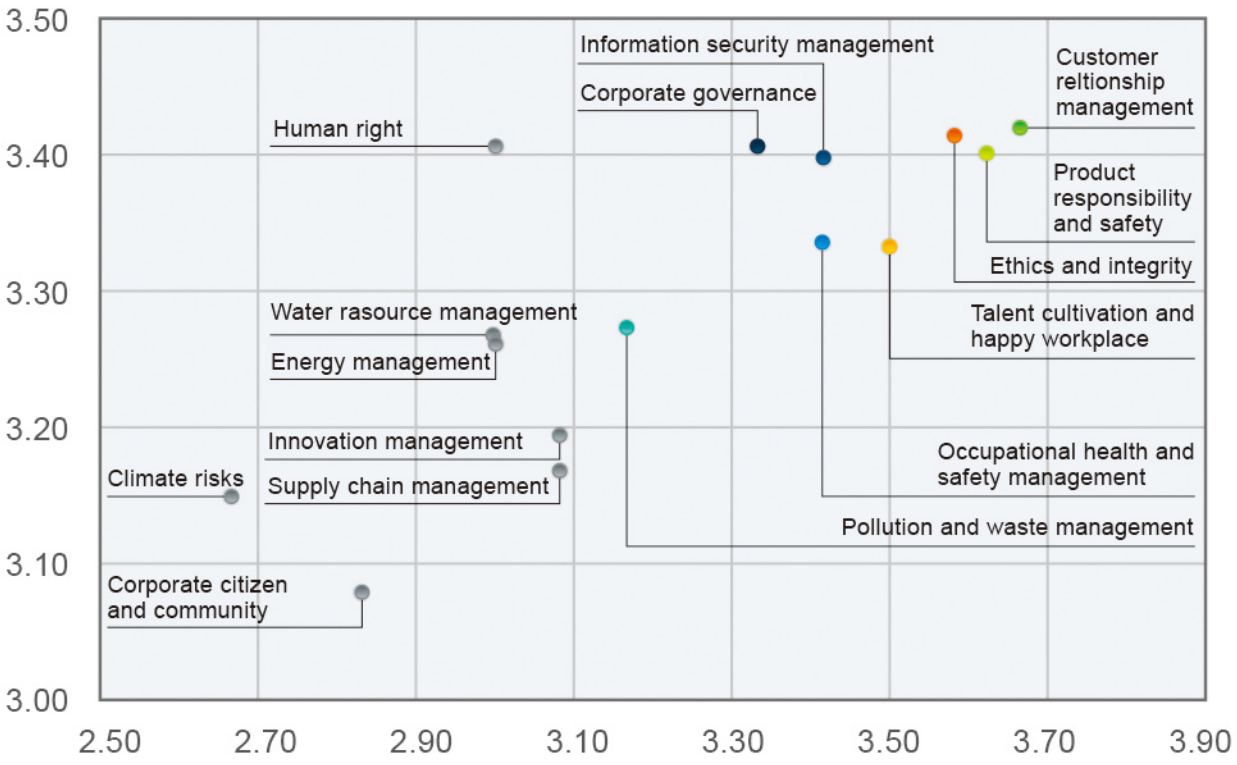
Five executive working groups (Corporate Governance, Responsible Manufacturing and Innovation, Health and Social Wellbeing, Employee Welfare, and Environmental Sustainability) have been established under the Board as shown in the following figure. The highest-ranking managers of relevant departments serve as the conveners and authorized officers of each working group. The working groups assess all sustainability issues based on materiality principles, provide progress reports at each Sustainability Committee meeting, and submit annual management guidelines for material issues that are used for sustainability reports and external disclosures. The organizational structure of the working groups is as follows:



2.3 Material Issues

Identification Process for Material Issues：ESG Risk Assessment

Bora identified material issues for discussion by department managers in accordance with the Dependency, Responsibility, Influence, Diverse Perspective, and Tension principles of the AA1000 Stakeholder Engagement Standard (AA1000SES, 2001), and identified four main stakeholders (employees, clients, suppliers/contractors, and investors). We collected stakeholder feedback using surveys containing questions relating to three (environmental, social, and governance) aspects and designed around potential risk categories. Surveys were distributed to various stakeholders and collected responses were weighted and included in analyses for our materiality matrix to determine material issues relating to Bora that could be used as a basis for evaluating and managing ESG risks. Relevant departments were notified of related issues and management guidelines were formulated. Our responses have also been incorporated in the different sections of our Sustainability Report to demonstrate our management of ESG issues.Material issues at Bora Pharmaceuticals include customer relationship management, product responsibility and safety, ethics and integrity, talent cultivation and happy workplace, information security management, occupational health and safety management, corporate governance, and pollution and waste management; these issues correspond with our operational and businesses focuses, and reflect the concerns and expectations of our stakeholders.



Material Issues

Material Issues and Management Guidelines

In 2021, Bora Pharmaceuticals identified the following eight material issues using the aforementioned ESG risk assessment process:

	Risk Categories	Description	Management Approach
Environmental	Pollution and waste management	• Inspection, management, and prevention plans for air pollution, as well as waste reduction and appropriate recycling and disposal	• In order to effectively manage and control the wastewater and waste generated in our factories, we periodically compile relevant data to ensure adherence with the quality limits and specifications of environmental regulations and discharge standards of industrial wastewater treatment plants
Social	Talent cultivation and happy workplace	• Establishment of a remuneration and welfare policy with external competitiveness and internal equality which offers various allowances and benefits	• We provide cross-departmental, cross-company, and transnational rotation opportunities which are matched with various career development plans for appropriate talents • We strive to strengthen communication channels between supervisors and employees, as well as establish open and transparent communication channels between colleagues to build harmonious labor-management relations and achieve win-win situations for us and our employees • We organize diverse activities and social clubs as well as relevant subsidies to ensure a work-life balance for our colleagues
	Occupational health and safety management	• Establishment of relevant management measures to ensure the occupational health and safety of our employees and suppliers	• To ensure the health and safety of our employees during work processes and in the workplace, we help our managers, chiefs, supervisors, and all personnel (including collaborating vendors) clearly understand the public health and cleaning procedures of factories and facilities established in accordance with legal labor health and safety management responsibilities, thereby maintaining public hygiene and minimizing pollution caused by our cleaning products in compliance with the requirements of environmental protection regulations.
Governance	Customer relationship management	• Customer service quality, results of customer satisfaction surveys, and improvement measures • Establishment of customer service processing procedures and strengthened training for sales personnel to increase customer satisfaction	• Conduct product education and training for sales personnel to enhance overall product expertise • Organize visits from regional managers to better understand customer needs • Continue to maintain the highest standards for protection of customer information and rights
	Product responsibility and safety	• Adherence to pharmaceutical regulations and compliance with PIC/S GMP certificate and other pharmaceutical standards; we not only ensure product safety, but also manufacture products that exceed regulated standards	• We regularly assess regulatory trends and plan corresponding responses and measures • We adhere to factory inspection standards set by the Ministry of Health and Welfare in Taiwan and the US Food and Drug Administration (FDA) • We undergo irregular client factory inspections to ensure that compliance with client needs • We regularly participate in lectures and courses organized by the Taiwan Food and Drug Administration and review quality systems and relevant standards, operations, and procedures in accordance with regulatory changes, adjusting our operations to align with laws and comply with regulations
	Ethics and integrity	• Incorporation of integrity and ethics in our business strategies and promotion of ethical management policies, dissemination, and training to make ethical management a part of our corporate culture that is implemented in decision-making processes	• We received no reports of ethical violations in 2021 • We established the Bora Group Code of Conduct and internal channels for announcements and dissemination, and required all colleagues to sign the Code of Ethical Conduct • We promoted our Ethical Corporate Management Best Practice Principles, grievance reporting process, and prevention of insider trading through a two-day employee conference held in Taipei, Zhunan, and Tainan • All directors have completed training relating to prevention of insider trading and insider ownership reporting
	Information security management	• Through implementation of information security management and monitoring systems; we consider management of confidential customer information to be the responsibility of all employees, and enhance information security awareness through education and training	• In 2021, we upgraded our new-generation firewalls, performed vulnerability scans, and upgraded or replaced our systems to strengthen information security • We released 31 information security newsletters in 2021 • We organized 2,445 hours of information security training in 2021 • Our information security training courses in 2021 were attended by 14,797 participants • We regularly backed up all systems and implemented backup mechanisms in 2021
	Corporate governance	• Continued implementation of corporate governance, strengthening of internal controls and audits, adoption of stakeholder feedback, and compilation of reports to the Board	• Our audit managers communicate periodically and non-periodically our with our independent directors; communications are disclosed on corporate website and in our annual reports • Operational statuses and resolutions of the Board of Directors and Audit Committee are disclosed in both Chinese and English on our corporate website and in our annual reports

2.4 Stakeholder Communication

Bora Pharmaceuticals attaches great importance to the rights of all stakeholders and works to establish public, transparent, and effective communication channels with all our stakeholders based on a stable and responsible attitude to achieve our vision of a sustainable future.

Stakeholder Communication and Identification

Bora upholds responsibilities and missions relating to sustainable governance. We have established a mailbox for stakeholder communication on our official website and also identified important stakeholders related to corporate operations, which include employees, investors, clients, and suppliers. We further communicate issues of concern to our stakeholders. In 2022, we continued to strengthen communications on issues of stakeholder concern through implementation of ESG strategic projects and analysis of correlations between stakeholder engagement and communication results to ensure that we thoroughly responded to all stakeholder needs. We regularly submit reports on stakeholder communications to the Board each year.

Communication Channels and Responses

Communications between Bora Pharmaceuticals and various stakeholders

Stakeholders	Materiality and significance	Issues of concern	Communication channels, responses, and communication frequency	Communication results in 2021
Employees	The Bora Group attaches great importance to employee rights. We not only periodically convene Employee Welfare Committee meetings, but also host irregular communication meetings between our managers and colleagues. We also adhere to the UN Guiding Principles on Business and Human Rights, emphasize human rights and equality at work, and comply with international regulations on labor health and safety protection measures to create an employee-friendly workplace. We believe that provision of a stable, healthy, and comfortable environment allows all employees to build their careers and maximize their potential. We offer effective and appropriate grievance reporting mechanisms for incidents that violate labor rights to ensure equality and transparency of the reporting process.	• Labor relations and labor protection • Talent recruitment and development • Diversity and equal opportunities • Employee health and employee care • Workplace health and safety	• Departmental communication and work meetings (daily) • Factory affairs meetings (weekly) • Internal newsletters (daily) • Employee conferences (quarterly) • Labor-management meetings (quarterly) • Labor Health and Safety Committee meetings (quarterly) • Performance interviews (annual) • Health and safety training (annual) • Employee Welfare Committee meetings (annual) • Remuneration Committee meetings (annual) • Employee education and training (non-periodic) • Employee suggestion box and grievance mailbox (real-time) • Internal corporate website (non-periodic)	• Strengthened talent cultivation and provided internal job transfer opportunities • The Chairman announced major corporate policies and information at quarterly employee conferences and faciliated effective face-to-face communications with employees through Q&As to achieve a common goal. • Effective promotion of labor-management relations through 12 labor-management meetings (hosted on a quarterly basis at each region) • Established goals at the beginning of the year and conductedevaluations at the end of the year. The ratio of employees who underwent annual performance evaluations reached 100%. • Provided travel and activity subsidies to help employees maintain their mental and physical health. - Annual Bora table tennis tournament - 2021 Total Wellness Fitness Challenge - Bora Parent & Child Day: Bring children to work day - Summer exercise event - Bora Mississauga BBQ Day • Encouraged our colleagues to participate in charitable activities and worked together to collect resources for donation to Africa through Step30 to spread warmth across the world.
Investors	Bora Pharmaceuticals has always been committed to investor relations. We have established a spokesperson and point of contact for investor relations, periodically host shareholders' meetings and release annual reports, release important information and announcements on the Market Observation Post System, non-periodically organize investor conferences and small investor symposiums, and issue press releases to maintain good relations with the media, achieve timeliness and transparency in information disclosures, and protect shareholder interests.	• Corporate governance and operational performance • Ethical management and legal compliance • Risk management • Future potential for growth and profitability	• Shareholders' general meetings (annual) • Investor conferences (semiannual) • Investor symposiums (non-periodic) • Financial reports (quarterly) • Revenue performance (monthly) • Disclosures of important financial and business information on the Market Observation Post System (non-periodic) • Spokesperson, acting spokesperson, and media point of contact (real-time) • Investor relations mailbox and point of contact (real time)	• Convened one shareholders' meeting • Convened two investor conferences • Convened three investor symposiums • Disclosed 29 pieces of material information on the Market Observation Post System • Conducted 25 interviews with domestic and overseas institutes, news interviews, and exclusive interviews (as of the 11th Board meeting)
Clients	Bora Pharmaceuticals is a professional CDMO provider that owns advanced facilities aligned with international standards and offers clients professional and customized services.	• Customer relationship management • Supply chain management • Information security and protection of personal information • Product quality and legal compliance	• Customer service mailbox (real-time) • Professional industrial information on our website and social media platforms (non-periodic) • Newsletters (non-periodic)	• Zero customer complaints and good customer satisfaction • Released white papers and professional industrial information on our corporate website; the number of average monthly visitors to our CDMO website rose from 145to 12,968, and we generated a list of 116 potential customers • The number of followers on our LinkedIn profile rose to 2781 people.
Suppliers	Bora Pharmaceuticals applies rigorous standards when selecting suppliers and aims to maintain long-term and stable collaborative supplier relations. We conduct non-periodic supplier audits and safety meetings to maintain stable production and operations.	• Raw materials and supply chain management (Business Continuity Management) • Quality inspections/ compliance with GMP regulations	• Processing MRO items through procurement, price inquiry, and negotiation procedures (non-periodic) • Purchasing raw materials from a list of qualified suppliers (non-periodic) • Conducting supplier audits in accordance with PIC/S regulations to better understand supplier compliance. The frequency of periodic supplier audits are based on audit results and risk assessments.	• We completed supplier evaluations for 2020 and compiled evaluation reports; we conducted assessments of BCM, services, and other indicators to serve as a reference for decisions on future collaborations • We completed audits for four suppliers in 2020; all suppliers fulfilled qualification criteria.

Stakeholder Communication Platform

Apart from important stakeholders, Bora also maintains good communications and interactions with all other stakeholders. We established mailboxes for external communication on our official website as well as diverse and transparent communications channels with all stakeholders in hopes of working towards our vision of a sustainable future with all our stakeholders. If you have any questions, please contact us through the following channels.

Investor and media relations

Bora has always been committed to investor relations. We have established a spokesperson and point of contact for investor relations, periodically host shareholders' meetings and release annual reports, release important information and announcements on the Market Observation Post System, non-periodically organize investor conferences and small investor symposiums, and issue press releases to maintain good relations with the media, achieve timeliness and transparency in information disclosures, and protect shareholder interests.

Contact:

Spokesperson：Vice President Chen Shih-Min

Acting spokesperson：Alice Wang, Director, Finance & Accounting Division

Phone number：+886-2-2790-1555

Email：public01@bora-corp.com

Stock transfer agency

Name：Stock-Affairs Agency Department, Taishin International Bank Co., Ltd.

Website：https://www.tssco.com.tw

Address：B1, No. 96, Jianguo North Road, Section 1, Zhongshan District, Taipei City 10489

Phone number：(02) 2504-8125

Customer communications

Bora is a professional CDMO provider that owns advanced facilities aligned with international standards and offers clients professional and customized services.

Contact：Ms. Wang / Email：Weni.Wang@bora-corp.com

Supplier contact

Bora applies rigorous standards when selectsuppliers and aims to maintain long-term and stable collaborative supplier relations. We conduct non-periodic supplier audits and hold safety meetings to maintain stable production and operations.

Contact：Mr. Huang / Email：alan.huang@bora-corp.com

Employee relations and benefits

Bora attaches great importance to employee rights. We not only periodically convene Employee Welfare Committee meetings, but also host irregular communication meetings between our managers and colleagues. We also adhere to the UN Guiding Principles on Business and Human Rights, emphasize human rights and equality at work, and comply with international regulations on labor health and safety protection measures to create an employee-friendly workplace. We believe that provision of a stable, healthy, and comfortable environment allows all employees to build their careers and maximize their potential. We offer effective and appropriate grievance reporting mechanisms for labor rights violations to ensure equality and transparency of the reporting process.

Contact：Ms. Chien / Email：hr80@bora-corp.com

Environmental health and safety

Bora aims to achieve sustainable development and attaches great importance to occupational safety, environmental protection, pollution prevention, and other environmental health and safety issues.

Contact：Mr. Chang / Email：miller.chang@bora-corp.com

Mailbox for reports of ethical management violations

Bora has established the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Regulations for Employee Rewards and Punishment," and other human resource regulations, as well as subsequent measures following investigations. We have also established an employee suggestion box and kept close tabs on it to make sure our employees can deliver information safely and confidentially . We also set up a dedicated unit which investigates and responds to reports. We did not receive any reports related to dishonesty or immorality matters during 2020.

Contact：Ms. Chien / Email：hr80@bora-corp.com

Date of Report to the Board

Communications with various stakeholders were reported to the Board on November 11, 2021.

Chapter Three.
Sustainable Governance

3.1 Corporate Governance Structure

Board Composition and Operations

Bora Pharmaceuticals believes in ethical management and continues to utilize stable and professional management models. We established a Board of Directors in accordance with our “Corporate Governance Best Practice Principles ” to strengthen corporate governance systems, and corporate governance matters are coordinated by the General Manager’s Office.

Board Operations

Bora Pharmaceuticals has seven directors (including three independent directors) that serve for a term of three years. Directors are elected based on basic principles of professional expertise and diversity. Board members are diversified among professionals with expertise in finance and accounting, business, management, and technology, with backgrounds in business management, business development, finance and accounting, and industrial knowledge, as well as capabilities relating to crisis management, leadership, and decision-making. Nomination and selection of Bora Pharmaceuticals Board members adhere to the provisions of our Articles of Incorporation. Candidates are nominated in accordance with the standards set out in our “Regulations for Director Elections ” and “Corporate Governance Best Practice Principles ” to ensure diversity and independence of Board members.

Our “Corporate Governance Best Practice Principles ” stipulate that composition of Board members should be diversified. The number of directors who concurrently serve as Company managers should not exceed one-third of Board members, and guidelines for Board diversity should be formulated following consideration of Board operations, business models, and development needs. Board members should all possess the knowledge, capabilities, and qualities required for carrying out their duties, including but not limited to the two standards listed below：

1. Basic criteria and values : Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional backgrounds in law, accounting, industry knowledge, finance, marketing, and technology; professional skills; and industry expertise.

To achieve ideal corporate governance targets, Board members should all possess the necessary knowledge, capabilities, and qualities required for carrying out their duties, including the following :

The Bora Pharmaceuticals Board is composed of directors with backgrounds in operational management; corporate mergers; multinational investment; biotechnology and healthcare; securities, insurance, and corporate governance; and analysis of international industries, who also possess the industrial knowledge required for future market expansion. These Board members provide Bora Pharmaceuticals with multidimensional suggestions which are highly beneficial for our usiness operations. The following table lists the attendance rates for Board meetings in 2021：

No.	Title	Director name	Actual number of attendances	Number of proxy attendances	Ratio of actual attendances
1	Director	Sheng Pao-Shi	6	0	100%
2	Director	TA YA Venture Capital Co., Ltd. representative Shen Shang-Hung	4	2	67%
3	Director	Bao Lei Co., Ltd. representative Chen Kuan-Pai	6	0	100%
4	Director	Chen Shih-Min	6	0	100%
5	Independent Director	Lin Jui-Yi	6	0	100%
6	Independent Director	Lee Yi-Chin	6	0	100%
7	Independent Director	Lai Ming-Jung	6	0	100%

Further Education of Board Directors

Director Education and Training

Pursuant to the stipulations of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies,” Bora Pharmaceuticals organizes training relating to current trends and corporate strategic needs for directors encompassing themes relating to “ESG sustainability governance,” “low-carbon economies,” “risk management,” and “accounting systems” to enhance director understanding of local regulations and systemic adjustments：

Title	Name	Training date	Hosting unit	Course title	Training hours	Training hours for the year
Chairman	Sheng Pao-Shi	11/24	Taiwan Institute of Directors	Family wealth legacies and building sustainable business operations	3	6
		05/06	Securities & Futures Institute	ESG/CSR trends and sustainable governance in 2021	3	
Corporate director representative	Shen Shang-Hung	11/23	Taiwan Corporate Governance Association	Global trends and business opportunities related to low-carbon economies and corporate low-carbon innovations in 2021	3	6
		09/06	Taiwan Corporate Governance Association	How companies can improve corporate governance through TIPS intellectual property rights management	3	
Corporate director representative	Chen Kuan-Pai	09/01	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	7
		08/31	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	
		05/06	Securities & Futures Institute	ESG/CSR trends and sustainable governance in 2021	3	
Director	Chen Shih-Min	11/24	Taiwan Institute of Directors	Family wealth legacies and building sustainable business operations	3	7
		09/01	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	
		08/31	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	
Independent director	Lin Jui-Yi	11/12	Securities & Futures Institute	How directors and supervisors monitor corporate risk management and crisis handling	3	6
		05/06	Securities & Futures Institute	ESG/CSR trends and sustainable governance in 2021	3	
Independent director	Lee Yi-Chin	10/26	Taiwan Corporate Governance Association	Development and application opportunities for artificial intelligence	3	10
		09/01	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	
		08/31	Taipei Exchange	2021 TPEx Sustainability Upgrading Online Forum	2	
		01/15	Taiwan Corporate Governance Association	Unlocking the key secrets of financial statements	3	
Independent director	Lai Ming-Jung	09/01	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	3	9
		03/19	Taiwan Insurance Institute	Strengthening corporate governance in the insurance industry: International business management trends in the life insurance industry	3	
		01/27	Taiwan Insurance Institute	Introduction to and impacts of Insurance Capital Standards (ICS): Challenges of IFRS17 and ICS compliance	3	

3.2 Ethical Management

Ethical Management

The original unit responsible for promoting ethical management at Bora Pharmaceuticals was the General Manager's Office. In order to integrate planning, promotion, and implementation of various corporate governance matters, the Board officially appointed the chief financial officer to act as the corporate governance officer on March 30, 2021. The corporate governance officer is responsible for coordinating various corporate governance matters. Our dedicated ethical management unit is governed by the corporate governance units and is responsible for implementing ethical management matters and carrying out business activities based on principles of fairness, honesty, trustworthiness, and transparency. We have established the "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," and "Procedures for Handling Material Inside Information" to realize the spirit of ethical management.

To ensure implementation of ethical management policies, responsible units are required to report on implementation progress to the Board at least once a year, and relevant procedures are revised in a timely manner based on regulatory changes and continually promoted.

The responsibilities of our corporate governance unit are as follows：

1. Incorporate ethical and moral values into corporate management strategies and formulate prevention measures for ethical management in accordance with legal regulations.
2. Regularly analyze and assess risks of unethical behaviors within the scope of business operations, and use these as a basis for formulating programs for prevention of unethical behaviors and relevant standard operating procedures and codes of conduct for each program.
3. Coordinate internal organizations, personnel deployments, and responsibilities, and establish mutual monitoring mechanisms for business activities at higher risk for unethical conduct within our scope of business.
4. Promote and coordinate ethical policies and related training.
5. Establish grievance reporting systems and ensure system effectiveness.
6. Assist the Board and management in checking and evaluating effectiveness of prevention measures established to implement ethical management, and regularly assess compliance of related business processes.

Corporate Governance Best Practice Principles

Bora Pharmaceuticals firmly believes that sustainable management and continued success in business depends on the trust and confidence we receive from our employees, clients, and shareholders. We abide by our commitments as well as ethical and honest practices to maintain mutual trust with our stakeholders, achieve joint growth and sustainable management alongside our partners, and adhere to our Ethical Corporate Management Best Practice Principles and ethical business norms.

Our Ethical Corporate Management Best Practice Principles encompass our entire Group as well as foundations with directly or indirectly donated funds exceeding 50%. When conducting business with internal stakeholders, Bora Pharmaceuticals is not allowed to directly or indirectly accept any improper benefits; engage in unethical behaviors that involve ethical, legal, or fiduciary duty violations; or be involved in other unethical behaviors to obtain or maintain benefits.

Procedures for Handling Material Inside Information

To establish sound mechanisms for handling and disclosing internal material information at Bora Pharmaceuticals, prevent improper information leaks, ensure consistency and accuracy of externally issued information, and strengthen prevention of insider trading, we require our directors, managers, and employees to exercise the care and duties of good managers, carry out their duties based on good faith principles, and sign confidentiality agreements. Other persons who obtain internal material information due to their position, occupation, or relationship with Bora Pharmaceuticals are prohibited from insider trading. Handling of relevant incidents adhere to the following regulations：

1. Persons with actual knowledge of any information that may significantly impact Company stock prices shall not purchase or sell, in their own name or in the name of other persons, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company within 18 hours prior to or following public disclosure of such information after the same has been confirmed.
2. Persons with actual knowledge of any information that may significantly impact our ability to pay principal or interest shall not purchase or sell, in their own name or in the name of other persons, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company within 18 hours prior to or following public disclosure of such information after the same has been confirmed.

Ethical Management Education and Training

To ensure that all Bora Pharmaceuticals employees abide by ethical management principles, we have designated personnel that study updates on issues related to corporate governance, collect information on the latest regulations, and internally disseminate knowledge on laws and regulations at appropriate times. Course presentations are released on our internal website dedicated to Bora Pharmaceuticals employees for reference at any time, which helps to strengthen awareness of legal compliance. Bora Pharmaceuticals policies are amended in response to regulatory and policy measures. We hope to provide our employees with a basic understanding of legal compliance and ethical management so that they can assess whether their routine tasks and actions may potentially damage our corporate reputation.

Bora Pharmaceuticals provides training for employees, with courses encompassing implementation of ethical management policy regulations and handling of violations. Course themes were as follows：

No.	Unit	Course theme	Number of participants	Total training hours
1	Corporate governance unit	Corporate governance and information security dissemination	227	113.5
2	Corporate governance unit	Equity management and reporting requirements for corporate insiders	12	12

3.3 Risk Management

Bora Pharmaceuticals identifies risk patterns from the perspectives of each unit and reviews the operational scenarios of each department to evaluate main risk types which are then compiled into corporate-level risk categories. We then assess the materiality of these risks on corporate operations, including financial impacts, impacts on corporate reputation, policy impacts and litigation risks, and technical substitutability.

We evaluate all risks from a sustainable management perspective and ensure that management guidelines have been established and adequate response measures are in place to serve as our main mechanisms for measuring risks. Our management guidelines include existing standard operating procedures and business continuity plans. Emergency response teams provide support for deficiencies, and the commander in chief is responsible for deploying resources to ensure appropriate distribution during emergencies for minimization of personnel injuries and property losses.

Risk Categories

Risk categories	Risk impacts	Response measures
Cybersecurity	Cyberattacks can result in information leakages, fraudulent transactions, or network paralysis, leading to operational interruptions, major property losses, damage to our corporate reputation, and even lawsuits	• Replace old firewalls with new-generation firewalls. • Organize training and dissemination to make information security tasks the responsibility of all employees, and enhance employee cybersecurity knowledge and awareness through continued training. • Conduct vulnerability scans and strengthen information systems and network equipment security by upgrading and replacing existing equipment. • Filter spam emails to reduce phishing letters and risks of commercial fraud. • Introduce new backup systems which implement daily backups of all systems and databases as well as remote backup mechanisms. • Implement identity verifications to reduce fraudulent use of system accounts and risks of operational hazards
Product liability and safety	Determine whether internal response measures should be initiated to prevent non-compliance in the event of revisions or amendments to cGMP regulations	• Regularly assess domestic and foreign regulatory trends and their corporate impacts, and design corresponding measures in advance to resolve related issues
	Assess risks related to product manufacturing quality and adherence to Current Good Manufacture Practices (cGMP) regulations. If anomalies occur during production processes or if inspection results do not adhere to relevant regulations, products will be judged as defective and will not be released, thereby causing no risks to our customers.	• Conduct comprehensive investigations, implement related corrective and preventive measures based on incident circumstances, and execute risk assessments when necessary. The competent authority (TFDA) is notified in the event of product recalls in accordance with PIC/S GMP requirements
Process safety	Our drug manufacturing environments adhere to PIC/S GMP and Good Manufacturing Practice regulations. Operating environments are maintained at temperatures of 23±4°C and humidity below 60% RH. In the past, external climate environments were relatively calm, but global warming and climate change are causing climate conditions to become more extreme, making it increasingly difficult to maintain temperature and humidity conditions of operating environments.	Improve air-conditioner systems and use changeable frequency air conditioner. We also switch air-conditioners on and off based on shift arrangements to maintain stability of operating environments and reduce impacts from external environmental factors.
Clinical trials	We are required to implement relevant notifications within specified time limits if clinical trial subjects develop severe adverse drug reactions. We are also required to implement relevant notifications within specified time limits if our drugs on the markets cause severe adverse drug reactions.	Bora Pharmaceuticals has assigned dedicated personnel who are responsible for notifications of severe adverse drug reactions. Contact information is disclosed on all clinical trial proposals and the Adverse Drug Reactions Reporting System for immediate handling if adverse reactions occur.

Collaboration with External Units

To maintain sound interactions and relationships with external units, as well as management of possible information security impacts on our operations, we actively communicate with external stakeholders and collaborate with external institutes to obtain corporate information security information and share our business experiences so that our internal and external stakeholders can continue interacting with each other, thereby enhancing their expertise. Relevant associations and activities are as follows：

Collaborating units	Category	Description
Science Park Information Sharing and Analysis Center	Threat intelligence	Intelligence information includes： 1. Security vulnerabilities that are susceptible to malware 2. Programs with exploitable zero-day vulnerabilities 3. Ransomware attacks 4. Suggestions and solutions for cyber defenses 5. Commonly attacked systems or programs within the Company 6. Suspicious IPs targeting our external service websites
	Work guidelines	Work guidelines include： 1. Cybersecurity and Infrastructure Security Agency (CISA) Guidance for Remote Work Security 2. US government recommendations for corporate defenses against ransomware incidents 3. Response and protection measures for cyberattacks on VPNs

3.4 Legal Compliance

Mechanisms for Handling Regulatory Changes

Because regulatory knowledge is updated frequently, our Regulatory Department actively designates personnel to participate in regulatory training organized by the Taiwan Food and Drug Administration (TFDA) and the Center for Drug Evaluation (CDE), notifies departments affected by new regulations, and organizes internal training program. In 2021, we participated in 40 regulatory training sessions organized by competent authorities and organized 4 internal cross-departmental training sessions. Announcements and information from competent authorities and public associations are conveyed to relevant departments by email as soon as possible. If products need to be changed, we conduct in-depth discussions with our quality departments to formulate strategic changes and schedules for submitting relevant documentation.

Mechanisms for Handling Illegal Incidents

Notifications of regulatory violations received by our General Affairs Department are transferred to our Legal Department, which then discusses the same with our Regulatory Department and relevant departments; personnel from the department which incurred the violation are responsible for explaining specific corporate actions and improvement measures to the competent authorities.

3.5 Corporate Emergency Response Measures

Emergency Response Teams and Measures

In order to deal with unexpected events, we have established risk management measures to govern evaluations of emergencies with larger potential impacts and formulation of emergency response measures. Our manufacturing plants also have risk management strategies that allow them to respond immediately and effectively to emergencies and accidents, and rigorous control and handling measures are implemented to address exigencies and reduce personnel injury and property loss. These risk management strategies encompass safety, environmental protection, sanitation, fire protection, and security, as well as the establishment of an emergency reporting hotline that can be used to directly request assistance from the response units of the industrial park and local governments, thereby minimizing damages when emergencies or accidents occur and allowing for stable corporate operations.

Management and Response Measures for Business Interruptions

Bora Pharmaceuticals has instituted a Business Continuity Management (BCM) mechanism since 2020, encompassing reviews of all factors directly or indirectly affecting supply chains and evaluations of risk levels. We have also established a Business Continuity Team which is convened by our General Manager, and respective department heads are responsible for coordinating relevant factors：

1. Raw material supply: The quality control and procurement departments conduct risk evaluations for each raw material supplier and establish alternative procurement plans for high-risk suppliers.
2. Production equipment: The engineering, quality control, and manufacturing departments examine all production equipment, inventory spare parts, and ascertain parts supply and service interruption risks of all suppliers; changes to production processes or addition of new equipment may be necessary to prevent production interruptions.
3. Personnel deployments should be fully reviewed to ensure reasonable assignment of production personnel and confirm that production personnel are equipped with the skills to provide support for each other so that production processes are not disrupted.

To ensure that production plants can take immediate action to address risks during emergency situations and minimize potential impacts from disasters, each production plant has established an individual emergency response plan that covers various emergencies and accidents. A commander in chief is responsible for deploying resources and bringing together all department heads to form a core command center. Additionally, we have also established fire protection teams composed of at least two trained personnel from each department who can quickly resolve emergency incidents including but not limited to fires, releases of hazardous energies, natural disasters, and life-threatening diseases or injuries.

According to our Environmental Safety and Health Emergency Response Plan , our General Manager serves as the administrator and person in charge of emergency response and evacuation plans, and is responsible for establishing and formulating detailed emergency response and evacuation plans, and arranging evacuation measures for each area, in the event of accidents. The engineering and environmental safety and health departments are responsible for identifying the most appropriate and safe evacuation routes, and various managers and directors are responsible for conducting a headcount of personnel and ensuring safe evacuations for the entire plant until supporting personnel arrive at the designated assembly points to provide assistance.

Managers and directors work routinely with employees to review emergency procedures, emergency exit routes, and emergency evacuation maps posted in workplaces, and the Environmental Safety and Health Department works with local public emergency response measure providers to refine and update this plan. If production plants encounter any moderate to major events that require external assistance, a hotline should be established so that support and assistance may be sought from the industrial park or relevant management authorities. Depending on differing jurisdictions, assistance may also be sought by directly contacting local governments.

Response Measures to IT-Related Incidents

Emergency response command chain for IT-related incidents	1. The highest-ranking manager of the Information Technology Department serves as the head convener of the incident management (response) team and should supervise establishment of business continuity plan and organization of routine disaster preparation drills to provide mission-oriented training. 2. The primary members of the response team include personnel from the Information Technology Department, with tasks assigned according to respective IT skills and responsibilities; support and additional personnel may also be sought from external IT vendors according to the demands of each situation. 3. The head convener of the response team is responsible for evaluating the incident extent and impact, supervising primary and secondary incident analysis and management, and reporting on incident management to the General Manager in a timely manner. 4. If the head convener of the response team determines the incident to be a tertiary or quaternary IT security incident, an immediate report should be made to the General Manager, and an emergency response team consisting of the General Manager, the spokesperson, the head of finance, the highest ranking manager of the Information Technology Department, and personnel from the Information Technology Department, with the General Manager serving as the commander responsible for directing IT and communication security response efforts and supervising recovery, forensics, investigation, and improvement processes.

Epidemic Risk Management

Upon the outbreak of the COVID-19 pandemic, Bora Pharmaceuticals immediately activated response mechanisms. Apart from requiring each member of staff to measure body temperatures, disinfecting alcohol was made available at all main entrances, guardrooms, lobbies, dining tables, and restrooms for visitors and staff to disinfect their hands. Protective membranes were placed on elevator buttons, and were cleaned daily and replaced weekly, while signage indicating the maximum number of occupants, as well as where they should stand, were placed on the floors of all elevators.

In addition, personnel dispersals, shift changes, and work from home (WFH) measures were implemented as soon as the Central Epidemic Command Center issued a Level 3 epidemic warning; these measures were relaxed in early July as the pandemic slowed, allowing staff to resume normal work routines. No staff members became infected during this time and there were no risks of operational disruptions. The efforts of all departments enabled the Company to weather the pandemic safely and return to Level 2 epidemic status.

According to the Business Continuity Plan for Epidemics or Pandemic Flu established at Bora Pharmaceuticals, the Environmental Safety and Health Department and Human Resources Department should proactively inform staff of infectious disease information issued by the Centers for Disease Control of the Ministry of Health and Welfare, including disease types and methods of spreading. Regular updates should be provided by email or other effective measures to monitor and update employee status, as well as provide any and all useful information. In addition, the

Environmental Safety and Health Department and Human Resources Department should provide thermometers, face masks, other medical supplies, and empty sealable bags at all on-site clinics, and prepare protective suits, rubber gloves, and protective goggles in sufficient quantities for the use of staff charged with providing assistance to affected employees. The following items should also be propagated within the Company and brought to the attention of all departments：

I. Encourage employees to maintain good hygiene habits in the workplace.
II. Remind employees to use soap and water to wash their hands thoroughly under the following circumstances:
- Before and after preparing food
- After going to the toilet
- Before and after meals
- After coughing or sneezing
- After removing personal protective equipment (PPE)

III. When sneezing or coughing, paper napkins should be used, and cleanup should be conducted carefully
IV. Avoid sharing cups or other tableware

Our Business Continuity Plan for Epidemics or Pandemic Flu responds to COVID-19 conditions and recommend that when outbreaks reach pandemic status (Red Level), key operational personnel should be divided into two segregated teams. If any employee displays fever or other infectious disease symptoms, the Environmental Safety and Health Department and Human Resources Department should be informed immediately, and local hospitals should be contacted to arrange transport for potentially infected employees. In addition, all employees that came in contact with potentially infected employees over the past 14 days should be notified, and affected areas should be disinfected.

In addition to these measures, Bora Pharmaceuticals provides personal protection packages to all staff and executives traveling for work during the pandemic, with the contents of the package comprising a protective suit, gloves, face masks, and disinfecting alcohol. Each plant site should further establish management policies to enhance disease prevention measures based on the following employee regulations：

Epidemic Prevention Measures		
Item	Zhunan Plant	Tainan Plant
Epidemic prevention management	1.Face masks were worn during work at all times and hands were disinfected periodically 2.All on-site and remote employees monitored body temperatures 3.On-site canteens adopted dining shifts and spaced seating 4.Avoided unnecessary on-site visits from visitors 5.Conducted timely surveys of whether employees or their family members came into contact with infected persons 6.Avoided visits to suppliers or clients 7.Adopted personnel limits for meeting rooms and transitioned to online meetings 8.Published epidemic prevention e-newsletters and guidelines	1.Measured body temperatures and disinfected the hands of all persons entering the plant 2.All staff were required to make daily reports of their health conditions such as body temperature 3.The canteen adopted spaced seating and changed meals from buffets to lunchboxes; conversation during meals were prohibited 4.Personnel worked in different shifts, teams, and sites 5.All personnel not directly involved in manufacturing worked from home 6.Avoided unnecessary on-site visits from visitors 7.Avoided visits to suppliers or clients 8.Adopted personnel limits for meeting rooms (based on room size) and transitioned to online meetings
Resources and equipment	1.Installed alcohol disinfection machines at various sites 2.Provided medical-grade face masks 3.Set up VPN for remote work 4.Set up teleconference capabilities	1.Installed alcohol disinfection machines at various sites 2.Provided medical-grade face masks 3.Set up VPN for remote work 4.Set up teleconference capabilities

The following measures were adopted for higher risk personnel：

Epidemic Prevention Measures		
Item	Zhunan Plant	Tainan Plant
Staff	To ensure the health of foreign staff, the Zhunan Plant worked with the rapid testing station set up by the Science Park Administration to provide rapid screening tests. After obtaining approval from foreign staff, 3 rapid tests were separately conducted during the incubation period of 14 days, and the results were all negative, greatly reducing operational risks. During the incubation period, exclusive restrooms and dining areas were provided to foreign staff to prevent inter-employee transmission.	All personnel suspected or confirmed to be in contact with infected persons were required to conduct self-evaluations using a Personal Health Monitoring Chart and measure their body temperatures twice per day (once in the morning and once at night) for 14 days continuously. Body temperatures and the following symptoms were monitored and recorded on the Personal Health Monitoring Chart： 1.Fever > 38°C 2.Cough 3.Respiratory symptoms 4.Sore throat 5.Arthritis 6.Muscle pain or weakness 7.Gastrointestinal symptoms (diarrhea, vomiting, abdominal pain)

Epidemic Prevention Measures for Supplier On-site Visits

All visitors and vendors conducting necessary on-site visits were required to scan QR codes and fill in health proclamation forms when entering our sites, and plant security personnel measured body temperature and disinfected the hands of all visitors after the form was completed.

Epidemic Prevention Measures		
Item	Zhunan Plant	Tainan Plant
Contractors/ suppliers	1.Avoided unnecessary visits from vendors 2.Surveyed vendors using a questionnaire to confirm if they were in contact with infected persons, measured their body temperatures, and disinfected their hands	1.Avoided unnecessary visits from vendors 2.For necessary visits, visitor names and contact information were checked and recorded, and visitors were required to wear face masks at all times, disinfect both hands, measure body temperatures upon entry, and were only allowed access if their temperatures were normal.

Forehead temperature measurements for entering personnel

Hand disinfection for entering personnel

Management Measures for Manufacturing Units

The following standards were enacted for manufacturing units that were unable to fully switch to a remote working model：

I. Partitions were installed in Manufacturing Department offices to prevent transmission through direct contact.

II. During Level 3 epidemic situations, personnel were divided into different teams with separate day and noon shifts; personnel assigned to different shifts were required to avoid face-to-face conversation, and alcohol cleansing and disinfection procedures were conducted when leaving work areas.

III. Personnel in formulation and packaging on-site areas were required to wear cleanroom face masks according to our Operational Clothing and Entering/Leaving Operational Areas Standard Operating Procedures , and we also required medical-grade face mask certified for epidemic prevention to be worn within cleanroom face masks, though N95 respirators could be worn alone for manufacturing processes requiring N95 respirators. We required all personnel to wear medical-grade face masks in secondary packaging areas at all times.

IV. Apart from rigorous prevention of cross-contamination between processes in manufacturing areas, we also prohibited gathering and chatting in public spaces.

V. Formulation and packaging team meetings were temporarily cancelled, and important notices were instead distributed through LINE Groups. Original meeting periods were used to intensify environmental cleaning efforts.

3.6 Information Security

We continue to optimize our information security systems by replacing and introducing information security defense mechanisms such as new-generation firewalls, spam filters, new-generation backup systems, vulnerability scans, and strengthened security systems. We organize regular information security training and dissemination each year to enhance the information security awareness of all employees and improve information security levels. We have also hired an information security supervisor with ISO 27001, Certified Information Systems Auditor (CISA), ISACA Certified Information Systems Auditor (CISA), and other certifications. The supervisor is responsible for coordinating related management measures, and we have also established supplier review criteria, requiring our systems maintenance vendors to be ISO/IEC 27001 certified before they can become qualified suppliers. We also continue to strengthen our information security defenses by adhering to professional recommendations. No major information security incidents occurred in 2021.

Information Security Measures

We have established an “Information Security Promotion Team” in accordance with Bora Pharmaceuticals information security management systems. The Information Security Promotion Team is responsible for coordinating, promoting, and supervising information security management matters at Bora Pharmaceuticals. The Team is convened by our General Manager, and team members are composed of managers from various departments. An “Information Security Handling (Response) Team” has also been established under the “Information Security Promotion Team.”

Strategy	Mechanisms	Solutions
Information security	1. Established information security organization 2. Formulated information and communications security systems 3. Strengthened security of existing information and communications systems	1. Hired information security supervisor in May 2021 to promote various information security tasks 2. Formulated Bora Pharmaceuticals information and communications security policies to regulate promotion of information security tasks 3. Reviewed, assessed, and optimized existing information and communications systems
Technological applications	1. Strengthened information and communications systems 2. Collected internal and external information 3. Data analysis and responses	1. Introduced new-generation firewalls in 2021 2. Managed and strengthened information and communications systems vulnerabilities 3. Monitored and prevented abnormalities 4. Blocked spam and phishing letters
Information optimization	1. Continued to enhance information security awareness in all employees 2. Gradually strengthened information security defenses and protection systems 3. Organized backup and disaster recovery drills for important systems and data	1. Issued regular information security newsletters 2. Hosted irregular information security training sessions 3. Implemented management of information and communications systems vulnerabilities 4. Implemented identity verifications to reduce cyber fraud risks 5. Organized social engineering drills to enhance employee risk awareness

Information Security Education and Training

We organized 2,445 hours of information security training for 14,797 participants in 2021 to enhance information security awareness in Bora Pharmaceuticals employees, ensuring constant attention to information equipment utilization and potential information security risks. Training topics were as follows：

No.	Unit	Topic	Number of participants	Training hours
1	Factory supervisors	Case sharing on ransomware attacks	17	4.25
2	Senior executives	FBI recommendations for prevention of BEC attacks	11	2.75
3	All employees	Information security training for all employees	460	76.67
4	All employees	IT newsletters and information security dissemination	14,260	2,139
5	Information Technology Department	Vulnerability management	4	4
6	Information Technology Department	Basic and advanced firewalls	8	24
7	Information Technology Department	Management of firewalls and wireless networks	3	24
8	Information Technology Department	Email security (SPF/DKIM/DMARC)	7	35
9	Information Technology Department	Introduction to VDI	7	35
10	Information Technology Department	Recent Microsoft security updates for system vulnerabilities	7	35
11	Information Technology Department	Introduction to ISO27001	7	35
12	Information Technology Department	Common cyberattack methods: DDoS	6	30

Our main information-related actions in 2021 were divided into three major categories: cybersecurity defense equipment and monitoring of network behaviors, establishment of remote backup systems, and establishment of information security defense mechanisms. These actions were mainly implemented in response to potential requirements for remote work and access to corporate information due to the recent pandemic. These actions allowed for effective prevention of malicious attacks and intrusions, blocking of malicious network behaviors, and logging of relevant records to minimize risks of information losses. Our systems and data are regularly backed up, and we conduct periodic backup recovery tests each year. Bora Pharmaceuticals has actively established defenses measures for information security systems to prevent risks of loss and tampering of corporate information.

Information Management Measures

Bora Pharmaceuticals has established the “Information and Communications Security Policies. ” To fully plan and promote various information security policy tasks, we have established an Information Division and Information Security Department and hired an information security supervisor to lead our colleagues in promoting information security tasks. No external attacks caused irreversible system damage in 2021. Our management actions were as follows：

Information security governance	• Planned information security architecture which is constantly adjusted to align with Bora Pharmaceuticals developments and changes in information security trends • Periodically checked existing information security environments and assessments of upgrades and replacements to reduce information security risks • Continued to assess information security solutions and offered budgeting recommendations for resource integration • Organized Information security training and promotion to strengthen information security awareness in all employees • Studied information security trends and provided relevant information to managers
Information security defenses	• Replaced expired firewalls with new-generation firewalls in 2020 • Information security personnel conducted routine monitoring, analysis, management, and vulnerability scans as well as strengthened security of information systems and network equipment by upgrading system programs and replacing existing equipment
Responses and handling	• Introduced new-generation backup systems which back up our systems and databases every day and implemented remote backup mechanisms to ensure our systems can be restored in accordance with defined system significance levels in case of emergency.

We constantly update our cyber defense knowledge and equipment, and continue to formulate various targets to maintain information security at Bora Pharmaceuticals. Our short, medium, and long term targets are as follows：

Short term (1-3 years)	Medium term (3-5 years)	Long term (more than 5 years)
• Continue to amend information security systems and regulations • Inventory tangible and intangible information and communications assets • Vulnerability management • Identity verifications • Social engineering drills	• Network access controls • Manage privileged accounts • Prevent endpoint data breaches • Cloud protection solutions • Intrusion detection and defense systems • Security information and incident management	• Introduce information security certification systems • Ensure information security of supply chains

Bora Pharmaceuticals has also established rigorous firewall policies and excluded non-secure domains to ensure information security. Our information security personnel also conduct routine monitoring, analysis, and management of information environment hazards to eliminate potential damages to corporate assets.

Chapter Four.
Ecological Sustainability

4.1 Environmental Policies

Bora Pharmaceuticals focuses on environmental sustainability in supply chain management. We not only comply with laws and international standards, but also strive to reach higher standards in controlling wastewater, waste, and greenhouse gases generated by our factories and corporate operations as part of our contributions to environmental protection. We disclose our current operational risks in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework in response to the impacts of increased greenhouse gas emissions and indirect effects on global warming and climate change.

Bora Pharmaceuticals employees adhere to our "Corporate Social Responsibility Best Practice Principles" and prioritize ecological impacts from our operations while promoting sustainable consumption. We strive to minimize environmental impacts from our R&D, procurement, production, operations, service, and other business activities, with key considerations being：

01 | Reduce resources and energy consumed by products and services

02 | Reduce discharge of pollutants, toxic substances, and waste, as well as dispose of waste appropriately

03 | Enhance recycling and reuse of materials and products

04 | Maximize sustainability of renewable resources

Environmentally friendly measures implemented at our factories were as follows：

Zhunan Facility

- Replace ceramic media used in regenerative thermal oxidizers (RTOs) to enhance efficiency and compliance with exhaust emission standards
- Replace activated carbon used in VOC emission treatments twice each year

Tainan Facility

- Installed solar power equipment
- Replaced old water chillers to enhance energy efficiency
- Optimized chilled water pipelines to reduce waste during transportation and enhance energy efficiency

Canada Facility

- Replaced booster pumps for domestic water systems
- Replaced four condensate water tanks
- Changed lightning equipment in buildings
- Replaced three HVAC systems
- Optimized water vapor systems
- Implemented RO technology for boiler feedwater

Climate Risks and Governance（TCFD）

We used the Task Force on Climate-Related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB) in 2015 to disclose our management actions relating to climate governance, strategies, risk management, indicators and targets.

	Current conditions	Enhancement measures
Governance	We organize regular internal meetings to report on energy usage, greenhouse gas emissions and other indicators, as well as various environmental management measures and targets for our supply chain.	To enhance corporate governance and supervision of climate change issues, we established a functional committee (the Sustainability Committee) under the Board in 2022 to review issues related to sustainability and climate change.
Strategy	We use the annual global risks reports released by the World Economic Forum (WEF) and domestic and overseas industrial reports on related issues to identify the main impacts of extreme weather events such as heavy rain or typhoons. Our potential transition risks include stricter environmental regulations as well as rising water and electricity costs.Our potential physical risks include flooding caused by heavy rains or severe typhoons.	We have formulated business continuity plans related to flooding and operational interruptions to ensure that all our units can be organized to carry out emergency response measures during various scenarios caused by operational interruptions to ensure that we can quickly initiate response plans, maintain a certain level of production and delivery, and rapidly return to normal operations.
Risk management	All unit managers assess, respond to, and track operational risks; the scope of risk assessment includes operational processes and environmental, governance, and social issues. We have taken out operational interruptions insurance to transfer potential risks of financial losses from operational interruptions, thereby reducing climate risks.	Climate risks have been listed as a risk topic for regular discussion by our Sustainability Committee, which reviews reports of management guidelines and risk topics related to climate issues.
Indicators and goals	We currently collect information on the following indicators: energy usage, greenhouse gas emissions, and water consumption; please refer to the sections in Chapter Six for specific data on these indicators.	Bora Pharmaceuticals began implementing the ISO 14064-1:2018 in 2021 and we plan to complete system verifications in the middle of 2022 to establish complete greenhouse gas assessment indicators for all our sites.

Environmental Management Policies

Bora Pharmaceuticals is committed to environmental protection and aims to achieve sustainable management. Faced with increasingly severe climate change conditions and the once-in-a-century drought of 2021, Bora Pharmaceuticals has begun to emphasize planning and implementation of environmental protection and environmental management actions. The environmental protection policies of all our factories adhere to relevant guidelines issued by local competent authorities. Additionally, our Tainan Plant, which is located within the Guantian Industrial Park, adheres to industrial park regulations, and the management measures of our Canada Plant also adhere to local regulations relating to soil, groundwater, water, and energy resources. The following are some of the equipment upgrades we are gradually implementing in our factories to enhance energy efficiency：

Measures for enhancing energy efficiency

Zhunan Facility

- Improved our Phase II CDA cooling water pumps, which reduced electricity usage by 315,711 kWh
- Lowered voltages of air-conditioners in process areas, which reduced electricity usage by 372,778 kWh
- Adjusted temperature and humidity conditions in process areas during holidays, which reduced electricity usage by 346,143 kWh
- Adjusted air-conditioning conditions based on production needs, which reduced electricity usage by 145,786 kWh

Tainan Facility

- Invested NT$ 7 million to replace water chillers, which reduced electricity usage by 541,920 kWh and reduced electricity costs by NT$ 1.94 million

Canada Facility

- Completed replacement of boiler control systems in September 2021
- Completed installation of glycol heating systems in oil storage areas in November 2021 to replace the need of renting Hydronic Glycol Heating Diesel Generator used for snow melting during the winter to reduce carbon dioxide emissions
- Initiated Voltaren Vaste Water Saving Project in the third quarter of 2021 to divert sanitary sewage from CIP cleaning cycles to the Mississauga water treatment plant, replacing in-factory combustion

4.2 Environmental Management Measures

Waste Management

Bora Pharmaceuticals collects, classifies, and stores waste in accordance with the Waste Disposal Act, and also submits online reports in accordance with regulations. We commission qualified disposal companies to implement waste removal and handling, as well as last checks before final disposal.

Pollution Management Costs in Taiwan Region

Unit: thousand NTD

Category	2019	2020	2021
Sewer charges	1,203	1,287	1,022
Disposal costs for industrial waste	3,789	3,348	3,852
Air pollution costs	17	57	105

Note: Only Zhunan facility's data included in 2019 and 2020.

Unit: CAD

Category	2020	2021
Wastewater management costs	46,676	305,000
Waste management costs	59,550	662,000

Waste Management Mechanisms at Tainan Facility

The safety data sheets (SDS) and applications of new products introduced at our Tainan Facility are evaluated, along with product processes, capacities, generated waste, main types and amounts of materials and additives, and maximum and average monthly usage amounts, to determine whether there are any impacts on human health or environmental pollution. Our disposal plans for industrial waste are also revised accordingly. Waste management items that are required to be reported during the year and report times are shown as follows：

1. Reported every Wednesday: Reports of D-1801 domestic waste and D-0299 waste plastic mixtures
2. Reported monthly: Online reporting of recycled waste and industrial waste
3. Reported every six months: Reports of regular inspections for dedicated underground industrial wastewater and sewage systems
4. Reported annually: Reports of priority management chemicals
5. Reported every three years: Reports of hazardous chemical exposures and classified management

Waste Disposal Data for Tainan Facility

Unit：(t)

Waste category	Item/Year	2019		2020		2021	
	Waste disposal category	On-site	Off-site	On-site	Off-site	On-site	Off-site
General industrial waste	**Total amount of recycled general industrial waste**	0.0		0.0		0.0	
	Total amount of incinerated general industrial waste (with energy recovery)	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of incinerated general industrial waste (without energy recovery)	0.0	8.7	0.0	8.2	0.0	5.2
	Total amount of general industrial waste disposed by landfill	0.0	2.5	0.0	3.4	0.0	4.2
	Total amount of general industrial waste disposed by other methods	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of non-recycled general industrial waste	11.2		11.6		9.5	
Hazardous industrial waste	Total amount of hazardous industrial waste prepared for reuse	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of renewable hazardous industrial waste	0.0	1.3	0.0	1.4	0.0	0.9
	Total amount of hazardous industrial waste processed through other recycling procedures	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of recycled hazardous industrial waste	1.3		1.4		0.9	
	Total amount of incinerated hazardous industrial waste (with energy recovery)	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of incinerated hazardous industrial waste (without energy recovery)	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of hazardous industrial waste disposed by landfill	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of hazardous industrial waste disposed by other methods	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of non-recycled hazardous industrial waste	0.0		0.0		0.0	

Waste Management Mechanisms at Zhunan Facility

We estimate the total amount of waste in newly introduced chemicals and products, identify corresponding waste codes based on material characteristics, then make adjustments or changes to compiled waste disposal plans which are submitted to the Hsinchu Science Park for review. Subsequent reporting and processing are conducted in accordance with approved plans.

Waste Disposal Data for Zhunan Facility

Unit：(t)

Waste category	Item/Year	2019		2020		2021	
	Waste disposal category	On-site	Off-site	On-site	Off-site	On-site	Off-site
General industrial waste	**Total amount of recycled general industrial waste**	0.0		0.0		0.0	
	Total amount of incinerated general industrial waste (with energy recovery)	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of incinerated general industrial waste (without energy recovery)	0.0	20.4	0.0	21.9	0.0	31.0
	Total amount of general industrial waste disposed by landfill	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of general industrial waste disposed by other methods	0.0	72.0	0.0	23.1	0.0	7.1
	Total amount of non-recycled general industrial waste	92.4		45.0		38.1	
Hazardous industrial waste	Total amount of hazardous industrial waste prepared for reuse	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of renewable hazardous industrial waste	0.0	1.3	0.0	1.4	0.0	1.6
	Total amount of hazardous industrial waste processed through other recycling procedures	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of recycled hazardous industrial waste	1.3		1.4		1.6	
	Total amount of incinerated hazardous industrial waste (with energy recovery)	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of incinerated hazardous industrial waste (without energy recovery)	0.0	10.3	0.0	12.8	0.0	6.5
	Total amount of hazardous industrial waste disposed by landfill	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of hazardous industrial waste disposed by other methods	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of non-recycled hazardous industrial waste	10.3		12.8		6.5	

Waste Management Mechanisms at Canada Facility

To ensure that waste at our Canada Facility is disposed of in a safe and environmentally responsible manner, we have implemented standard operating procedures from waste generation to final disposal; all waste is handled in accordance with these procedures, including: “Storage, Segregation, Transfer and Disposal of Waste Solvents and Chemicals from the Quality Control / Analytical Sciences Laboratories” “Documenting, Handling and Transporting of Waste for Recycling and Disposal,” “Waste Material Collection, Disposal and Destruction Procedure,” “Waste Chemical Removal by Means of Pump out with Assistance from Qualified Third Party,” “Pharmaceutical Waste Inventory List,” and “Chemical and Hazardous Waste Disposal Form.”

Waste Disposal Data for Canada Facility

Unit：(t)

Waste category	Item/Year	2019		2020		2021	
	Waste disposal category	On-site	Off-site	On-site	Off-site	On-site	Off-site
General industrial waste	Total amount of general industrial waste prepared for reuse	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of renewable general industrial waste	0.0	0.0	0.0	16.0	0.0	262.0
	Total amount of general industrial waste processed through other recycling procedures	0.0	0.0	0.0	73.0	0.0	500.0
	Total amount of recycled general industrial waste	0.0		89.0		762.0	
	Total amount of incinerated general industrial waste (with energy recovery)	0.0	0.0	0.0	93.0	0.0	510.0
	Total amount of incinerated general industrial waste (without energy recovery)	0.0	20.4	0.0	11.0	0.0	86.0
	Total amount of general industrial waste disposed by landfill	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of general industrial waste disposed by other methods	0.0	0.0	0.0	0.0	0.0	7.1
	Total amount of non-recycled general industrial waste	0.0		104.0		596.0	
Hazardous industrial waste	Total amount of hazardous industrial waste prepared for reuse	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of renewable hazardous industrial waste	0.0	0.0	0.0	0.0	0.0	5.0
	Total amount of hazardous industrial waste processed through other recycling procedures	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of recycled hazardous industrial waste	0.0		0.0		5.0	
	Total amount of incinerated hazardous industrial waste (with energy recovery)	0.0	0.0	0.0	0.0	0.0	5.0
	Total amount of incinerated hazardous industrial waste (without energy recovery)	0.0	0.0	0.0	3.0	0.0	74.0
	Total amount of hazardous industrial waste disposed by landfill	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of hazardous industrial waste disposed by other methods	0.0	0.0	0.0	0.0	0.0	0.0
	Total amount of non-recycled hazardous industrial waste	0.0		3.0		79.0	

Energy Management

Energy Management Measures

Bora Pharmaceuticals actively strives to reduce overall energy consumption to decrease carbon emissions. Our two main energy sources include externally purchased electrical power and natural gas; we do not use any heavy crude oil or diesel. Our electric systems mainly provide power to factory water chillers, air-conditioning systems, and production equipment, and we use natural gas to power our gas boilers.

Greenhouse Gas Emissions and Air Pollutants

Bora Pharmaceuticals began implementing the ISO 14064-1:2018 greenhouse gas inventory system in 2021, commissioned a third-party institute to conduct inventory processes in 2022, and obtained a verification certificate in June 2022. Greenhouse gas emissions for 2021 will be used as a basis for future reductions, and we have established a goal of reducing emissions by 1% each year.

Scope 1 Greenhouse Gas Emissions (Carbon Dioxide Equivalent)

Sources	Greenhouse Gas Emissions (Carbon Dioxide Equivalent) Unit：tCO_2e							
	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Total
Emissions	12,379.7083	59.5974	29.3748	180.6649	0.0000	0.0000	0.0000	12,649.3454
Percentage (%)	97.87%	0.47%	0.23%	1.43%	0.00%	0.00%	0.00%	100.00

Scope 2 Greenhouse Gas Emissions (Carbon Dioxide Equivalent)

Plants	Usage（kWh）	Emission factor	Emissions（tCO_2e）
Taipei Headquarter Tainan Facility Zhunan Facility	18,302.7390	0.502（tCO_2e/kWh）	9187.9750
Canada Facility	23,607.4742	0.035（tCO_2e/kWh）	827.2102

Emissions of Other Air Pollutants

Other pollutant gas emissions at Zhunan Facility				
Types	Unit	2019	2020	2021
Nitrogen oxides	Metric tons（t）	1.72692	1.89957	2.68306
Sulfur oxides	Metric tons（t）	0.22118	0.34807	1.903
Volatile organic compounds（VOCs）	Metric tons（t）	4.73228	6.5804	8.51395
Particulate matter（PM）	Metric tons（t）	0.43698	0.38628	0.4874

Other pollutant gas emissions at Tainan Facility				
Types	Unit	2019	2020	2021
Nitrogen oxides	Metric tons（t）	0.75012	0.0305	0.04029
Sulfur oxides	Metric tons（t）	0.00104	0.00242	0.0032
Volatile organic compounds（VOCs）	Metric tons（t）	0.02452	0.04197	0.00149
Particulate matter（PM）	Metric tons（t）	0.00042	0.00098	0.00128

Water Resource Management

External stakeholders are paying increasing attention to water resource issues as climate change has intensified in recent years and often causes water shortages, constituting a common global challenge. Bora Pharmaceuticals hopes to minimize water demands and potential impacts by reducing use of domestic water, decreasing environmental impacts of production processes, and facilitating recycling of water resources.

Water Management Performance	1. Annual water savings from recycling PW RO concentrated wastewater =1,500M^3 2. Annual water savings from recycling PW filter washing water =2,700M^3 3. Annual water savings from pressure changes for domestic water (lowered pressures from 2.5 to 1 kg/cm) to slow water output =528M^3 4. Annual water savings from cooling tower concentration changes (increased concentrations from 4 to 6 times) =1,185M^3
Wastewater Treatment at Zhunan Facility	We evaluate the feasibility of classifying and collecting low-concentration organic wastewater generated by washing processes in our quality management laboratories. We have also purchased agents to neutralize Chemical Oxygen Demand (COD) which are poured into our wastewater collection areas to reduce rejection risks. Our waste handling expenditures were decreased by NT$ 100,000.
Wastewater Treatment at Tainan Facility	1. Rainwater discharge: Diverted into drains for direct discharge. 2. Domestic sewage is discharged to septic tanks and then diverted to sewage tanks following filtering and sedimentation. 3. Process wastewater flows into centralized sewage tanks, is discharged to sample wells, and is then diverted to the main sewage pipes of the Guantian sewage treatment plant.

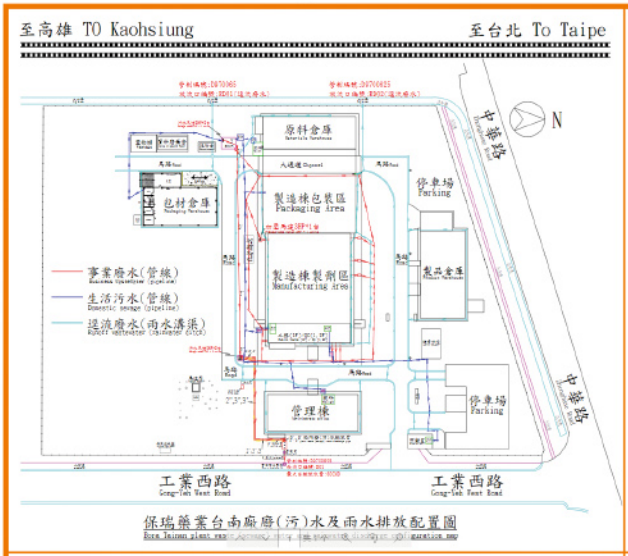
Water Resource Categories

Energy category	Unit	Year		
		2019	2020	2021
Externally purchased water (from a third-party)	Kiloliters(kL)	84,027	90,252	73,652
Generated water (recycled water)	Kiloliters(kL)	26.4	26.4	26.4

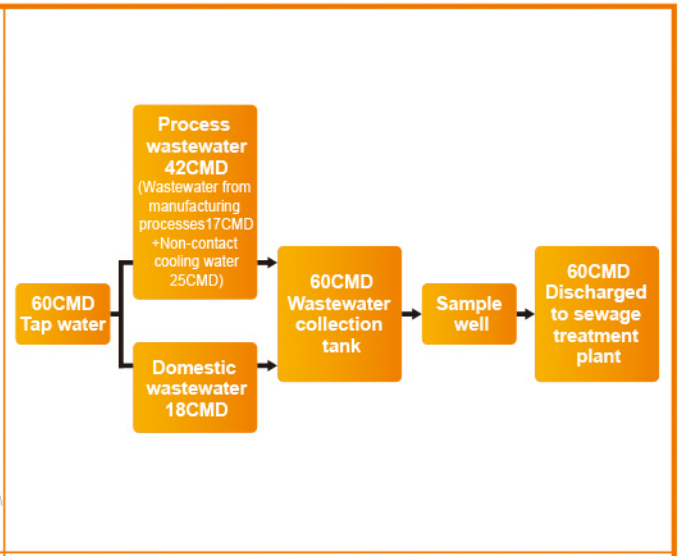
Water Management Mechanisms at Tainan Facility

Our Tainan Facility has a water storage capacity of 71 tons and maximum daily inflows from tap water equals 60 tons. In 2021, we consumed 10,492 tons of tap water and recycled 2.2 tons each month, resulting in annual recycling volumes of 26.4 tons. Our two main types of wastewater are domestic sewage and process wastewater; wastewater from production processes are collected and treated in factory wastewater collection tanks before discharge to sewage treatment plants. We have designated pipelines in our factories for treatment of industrial wastewater, domestic sewage, and runoff wastewater.

Water Balance Diagram for Tainan Facility



Wastewater, sewage, and rainwater discharge diagram



Water consumption and discharge balance diagram

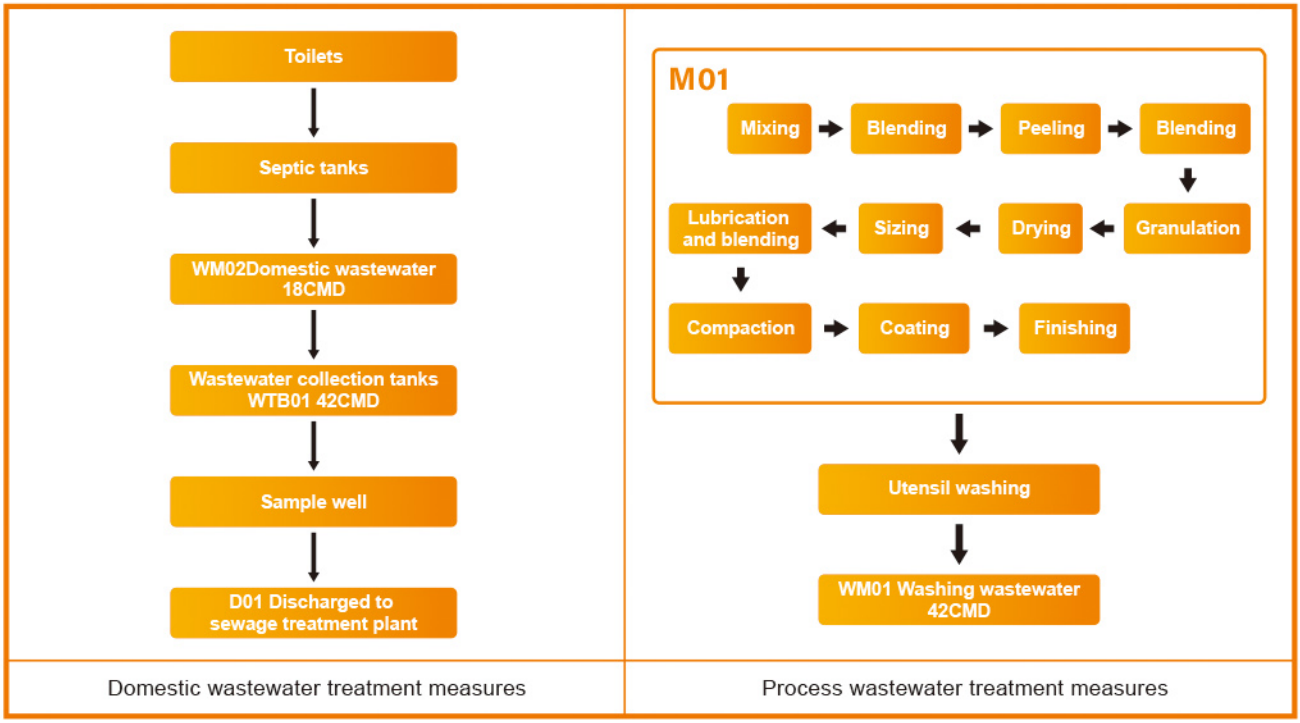


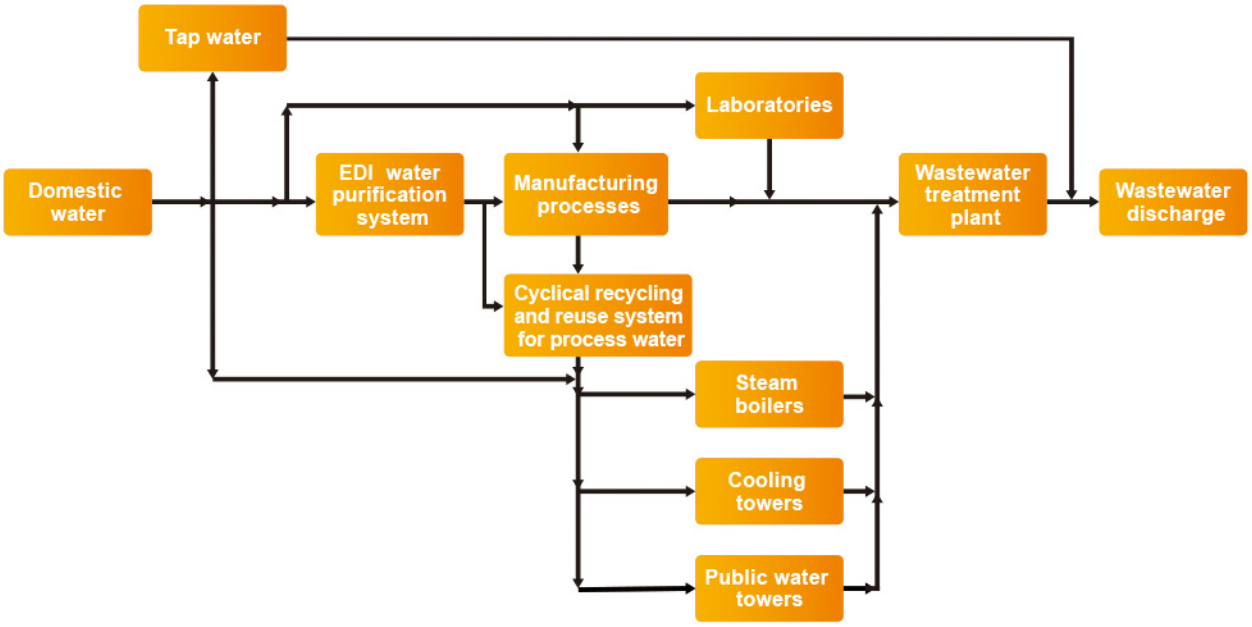
Diagram of Water Management Mechanisms at Zhunan Facility

Water Management Mechanisms at Zhunan Facility

Water at our Zhunan Facility is sourced from tap water and we do not use groundwater. In 2021, we purchased a total of 73,652 tons from external sources.

In 2021, we discharged 5,141 tons of wastewater mainly generated from cleaning equipment and facilities; the remainder was generated from washing water in our laboratories and domestic sewage. All wastewater is collected in wastewater collection tanks through our pipelines and then discharged to designated discharge points, where pipelines for wastewater and other industrial units are diverted to science park sewage treatment plants for handling. Science park sewage treatment plants sample factory wastewater at the beginning and end of each month, conduct inspections of and report on wastewater quality every six months, and commission external units to calibrate wastewater amounts every year in accordance with approved water pollution control permits.

Water Balance Diagram for Zhunan Facility



Chapter Five.
Social Participation

Public Welfare Activities

Bora Pharmaceuticals has always been an employee-oriented company focusing on employee health and family lives. We continually strive to build a core culture of inclusion and diversity in our systems and employee interactions that provides care for employees and their families, care for patients and their families, and care for society to fulfill our social, economic, and environmental responsibilities.

Our previous public welfare activities are as follows：

• Christmas Charity Day— Collection and Donation of Used Items：

hosted a Christmas activity to collect like-new secondh and items in employee homes for donation to the Huashan Social Welfare Foundation. Several hundred items were donated to help isolated, disabled, and demented elders smile during the cold winter.

• Spreading Love Through the Bethlehem Warehouse Step30 Activity：

Bora hosted an activity to collect secondhand shoes for donation to disadvantaged regions in Africa and protect children from sand fleas, sending our blessings from Bora Pharmaceuticals to faraway East Africa.

• "2021 Let's Run at Home"：

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Bora formed teams to participate in this road running event. The registration fees for this event were used to establish after-school classes that provided free tutoring, character education, nutritious dinners, and extended care for children from economically disadvantaged, single-parent, skipped-generation, disabled, and foreign-spouse families. This event also helped our colleagues achieve a work-life balance and relieve physical and mental stress through exercise and work.

• Promotion of "Corporate Recruitment of Sports Instructors" program：

In response to the government's employment program for sports talent, Bora participated in the "Corporate Recruitment of Sports Instructors" to maintain the incomes of sports personnel during the pandemic, revitalize corporate human resources, help our employees form exercise habits, and encourage our employees to exercise. We also incorporated consultation services, capacity building courses, technological physical fitness tests, and other resources to form a culture conducive for exercise and establish a comprehensive support system.

• Backing for medical personnel :

During the COVID-19 Pandemic, Bora Pharmaceuticals took actions to support the frontline medical personnel and civil servants by donating protective clothing and external use care products.

Chapter Six.
Talent Cultivation and Happy Workplace

6.1 Talent Cultivation

Diversity and Inclusiveness

Bora Pharmaceuticals strives to grow alongside our colleagues. We not only organize positions for elites to exert their talents, but also provide comprehensive promotion channels from cross-department to cross-company, and even transnational training or professional on-the-job training. These demonstrates our emphasis on talent cultivation. We believe that providing a stable environment makes it possible for our colleagues to cultivate their careers and further fulfill their maximum potential.

“Putting people first and respecting expertise” has always been an integral part in our corporate culture. We regard our employees as our most valuable assets by practicing this essence in recruiting the talent from worldwide. Insisting openness, respecting expertise, and caring employees are our important business philosophies, adhering to our five main management guidelines: “fair and equitable compensation,” “career development opportunities,” “diverse welfare,” “open communications channels,” and “work-life balance”. in building a friendly work environment for our employees.

Talent Diversity

Bora Pharmaceuticals strives to build a work environment with talent diversity, equality, impartiality, and protections for legitimate rights. In 2021, the total number of Group employees in Taiwan amounted to 409 people, with a male to female ratio of 1:1.14. Our ratio of female managers was 49.15%, demonstrating our emphasis on gender equality at work and provision of similar development opportunities for employees of different genders. In 2021, 8.1% of our new employees were over 50 years old, showing that we do not consider age to be a limitation when recruiting.

Taiwan Region

Diversity of employees		Number of employees
Diversity	Disabled	2
	Indigenous	-
	Foreign	18
	Other	-
	Total	20

Employee characteristics	Nationality	Male		Female		Female Total	
		Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio
Regular contracts	Taiwan	-	0%	3	1%	3	1%
Irregular agreements	Taiwan	181	44%	207	51%	388	95%
Regular contracts	Foreign	10	2%	8	2%	18	4%
Irregular agreement	Foreign	-	0%	-	0%	-	0%
Total		191	46%	218	54%	409	100%
Full-time employees	Taiwan	180	44%	209	52%	389	95%
Part-time employees	Taiwan	1	0%	1	0%	2	1%
Full-time employees	Foreign	10	2%	8	2%	18	4%
Part-time employees	Foreign	-	0%	-	0%	-	0%
Total		191	46%	218	54%	409	100%

Taiwan Region

Category	Rank	Definition			Total	
			Male	Female	Number of employee	Ratio
Management	Senior executives	Associate managers and above	8	6	118	29%
	Mid-level executives	Deputy associate managers, senior managers, and managers	26	29		
Non-management	Entry-level executives	Deputy managers and section chiefs	26	23	291	71%
	General employees	Researchers, engineers, administrators, specialists, forepersons, technicians, and drivers	131	160		

Canada Plant

Category	Rank	Definition	Male		Female		Total	
			Number of employee	Ratio	Number of employee	Ratio	Number of employee	Ratio
Management	Senior executives	Associate managers and above	4	1.06%	5	1.33%	104	27.59%
	Mid-level executives	Deputy associate managers, senior managers, and managers	14	3.71%	13	3.45%		
Non-management	Entry-level executives	Deputy managers and section chiefs	43	11.41%	25	6.63%	273	72.41%
	General employees	Researchers, engineers, administrators, specialists, forepersons, technicians, and drivers	161	42.71%	112	29.71%		

Taiwan Region

New employees	Taiwan region	Nationality	Male	Female
Age	Under 30	Taiwan	2	2
	30-50	Taiwan	11	19
	Over 50	Taiwan	2	1
Total			15	22
job leavers	**Taiwan region**	**Nationality**	**Male**	**Female**
Age	Under 30	Taiwan	1	10
	30-50	Taiwan	25	25
	Over 50	Taiwan	5	2
Total			31	37
job leavers	**Taiwan region**	**Nationality**	**Ratio of voluntary termination**	**Ratio of voluntary termination**
Age	Senior management	Taiwan	1.5%	-
	Mid-level management	Taiwan	5.9%	1.5%
	Professional personnel	Taiwan	-	-
	Others	Taiwan	80.9%	10.3%
Total			88.2%	11.8%

Talent Development

We regard our employees as our most valuable asset, and cultivation of global talent is an important business strategy of the Group. We believe that we can help our employees succeed in their careers by becoming their best strategic partner so we can work together to achieve our goal of sustainable development.

We commit to understand the individual development needs of our colleagues from entry level to senior management. We arrange appropriate training by evaluating employees' performance and potential, organizing best talent development plans.

Our human resources department designs training programs also diverse and comprehensive talent development plans to cultivate general skill and leadership capabilities by following the Group's strategic development plans. We provide unique courses according to individual employee cultivation plans and also organize annual training plans and budgets based on employee needs and future Group development to inspire our employees and place them in suitable positions. Consequently, we not only enhance professional employee capabilities but increase work satisfaction. Our training programs include but are not limited to the following categories：

1. Training of new recruits
2. Language training courses
3. Professional on-the-job training or courses for specific positions and management levels
4. Ethical management training in corporate social responsibilities, corporate governance, and corporate sustainability management
5. Professional training courses for capabilities required for future Group business expansions
6. Management courses that transform our colleagues from individual contributors to leaders and managers

Training Hours for Taiwan Region

118 Number of managers / **763h** Total training hours

Year	2021	2020
Male managers (hours)	375	163
Female managers (hours)	389	77
Total training hours for managers	763	239
Number of managers	118	79

291 non-management personnel / **69h** Total training hours

Year	2021	2020
Male non-management personnel (hours)	312	251
Female non-management personnel (hours)	388	217
Total training hours for non-management personnel	699	468
Number of non-management personnel	291	294

Annual training statistics

44.33h Total training hours

Year	2021	2020	2019
Total participants	7	84	223
Total training hours (hours)	44.33	290.98	766.67
Average training hours (hour/person)	6.3	3.5	3.4

2671.4 (NTD/person) Average training costs

Year	2021	2020	2019
Total training costs	18,700	153,872	107,099
Average training costs (NTD/person)	2671.4	1831.8	480.3

Training Hours for Taiwan Region

Category	2020	2021
Total training hours for managers	239	763
Number of managers	72	146
Total training hours for non-management personnel	468	699
Number of non-management personnel	66	161

Lead your team to overcome the organizational revolution - Taipei

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6.2 Happy Workplace

Employee Friendly Workplace

Employee Salaries

Bora Pharmaceuticals participated in international remuneration surveys to establish remuneration and benefits policies with external competitiveness and internal fairness. Our career advancement policies, ranks, fixed salaries, variable salaries, allowances, and benefits are all aligned with global trends. We also provide promotions and salary adjustments based on future industrial risks, peer standards, corporate performance, and level of individual contributions in accordance with corporate regulations. We seek to inspire our employees over the long and short terms and provide rewards and incentives to our employees to maintain our overall business performance and competitiveness.

Non-Executive Employee Salary information			
Item	2019	2020	2021
Total salaries of all full-time, non-executive employees (A)	82,629,000	97,997,000	103,346,000
Total number of all full-time, non-executive employees (B)	145	154	150
Average salaries for all full-time, non-executive employees (B÷A)	570,000	636,000	689,000
Median salaries for all full-time, non-executive employees	454,000	462,000	513,000

Employee Benefits

Bora Pharmaceuticals has a benefits system which provides comprehensive employee care. We strive to improve work environments and benefits as well as offer various measures and services exclusively for female employees such as lactation rooms; maternity leave, maternity checkup leave, paternity leave, childcare leave, and menstrual leave; parking spaces for pregnant female employees; exclusive washing equipment; transportation for women returning home after night shifts; and irregular professional health information and care. We also provide mental and physical care for all employees to enhance their work quality.

Employee Benefits and Allowances

The Bora Group attaches great importance to employee benefits. Our employees enjoy general benefits such as labor insurance, health insurance, group insurance, and pension payments as well as annual bonuses, bonuses for the three major festivals, wedding and funeral subsidies, employee stock options, and other benefits. We offer performance bonuses based on business conditions. The following is a list of our benefits and allowances：

- **Festive bonuses (and gift coupons)**：Red envelopes for Work Commencement Day, Dragon Boat Festival bonuses (and gift coupons), Moon Festival bonuses (and gift coupons)
- **Employee Welfare Committee**：Birthday gift coupons; Labor Day gift coupons; childcare, wedding, and funeral allowances; annual employee trips; subsidies for employee and social club activities; and other benefits
- **Insurance plans**：We provide basic labor and health insurance as well as group insurance (life insurance, casualty insurance, medical insurance, and hospitalization insurance)
- **Insurance discounts**：We provide discounts for various employee insurance policies
- **Special mortgage rates**：We strive to obtain special mortgage rates from collaborating banks

- **Stress-relieving massage services**：We have hired visually impaired massage therapists that help our employees relieve fatigue and stress when they feel tired at work
- Leave regulations：Our leave policies exceed the regulations of the Labor Standards Act, and all employees can enjoy annual leave days once they complete their probation period; we also offer leave days prior to New Year's Eve and Chinese New Year's Eve
- Celebratory activities：Corporate family day, birthday parties, and annual year-end party
- Diverse activities and social clubs：We work to promote a diverse variety of activities and social clubs. We also provide associated subsidies to help our colleagues achieve a work-life balance; hese activities also enhance cooperation and interactions between colleagues

Health Management Policies

To prevent occupational accidents from occurring when employees are carrying out their business duties, and to protect the rights and health of our employees, we adhere to the four main prevention plans of the Occupational Safety and Health Act to prevent internal human-induced hazards, abnormal workloads, and illegal mental and physical infringements. We also implement maternity protection measures in the workplace. We regularly check on the mental and physical conditions of our employees and remind them to take care of their health and maintain a work-life balance. For effective management of Group employee health conditions, we require all new employees to undergo health checks. The ratio of new employees who underwent health checks was 100%. Bora Pharmaceuticals also implements the following occupational health management measures：

Zhunan Facility	
Individual health checks	• A total of 10 (100%) new employees underwent health checks • A total of 194 (100%) employees underwent health checks
Health promotion activities	• Our Zhunan Plant hosted an annual blood drive which was attended by 14 people • Health enhancement activity attended by 12 people • A total of 77 people attended yoga, strength training, and cardio-boxing activities subsidized by the Sports Administration

Tainan Facility	
Individual health checks	• A total of 21 (100%) new employees underwent health checks • A total of 108 (100%) employees underwent health checks
Individual health consultations	• A total of 84 employees received counseling for their health for items associated with metabolic syndrome, risks of ischemic heart disease within ten years, workloads, results of abnormal workloads, risks of muscle soreness, and age-related issues. Factory nurses are responsible for recording and tracking employee health conditions.
Health lectures	• A total of 5 courses on prevention of illegal infringements when carrying out work duties were hosted at Tainan Plant

Employee Day Activities	
Employee Day	• 2021 Total Wellness Fitness Challenge • Zhunan Plant Parent & Child Day : Bring children to work day • Summer exercise event • Bora Mississauga BBQ Day

Bora Mississauga BBQ Day

Paternity Leave and Maternity Leave

Item	2019	2020	2021
Number of paternity leave applicants	9	12	7
Number of maternity leave applicants	13	7	12

Employee benefits (reinstatement rates and retention rates following parental leave)					
Reinstatement rate	Male	Number of employees eligible for leave	28	Number of expected reinstatements from parental leave for the year	1
		Actual number of employees who took parental leave	1	Reinstatement rate	100%
	Female	Number of employees eligible for leave	32	Number of expected reinstatements from parental leave for the year	3
		Actual number of employees who took parental leave	8	Reinstatement rate	100%
Retention rate	Male	Number of employees who continued working for one year following reinstatement in previous year	1	Number of reinstatements for the previous year	1
				Retention rate	100%
	Female	Number of employees who continued working for one year following reinstatement in previous year	2	Number of reinstatements for the previous year	3
				Retention rate	67%

Notes：
Number of employees eligible for leave: The total number of employees eligible for parental leave
Actual number of employees who took parental leave: The total number of employees who actually took parental leave
Number of expected reinstatements from parental leave for the year：The total number of employees who completed their parental leave and were reinstated during the reporting period
Number of reinstatements for the previous year: The total number of employees who completed their parental leave and were reinstated during the previous year (The total number of employees who completed their parental leave and were reinstated during the previous reporting period)
Number of employees who continued working for one year following reinstatement in previous year: The total number of employees who completed their parental leave and continued working for more than 12 months following reinstatement
Reinstatement rate = (Actual number of employees who took parental leave / Number of expected reinstatements from parental leave) x 100%
Reinstatement rate = (Total number of employees who completed their parental leave and continued working for more than 12 months following reinstatement / Total number of employees who completed their parental leave and were reinstated during the previous reporting period) x 100%
Total number of actual reinstatements following parental leave for the year：The total number of employees who completed their parental leave and were actually reinstated during the reporting period

Employee Communication

Employee Conferences

Bora Pharmaceuticals received HR Asia's Best Company To Work For In Taiwan Award, and was listed as one of the best companies to work for in Asia. We simultaneously completed vertical integration of our pharmaceutical R&D, manufacturing, and distribution value chain; continued to enhance the professional capabilities and personal development of our employees; provided excellent development opportunities for scientists and industry personnel committed to better life and health for mankind; and also regularly hosted labor-management meetings and employee conferences to listen to and understand the needs of our employees.

Employee Grievance Channels

Human Rights Policy

Bora Pharmaceuticals protects the human rights of our employees. We prohibit forced labor, child labor, and illegal discrimination; ensure equality in the workplace; strictly comply with regulations related to salaries and work hours; and protect freedom of association, group negotiation rights, and freedom of speech.
We care about disadvantaged groups and work to eliminate all instances of forced labor, ensuring that our human resources policies do not discriminate based on gender, race, social status, age, marital status, or family conditions.
We have formulated regulations that prohibit sexual harassment and workplace bullying, and we provide maternity friendly facilities, adhere to international regulations on labor health and safety measures, and offer effective and appropriate grievance reporting mechanisms for incidents that violate labor rights, ensuring equality and transparency of the reporting process.

We also host regular labor-management meetings and town hall events to listen to and understand the needs of our employees.

Grievance Mechanism

To protect all employees from illegal physical or mental infringements that may cause mental or physical diseases when carrying out their work duties, we have issued written statements that declare our zero-tolerance policy toward any workplace bullying behaviors from our managers, as well as any workplace bullying or violent behaviors between our colleagues, customers, patients, and strangers.

I. Definition of workplace violence: Incidents where workers were abused, threatened, or attacked in work-related settings (including during commutes), causing explicit or implicit impacts on their safety, well-being, or health.

II. Patterns related to workplace violence:
(1) Physical violence (including beating, scratching, punching, and kicking).
(2) Mental violence (including threats, bullying, harassment, and verbal abuse).
(3)Verbal violence (including bullying, intimidation, interference, and discrimination).
(4) Sexual harassment (including inappropriate sexual innuendo and behaviors).

III. Responses to workplace violence:
(1) Seek advice and support from supervisors or colleagues.
(2) Communicate their feelings rationally with perpetrators
(3) Ponder their own deficits and ask colleagues to assess their behaviors and work performance to identify problems
(4) Obtain audio recordings or use other methods to record perpetrator actions if possible to provide evidence
(5) Report grievances to the Group

IV. All Group employees are responsible for creating workplace environments that are free from violence. Any employee who witnesses or obtains information of incidents related to workplace violence can notify the Group human resources department or call the employee grievance hotline. The Group will commence confidential investigations after receiving reports.

V. The Group strictly prohibits any acts of retaliation or inappropriate treatment against complainants, informants, or personnel assisting investigations

VI. If reports are found to be substantiated following investigation, perpetrators will be punished; may be dismissed if necessary; and will be tracked, reviewed, and supervised to ensure that similar situations do not reoccur.

VII. The Group does not punish or retaliate against personnel who cease the operations or evacuate to safe locations upon discovery of dangers to heir physical health or lives when carrying out their duties.

VIII. The Group encourages all employees to use established internal grievance handling mechanisms to process these disputes, but will also provide assistance as necessary if additional support is needed.

Occupational Safety

Environmental Health and Safety (EHS) Deployments at Zhunan Facility

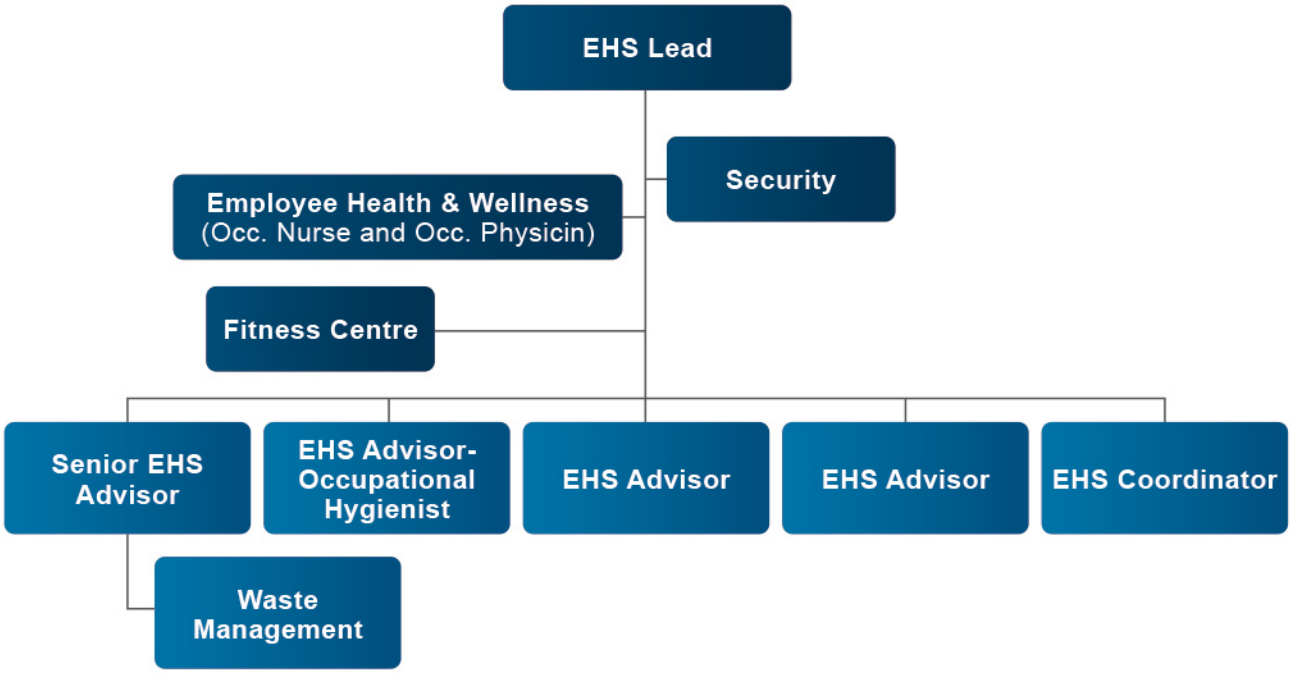
We have established 2 EHS personnel and 1 full-time occupational health nurse at our Zhunan Facility, and organize quarterly on-site services from external occupational health specialists.

EHS Management Structure at Tainan Facility

We have established a total of 2 personnel (1 EHS personnel and 1 environmental cleaning personnel) at our Tainan Facility, as well as 1 external occupational health nurse who provides monthly on-site services and 1 external occupational health doctor who provides quarterly on-site services.

Occupational Health and Safety (EHS) Management Structure at Canada Facility

Our team is composed of environmental health and safety professionals who have expertise in industrial health and safety, environmental, and other scientific fields. Team members are responsible for handling various environmental issues in factories, a full-time nurse has been established in each department, and a part-time doctor conducts periodic factory visits to provide health consultations for our employees.



Occupational Safety Management at Zhunan Facility

To protect the safety of our employees at work, we have established qualified occupational health and safety supervisors, security supervisors, and fire safety management personnel at Zhunan Facility. We also conduct periodic inspections and fire evacuation drills, and commission qualified fire inspection companies to carry out annual fire safety inspections, compile reports, and conduct safety inspections of public buildings to improve upon deficits, ensure that both tangible and intangible facilities adhere to regulatory requirements, and achieve our aim of protecting labor safety. Forklift and boiler operators are required to complete training in accordance with regulations, and can only commence operators after passing technician exams and obtaining certifications. Additionally, supervisors of operations that involve special chemicals, organic solvents, hypoxia, or first-aid are required to organize external training and obtain relevant qualifications.

Our Zhunan Plant submits monthly reports on occupational hazards in accordance with the Occupational Safety and Health Act. In order to fulfill the needs of our foreign clients, we also adopt the Total Recordable Rate (TRR) safety indicators issued by the Occupational Safety and Health Administration (OSHA). In 2021, our TRR was 0.82, lower than our KPI of 1.5 set at the beginning of the year.

Occupational Safety Management at Tainan Facility

To maintain workplace safety, we host an Occupational Health and Safety Committee meeting quarterly to notify employees of potential risks and hazardous equipment, and propose plans for improvement. We conduct group fire safety training once every six months and reports of training results are submitted to the fire department. We commission qualified fire inspection companies to carry out fire safety inspections, compile reports, and conduct safety inspections of public buildings once every two years to improve upon deficits, ensure that improvements adhere to regulatory requirements, and achieve our aim of protecting labor safety.

Additionally, we require first-aid and fire safety personnel; supervisors of operations involving organic solvents, dust, and special chemicals; operators of forklifts, Class 1 pressure vessels, and boilers; and Level A labor health and safety supervisors to obtain permits, regularly confirm the validity of these permits, attend relevant external training on specific dates, and obtain qualifications. Report items and times throughout the year are as follows：

1.Reported monthly: Monthly statistics on occupational hazards.
2.Reported quarterly: Integrated management system reports of air pollution expenditures and emissions from stationary pollution sources.
3.Reported every six months (in May and November) : Results of operating environment inspections and fire safety drills.

Incidence Rate at Zhunan Facility

	Number of injured personnel	Lost workdays	Total recordable rate (TRR)	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Total number ofhours worked
2021	3	13	1.35	6.76	29.3	443,616
2020	2	19	0.73	3.65	34.66	548,201
2019	1	1	0.35	1.76	1.76	566,643

Notes：1. Total recordable rate (TRR) = Number of Incidents x 200,000 / Total work hours
2. Disabling injury frequency rate (FR) = Number of Incidents x 1,000,000 / Total work hours
3. Disabling injury severity rate (SR) = Total days lost to injury (days) x 1,000,000 / Total work hours

Incidence Rate at Tainan Facility

	Number of injured personnel	Lost workdays	Total recordable rate (TRR)	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Total number ofhours worked
2021	1	0	1.4	7.01	0	142,721
2020	0	0	0	0	0	332,162
2019	0	0	0	0	0	331,888

Notes：1. Total recordable rate (TRR) = Number of Incidents x 200,000 / Total work hours
2. Disabling injury frequency rate (FR) = Number of Incidents x 1,000,000 / Total work hours
3. Disabling injury severity rate (SR) = Total days lost to injury (days) x 1,000,000 / Total work hours

Evaluation of Operational Risks

We update Job Safety Analysis (JSA) each year with relevant departments and evaluate all operation titles, steps, and detailed actions. If accidents or incidents occur, we check whether there were deviations from these processes or procedures, reevaluate all processes, and define risks.

Chapter Seven.
Responsible Manufacturing, R&D, and Innovation

7.1 Pharmaceutical Safety

Bora Pharmaceuticals believes that drug safety should be a core concern and consideration for the pharmaceutical industry. We prioritize drug impacts on user health and safety during operations, invest multiple units and resources in drug safety projects, keep abreast of domestic and overseas pharmaceutical regulations and policies, and adhere to all relevant pharmaceutical standards to ensure drug safety and provide a healthy life to users though enhancement of our corporate values.

Standards Adopted at Our Factories

Factory	Verification Year/Month	Standards	Verification Results
Zhunan Facility	June 2019	PIC/S GMP certification	Obtained PIC/S GMP certification with 3.5-year validity approved by the Ministry of Health and Welfare
	May 2019	US FDA CFR21 audits	Completed audits with "No Action Indicated" (NAI)
	February 2018	EU GMP audits	Obtained approval for EU MHRA certification
Tainan Facility	December 2020	PIC/S GMP certification	In August 2020, the Tainan Facility underwent routine TFDA inspections and obtained re-certification of PIC/S GMP international pharmaceutical regulatory standards in December of the same year
Canada Facility	2021	Health Canada GMP audits	No Action Indicated (NAI) no.483
	2020	Russian Ministry of I&T GMP audits	Pass
	2020	ISO Inspection Medical Device audits	Pass
	2019	US FDA GMP audits	Pass
	2019	Belarussian MOH GMP audits	Pass
	2019	ISO Inspection Medical Device audits	Pass
	2019	PMDA GMP audits	Pass

Production Assessments and Quality Management

Our EHS units conduct risks assessments on Active Pharmaceutical Ingredients (APIs) in client-developed new products. APIs are divided into five Occupational Expose Banding (OEB) levels, OEB1~OEB5, based on hazard characteristics.

Currently, our Zhunan Facility can manufacture OEB3 products and under, and therefore OEB assessments have become an important determinant of production feasibility.

Our EHS units conduct risk assessments and use risk matrices to calculate OEB levels based on the safety data sheets (SDSs) and applications of new products in accordance with the standard procedures reviewed and approved by the US company Safebridge Consultants Inc., and then provide corresponding recommendations on health and safety measures. Our EHS units assisted our Project Management Department in executing assessments for several projects this year.

Drug Safety Training

Zhunan Facility	Tainan Facility
1. We have defined training content required for all work projects, and all new and transferred employees have to complete training requirements before they can commence work. Training completion rates were 100%. 2. We organize at least two refresher training sessions each year for all factory personnel and GMP personnel in accordance with GMP regulations 3. We participate in external training organized by domestic and overseas institutes	1. All new and transferred employees have to complete training requirements before they can commence work. Training completion rates were 100%. 2. We organize at least two refresher training sessions each year for all factory personnel and GMP personnel in accordance with GMP regulations 3. Units with additional requirements also participate in external training organized by domestic and overseas institutes

Quality Control

	Facilities in Taiwan
Product quality and safety inspections	**Raw materials**：All raw materials have to undergo inspections which adhere to USP regulations or client requests before they can be used for pharmaceutical production. **Products**：All product batches are manufactured in accordance with GMP regulations, and production processes are controlled to ensure consistency. Additionally, products are required to undergo additional inspections before they can be released to the market to ensure adherence with pharmaceutical quality and safety regulations. We also implement continued stability testing programs each year to monitor the quality of products being sold in the market.

Product recalls（SASB-HC-BP-250a.3　SASB-HC-BP-250a.4）

Facilities	Number of product recall incidents	Total units recalled	Total amount of recalled, reused, or disposed products
Tainan Facility	1	35,538 tablets	Total amount recalled: 35,538 tablets
Zhunan Facility	0	0	0

The product recall occurred during 2020 because stability testing results did not adhere to relevant specifications and were both categorized as Class II recalls under the TFDA Regulations for Medicament Recall. The recall process adopted by our Tainan Plant adhered to the Regulations for Medicament Recall.

7.2 R&D and Innovation

R&D Investments

Bora Pharmaceuticals is a international pharmaceutical brand. In recent years, we have not only enhanced our core technical capabilities in Taiwan, but also established offices in the US and other locations as well as added a new plant in Canada in 2020 to provide our collaborating partners with more timely, market-oriented, and multinational R&D, manufacturing, and distribution services. We work with many enterprises from different countries, actively work to understand client needs, and continue to invest a multitude of resources in R&D to maintain our market leadership.

Investment of R&D Resources

To effectively strengthen our R&D intensity and momentum, we have established the following talent development policies for R&D personnel:

1. Increase opportunities for technical exchanges with foreign subsidiaries and provide internships and training opportunities at different production plants
2. Provide a variety of rotation and promotion opportunities so our employees can gain expertise across different production plants
3. Promote collaborative R&D opportunities with international pharmaceutical companies

	2019	2020	2021
Number of employees	19	18	19
Average R&D tenure	11.42	11.62	11.95

Products Developed over Past Five Years

Year	Successfully developed products or products currently in development
2021	● Completed phase II and phase III clinical formulation development, optimization, and mass production of new drug on behalf of client XX company.
2020	● BSAT-1301 (a new dosage form of a compound pain relief drug) was patented in Germany, the UK, and France
2019	● Obtained license for TGR-1524 (a drug for Parkinson's disease)
2018	● BSAT-1301 (a new dosage form of a compound pain relief drug) was patented in Taiwan ● Obtained license for TGT-1520 (an antiviral drug)
2017	● Obtained license for BSAD-1303 (an OTC combination cold and flu drug) ● Obtained license for TGTE-1305 (an antiviral drug) ● Obtained license and completed product verification and launch for TGT-1307 (an antiviral drug) ● Obtained license for TGT-1409 (a drug for urinary tract disorders) ● Completed bioequivalence studies for TGT-1520 (an antiviral drug) ● Completed bioequivalence studies for TGR-1524 (a drug for Parkinson's disease)

Pharmaceutical License Management

Number of Pharmaceutical Licenses

In 2014, Bora Pharmaceuticals acquired 100% shares in Union Chemical & Pharmaceutical Co., Ltd. (hereinafter referred to asUnion) and incorporated it as a subsidiary. Subsequent to this merger, Union, a well-established generic drug company with a great number of pharmaceutical licenses, began planning and re-launching specialty drugs with good market potential and actively expanded exporting markets. Bora Health currently holds the following pharmaceutical licenses：

Number of Pharmaceutical Licenses	
Licensing region	Capsule, tablets, and other formulation categories
Domestic	124
Overseas	0
Total	124

Pharmaceutical License Management Processes and Invested Resources

Pharmaceutical License Management Processes and Invested Resources		
Facilities		
Category	Zhunan Facility	Tainan Facility
System implementations and certifications	● Introduced computer systems for management of raw materials, finished products, and inbound and outbound procedures ● Introduced computer systems for quality management, including electronic documentation management, preventive management for deviations and corrections, change management, and supplier management	● Continued periodic TFDA audits and verifications to ensure compliance with PIC/S GMP quality control and drug safety requirements

Pharmaceutical Marketing and Labeling

Labels on pharmaceutical products should clearly convey correct drug information and actively communicate drug contents to consumers to ensure that full understanding of drug names and usage details. Bora Pharmaceuticals did not violate any regulations related to product and service information in 2021. The following table describes the methods used for preventing counterfeiting at each plant.

Methodologies and Technologies for Tracking Products and Preventing Counterfeiting (SASB-HC-BP-260a.1)

Facilities	Description
Zhunan Facility	1.Documentation and version numbering management for printed packaging 2.Physical locks on printed packaging, material requisition records, and calculation of reasonable usage rates 3.Introduction of automated sequencing systems in accordance with the Drug Supply Chain Security Act (DSCSA) to print unique codes on packaging for each product. These codes and other information can be uploaded to client systems for further tracking within the market.
Tainan Facility	1.Documentation and version numbering management for printed packaging 2.Clients can opt to use anti-counterfeiting laser labels

Remind Clients and Collaborating Vendors of Related Risk Processes for Counterfeit Products (SASB-HC-BP-260a.2)

Facilities	Description
Zhunan Facility	1.Client-designed graphics and content for printed packaging are provided to suppliers, which then commence printing processes using designs confirmed by manufacturers and clients. 2.We have established complete internal processes to facilitate immediate client notification when encountering risks related to counterfeit drugs, and we also implement subsequent handling processes in collaboration with our clients.
Tainan Facility	1.Facilitate supplier management and conduct periodic on-site audits to ensure supplier compliance. 2.Implement internal management of packaging printing processes to reduce counterfeiting risks. 3.Establish anti-counterfeiting measures such as laser labels in accordance with client demands.

7.3 Protection of Clinical Subjects

Mechanisms for Protecting Clinical Subjects

Bora Pharmaceuticals selects contract research organizations (CRO) based on certifications received from domestic and foreign competent authorities, previous implementations of associated

trials, trial designs, and quoted prices. After confirming CROs, we assign designated personnel to follow up on CRO trial preparations and executions, as well as post-trial reporting.
Prior to commencing trials, trial directors or designated personnel are required to fully inform clinical subjects of trial procedures. Consent forms approved by institutional review boards should be personally signed and dated by subjects once they have fully understood trial procedures. The consent forms should include the following information associated with protections for trial subjects:

1. Bora Pharmaceuticals personnel, trial directors, and trial institutes should sign trial proposals and other documentation to ensure that trials adhere to regulatory requirements.
2. Subjects may withdraw from clinical trials at any time without providing reasons.
3. During the period of trial participation and subsequent follow-up, trial directors and trial institutes should provide full medical care to subjects for any trial-related adverse reactions.
4. If subjects are discovered to have disorders requiring medical care during the trial, trial directors should proactively notify subjects.

7.4 Supply Chain Management

Supplier Management Actions

Evaluation Process for New Suppliers

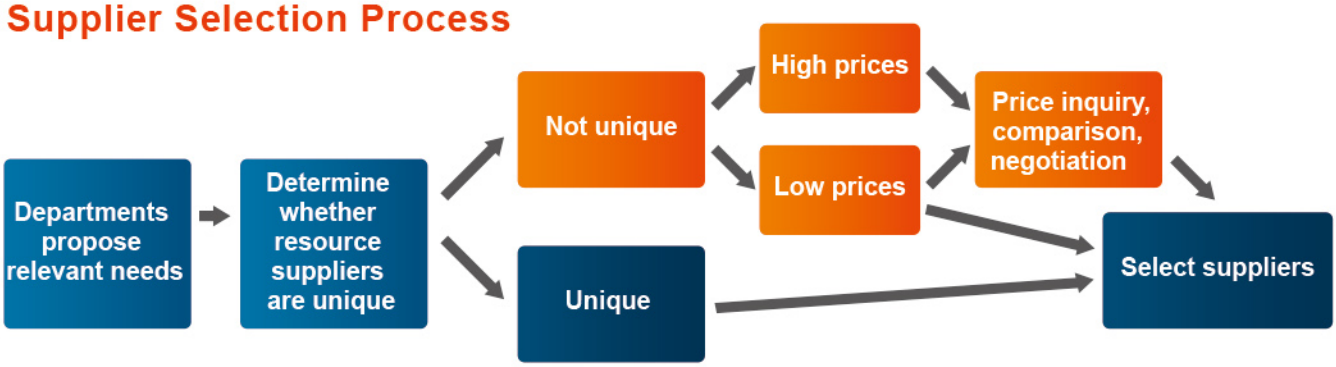
Raw materials: Our factories in Taiwan require suppliers to provide initial quotations based on the requirements and specifications of relevant departments. After confirming that specifications and prices adhere to specified requirements, suppliers will be requested to provide samples for testing. Following evaluations by relevant departments to ensure that testing results adhere to our requirements, suppliers will be requested to fill out surveys relating to quality and manufacturers. On-site or written quality evaluations are then conducted by our Quality Management Department in accordance with relevant regulations, and suppliers that pass quality evaluations are listed as qualified suppliers for future procurement.

Fees: Our procurement and other relevant departments request quotations based on requirements and specifications, and procurement requests are submitted only after requirements and specifications have been confirmed by relevant units. Procurement units confirm suppliers following price inquiries ,comparisons and price negotiation. New suppliers are required to fill out New Supplier Forms; supplier financial information is then confirmed by our financial departments, following which suppliers are approved by the highest-ranking supervisors. Supplier information is then entered into our system and orders are placed.

Our Canada Facility requires suppliers to fill out New Supplier Risk Evaluation Surveys for assessment of basic supplier information and financial risks. Relevant units are requested to participate in evaluations under the following conditions:

1. Environmental Health and Safety Department: When materials are considered to be hazardous
2. Quality Management Department: Review qualifications of suppliers that provide goods and services adhering to Good Clinical, Laboratory, and Manufacturing Practices (GxP).
3. Information Technology Department: Matters involving receipt or handling of important, exclusive, or personal data

Supplier Selection Process



Evaluation Criteria for New Suppliers	
Evaluation benchmarks	1. Review basic information: Review basic supplier information to ensure compliance with our raw material quality specifications and pricing competitiveness. 2. Sample testing: Request samples for testing from suppliers based on department requirements and confirm that testing results adhere to specifications and requirements. 3. Survey distribution and collection: Require suppliers to fill out quality and manufacturer surveys, following which our Quality Assurance Department conducts on-site or written evaluations based on relevant regulations.

Supplier Selection Process

For relatively large orders, suppliers that have passed selection evaluation processes are required to undergo comprehensive assessments based on past collaborations, capabilities, quality, and price.

Raw material suppliers for our Zhunan and Tainan plants are required to pass material quality verifications and be listed as qualified suppliers before orders can be placed. At least two quotations from different suppliers should be obtained for orders of general materials that exceed NT$ 0.5 million (tax exclusive); more than three and no fewer than two quotations from different suppliers should be obtained for orders that exceed NT$ 2.25 million (tax exclusive), except for suppliers with patents or ownership rights for said items or services.

Contracts involving transactions of less than C$ 100,000 at our Canada Plant can be signed directly by our company president. If estimated order amounts exceed C$ 100,000, at least three suppliers will be invited to participate in a selection process which adheres to business morals and ethics while encouraging reasonable competition between suppliers to maintain fair and balanced market operations.

Supply Chain Business Ethics

Bora Pharmaceuticals abides by business ethical standards. We require suppliers and their employees to demonstrate morals, ethics, and values during internal selection processes and various business activities; comply with local laws and regulations; make decisions based on stakeholder benefits regardless of political impacts or personal bias; and preserve contract-related communications to ensure complete records of all processes.

Establishing Supplier Lists

Drug quality and safety are directly and closely related to the suppliers of raw materials and equipment. Therefore, evaluation and management of supply chains constitute an important part of our corporate operations. As a pharmaceutical company, Bora Pharmaceuticals emphasizes product sources and manufacturing processes, and our suppliers are required to comply with strict regulations. For this reason, Bora Pharmaceuticals has established rigorous supplier selection processes where orders can only be placed with qualified suppliers that have passed new supplier evaluations. Vendors can only be listed as suppliers and potential collaborators for Bora Pharmaceuticals if they adhere to relevant standards. All 71 of our suppliers have passed our evaluations.

Supplier Maintenance

Supplier records in our procurement system are managed by our procurement team, and all executed contracts are archived in our central contract systems. Contracts must be signed by all associated units prior to recognition and execution, and all units should jointly supervise supplier behaviors. In the event of major deficiencies or violations of business ethics, contracts may be terminated or suppliers may be replaced following contract expiration depending on relevant circumstances. Following evaluations based on FDA evaluations, no suppliers were found to be high-risk vendors.

Bora Pharmaceuticals also conducts monthly reviews of supplier information newly added or revised over the previous month to ensure consistency between written and electronic information, following which review results are approved by responsible supervisors. Consistency of written and electronic information for existing suppliers are reviewed every six months, when we also confirm that original documents have been properly preserved.

Management Items	Current Conditions
Ratio of reviewed first-tier suppliers	100% of raw materials (excipients), packaging materials (bottles, caps, labels, and product instructions), and other materials that come into direct contact with drugs are reviewed
Evaluation of supplier risks	Most of our current suppliers are classified as low risk and a small number are classified as moderate risk; evaluations of qualified suppliers are conducted in accordance with factory SQM (Supplier Quality Management) processes

To maintain supplier quality, understand supplier operations, and control procurement risks, Bora Pharmaceuticals periodically conducts written supplier evaluations using surveys which include assessments of delivery dates, quality, other supply-related items, and corporate operational conditions. Our quality assurance units conduct regular reviews based on relevant regulations.

Annual Evaluations		
Item	Unit	Value
Ratio of evaluated suppliers	Ratio (%)	100.00%
Number of evaluated suppliers	Number of suppliers	71
Ratio of suppliers that underwent on-site evaluations	Ratio (%)	7.00%
Number of suppliers that underwent on-site evaluations	Number of suppliers	5

Measures for Continued Supply of Raw Materials and Components

Measures for Managing Raw Material Stockouts

Our raw material suppliers source their materials through both domestic purchases and overseas imports, maintaining long-term and close collaborative relationships with domestic manufacturers, and directly importing raw materials from overseas manufacturers/trading companies or through local distributors for foreign manufacturers. All raw materials and vendors have been properly evaluated, and we maintain good relations with alternate raw material suppliers to disperse our procurement sources for raw materials. None of our raw materials are sourced from single suppliers, and therefore we have never encountered stockouts.

Equipment Maintenance Measures

Consumables and spare parts for factory production equipment may impact production capacities in the event of equipment failure, necessitating evaluations of minimum times required for repairs. We have adopted the following methods to prevent occurrence of component shortages when encountering equipment failures:

1. Seek replacements for all major components.
2. Establish safety stock for spare parts and consumables, conduct monthly checks, and supplement inventory as needed.

Supplier Occupational Safety Management

Bora Pharmaceuticals has established "Contractor Health and Safety Regulations," which adhere to our "Standard Operating Procedures for Contractor Safety Management" and regulate contractor safety. We require contractors to comply with the requirements of occupational health and safety regulations during project operations to ensure appropriate protections for our employees, assets, and contractor personnel, thereby preventing accidents and environmental pollution.

Relevant regulations include：

Related procedures	1. All commissioning units must explain the provisions of our "Contractor Health and Safety Regulations" and "Affidavit of Construction Safety" to contractors prior to contract signing and project commencement. Major environmental health and safety concerns and procedures must also be communicated to contractors. 2. Before commencing joint operations, commissioning units should assemble contractors, form project coordination organizations, designate on-site supervisors, convene project coordination organization meetings, and record the "Minutes for Project Coordination Organization Meetings." 3. Prior to signing contracts and commencing work, contractors are required to sign "Project Collaboration Agreement Forms" which are collected by commissioning units and submitted to the industrial safety office for archival along with the Minutes for Project Coordination Organization Meetings. 4. In terms of applications for special operations, commissioning units should submit "Application Forms for Special Operations" detailing operational items and descriptions before contractors can commence work in factories. Application forms should be signed by responsible supervisors of project areas and then submitted to the industrial safety office for review. The industrial safety office should note environmental health and safety precautions before returning application forms to commissioning units for placement within project sites. Appropriate signing procedures should be implemented after projects have been completed, following which application forms should be returned to the industrial safety office for archival. 5. Contractors are required to place construction notices in conspicuous locations within project sites. 6. For projects that exceed NT$ 600,000 or involve operations in hazardous workplaces, commissioning units should require contractors to provide qualified labor safety personnel to act as our corporate contact, and personnel information and certifications should be submitted to the industrial safety office for review. Commissioning units should also require contractors to designate on-site health and safety supervisors to monitor site operations during project duration for projects under NT$ 600,000 or involving general operations. 7. Contractors are required to take necessary preventive measures against all possible disasters and accidents in accordance with the Occupational Safety and Health Act, and provide personnel with necessary protective facilities and equipment to ensure safety during project procedures. 8. Contractors shall be held responsible for all losses, personnel injuries, and criminal liabilities for legal violations resulting from inadequate safety preventive measures or errors conducted by contractor personnel; contractors shall also be responsible for compensating Bora Pharmaceuticals or other third parties for related property damages. 9. Contractors are required to provide health and safety training for relevant personnel in accordance with the Occupational Safety and Health Act and the Occupational Safety and Health Education and Training Rules. 10. Contractor personnel are required to complete at least three hours of health and safety training provided by contractor prior to factory entry. Contractors involved in construction-related industries are required to undergo an additional three hours of special health and safety training for construction projects, and relevant records should be provided prior to factory entry. 11. Daily waste generated by contractors should be properly collected in specific locations, and waste removal and disposal should be implemented by contractor personnel or commissioned vendors.
Incident handling	**Incident handling** If accidental incidents occur at work, emergency measures should instantly be implemented on site, and commissioning units shall immediately notify the industrial safety office to arrive on site and conduct site surveys. The industrial safety office should assist on-site contractor supervisors in handling subsequent procedures according to our management processes for incident handling and investigation, and relevant documents should be submitted to the industrial safety office for archival.
Penalties	All Bora Pharmaceuticals employees may report contractor violations of the aforementioned stipulations, and the industrial safety office should fill out the "Notice of Contractor Violations of Construction Regulations" in accordance with our "Contractor Health and Safety Regulations" and "Affidavit of Construction Safety" and deduct associated penalties. Relevant documentation should be submitted to the business supervisors of the industrial safety office for review, and then transferred to the commissioning unit for fee deductions when verifying project completion. Copies of documents should be submitted to the Audit Office and Accounting Department for archival.

Additionally, a notice of environmental hazards should be provided to guarantee that contractor personnel take related precautions in the workplace, prevent accidents from happening, and ensure that both Bora Pharmaceuticals and contractor employees remain attentive of risks during project procedures.

Appendix
Assurance Opinion Statement

EY安永
Building a better working world

安永聯合會計師事務所

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Assurance Report of Independent Auditors

To: Bora Pharmaceuticals Co., Ltd

1. Scope

We have been engaged by Bora Pharmaceuticals Co., Ltd (the "Company") to perform a limited assurance engagement in relation to and report on selected sustainability performance indicators included in Bora Pharmaceuticals Co., Ltd's 2021 Sustainability Report ("the Sustainability Report").

Regarding the sustainability performance indicators selected by the Company and their applicable criteria, please refer to Appendix A.

Management Responsibility
The Company is responsible for the preparation of the Sustainability Report in accordance with adequate criteria, including referencing to the Global Reporting Initiative Standards ("GRI Standards") issued by the Global Reporting Initiative (GRI), and for the design, execution and maintenance of internal controls with regard to report preparation to support the collection and presentation of the Sustainability Report.

Independent Auditor's Responsibility
Our responsibility is to plan and perform limited assurance engagement in accordance with *Assurance Engagements No.1 — "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* issued by the Taiwan Accounting Research and Development Foundation.

2. Assurance

The procedures performed in limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement so that the level of assurance is substantially lower than reasonable assurance engagement. While we considered the effectiveness of the Company's internal controls when determining the nature and extent of procedures, our procedures were not designed to provide assurance on internal controls.

To conclude for limited assurance, our procedures performed included:

- Interviewing with the Company's management and personnel to understand the Company's implementation of overall social responsibility and reporting process.

- Performing analytical procedures on the selected sustainability performance indicators; gathering and checking other supporting documentation and management representation obtained; testing on a sample basis if necessary.
- Reading the Sustainability Report to ensure the implementation of overall social responsibility and reporting process is consistent with our understanding.

3. Limitations

Non-financial information contained within the Sustainability Report are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

4. Quality and Independence

We are in conformity with *Statements of Auditing Standard No. 46 "Quality Control for Public Accounting Firms"* to establish and maintain a sound system of quality control, including code of professional ethics, professional standards and those written policies and procedures in applicable regulations. We are also in conformity with related independence and other ethics requirements in *The Norm of Professional Ethics*, whose basic principles are integrity, objectivity, professional competence and due care and professional behavior.

5. Conclusion

Based on our procedures and obtained evidence, nothing has come to our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability indicators in accordance with applicable criteria.

Fuh, Wen-Fun

Ernst & Young

August 1, 2022

Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

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Appendix A:

No.	Page	Corresponding Chapter	Corresponding Report Contents	Applicable Criteria
1	21	3.1 Corporate Governance Structure-Further Education of Board Directors	The training course, date, and hours arranged for directors to take according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"	Continuing education plans and arrangements according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"
2	36~38	4.2 Environmental Management Measures-Waste Management	Total amount of industrial waste during 2021 in Waste Disposal Data for Tainan Facility and Zhunan Facility	In 2021, the Company followed the GRI Disclosure 306-5 to report the following information: 1. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste. 2. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the disposal operations. 3. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the disposal operations. 4. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal.

No.	Page	Corresponding Chapter	Corresponding Report Contents	Applicable Criteria
3	35	4.2 Environmental Management Measures-Waste Management	Sewer charges, disposal costs for industrial waste and air pollution costs in 2021 in the chart of Pollution Management Costs in Taiwan Region	The Company's statistics of pollution management costs in 2021: ● sewer charges ● disposal costs for industrial waste ● air pollution costs
4	53	6.2 Happy Workplace-Occupational Safety	Disabling injuries and number of incidents in 2021 in the chart of incidence rate at Zhunan Facility and Tainan Facility	In 2021, the Company followed the GRI Disclosure 403-9 to report all employees and all workers who were not employees but whose work and/or workplace was controlled by the organization: 1. The number and rate of fatalities as a result of work-related injury. 2. The number and rate of high-consequence work-related injuries (excluding fatalities). 3. The number and rate of recordable work-related injuries. 4. The main types of work-related injury. 5. The number of hours worked.
5	55	7.1 Pharmaceutical Safety-Quality Control	There was no product recall during 2021.	Refer to SASB Index- HC-BP-250 a.3 Number of recalls issued, total units recalled

Appendix
2021 ISO14064-1 DNV Statement

Independent assurance statement

Statement No.:
C538397-2021-GHG-TWN-DNV

Issued date:
7 July, 2022

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2021) of

BORA PHARMACEUTICALS CO., LTD.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by BORA PHARMACEUTICALS CO., LTD. to perform a verification of the greenhouse gas assertion of Greenhouse Gas Inventory Management Report (2021) (hereafter the "Inventory Report") with respect to the sites listed in Appendix.

The scope of indirect emissions, other than Imported Energy with specified/limited list of sources, was defined by BORA PHARMACEUTICALS CO., LTD. 's own pre-determined criteria for significance of indirect emissions, considering the intended use of the GHG inventory:

Category	Subcategory	Boundary
Indirect GHG emissions from transportation	Upstream transportation and distribution	transportation of purchased goods (80% purchased goods)
	Business travel	Transportation of employees for business-related activities
	Employee commuting	Transportation of employees travelling between company and residence place
	Downstream transportation and distribution	Transportation of products sold by the Company (80% sold goods)
Indirect GHG emissions from products used by organization	Upstream leased assets	No leased assets
	Purchased goods and services	upstream (cradle-to-gate) emissions of 80% purchased goods
	Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not significant emissions
	Waste generated in operations	Not significant emissions
Indirect GHG emissions associated with the use of products from the organization	Investments	Bora Health Inc. 5F., No. 2, Aly. 36, Ln. 26, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan

Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018. The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2013 and ISO 14064-3:2006.

Verification Statement
It is DNV's opinion that the Inventory Report (2021), which was published on 1 June, 2022(ver. 3), is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,

- For the Direct GHG emissions and Indirect GHG emissions from imported energy, the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.
- For the other indirect GHG emissions and the fluorinated greenhouse gases emission reduction, the involved information were verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.

Chien Yi Jerry Huang
GHG Verifier

Place and date:
Taipei, 7 July, 2022

For the issuing office:
DNV Business Assurance Co., Ltd.
29Fl., No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan

Management Representative

Supplement to Statement

Process and Methodology
The reviews of the Inventory Report and relevant documents, and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

Quantification of Greenhouse Gas Emission
The Inventory Report covering the period 1st January, 2021 to 31st December, 2021, it is DNV's opinion that the Inventory Report results in quantification of GHG emissions that are real, transparent and measurable.

Organizational Boundary of Verification
☐Financial Management Control ☒Operational Management Control ☐Equity Share

GHGs Verified
☒CO_2 ☒CH_4 ☒N_2O ☒HFCs ☒PFCs ☒SF_6 ☒NF_3

Direct Emissions: 12,649.3454 tonnes CO2e
Imported Energy Indirect Emissions: 10,015.1852 tonnes CO2e
Quantification of the other indirect emissions:

Category	Subcategory	Tonnes CO2 e
Indirect GHG emissions from transportation	Upstream transportation and distribution	9552.9685
	Business travel	132.6166
	Employee commuting	1925.7952
	Downstream transportation and distribution	687.1679
Indirect GHG emissions from products used by organization	Upstream leased assets	-
	Purchased goods and services	9192.2544
	Fuel-and-energy-related activities (not included in Scope 1 or 2)	-
	Waste generated in operations	-
Indirect GHG emissions associated with the use of products from the organization	Investments	34.3076

**: Unless other indicated, the Indirect Emissions was calculated based on 2020 electricity emission factor of 0.502 kg CO2-e/kwh. The Global Warming Potential (GWP) defined in IPCC AR6 (2021) has been choose .*

Verification Opinion
☒ unmodified
☐ modified
☐ adverse

Appendix

TABLE 1:
Reporting boundary with respect to the following sites:

Boundary	Address
BORA HQ 保瑞藥業總部	台北市內湖區瑞光路 26 巷 36 弄 2 號 6 樓 6F., No. 2, Aly. 36, Ln. 26, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan
Mississauga site 加拿大廠	7333 Mississauga Road, Mississauga, ON L5N 6L4 Canada
Zhunan site 竹南廠	苗栗縣竹南鎮科東三路 1 號 No.1, Kedong 3rd Road, ZhuNan, MiaoLi County 3353, Taiwan
Tainan 台南廠	台南市官田區工業西路 54 號 No. 54 Gongye West Road Guantian District, Tainan City 720, Taiwan

TABLE 2:
Direct emission

種類 GHG type	排放量 (公噸 CO2e) GHG Emission (ton CO_2e)							
	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Total
Total	12,379.7083	59.5974	29.3748	180.6649	0.0000	0.0000	0.0000	12,649.3454
%	97.87%	0.47%	0.23%	1.43%	0.00%	0.00%	0.00%	100.00%

TABLE 2:
Indirect emission-Imported energy emission

公司別 Site	使用量 (千度) Consumption(kWH)	排放係數 Emission Factor	單位 Unit	排放量 (公噸 CO2e) Emission (ton CO2e)
Taiwan	18,302.7390	0.5020000000	公噸 CO_2e/千度	9187.9750
Canada	23,607.4742	0.0350401843	公噸 CO_2e/千度	827.2102
Total				10,015.1852

Index of GRI Standards Indicators

General Disclosure

GRI Standards	Index Name	Page	Remark
102-1	Name of the organization	Page 2	
102-2	Activities, brands, products, and services	Page 9	
102-3	Location of headquarters	Page 2	
102-4	Location of operations	Page 7	
102-5	Ownership and legal form	Page 7	
102-6	Markets served	Page 8	
102-7	Scale of the organization	Page 9,44-45	
102-8	Information on employees and other workers	Page 44	
102-9	Supply chain	Page 9	
102-10	Significant changes to the organization and its supply chain	Page 7	Bora Management Consulting Co., Ltd. was established in 2021.
102-11	Precautionary principle or approach	Page 55	
102-12	External initiatives	-	Bora does not endorse international initiatives.
102-13	Membership of associations	Page 25	
102-14	Statement from senior decision-maker	Page 3	
102-16	Values, principles, standards, and norms of behavior	Page 22-23	
102-18	Governance structure	Page 14	
102-40	List of stakeholder groups	Page 17	
102-41	Collective bargaining agreements	Page 49	
102-42	Identifying and selecting stakeholders	Page 17	
102-43	Approach to stakeholder engagement	Page 18	
102-44	Key topics and concerns raised	Page 15-16	
102-45	Entities included in the consolidated financial statements	Page 7	
102-46	Defining report content and topic boundaries	Page 2	
102-47	List of material topics	Page 16	
102-48	Restatements of information	-	Not applicable. This is Bora's first Sustainability Report.
102-49	Changes in reporting	-	Not applicable. This is Bora's first Sustainability Report.
102-50	Reporting period	Page 2	

Index of GRI Standards Indicators

General Disclosure

GRI Standards	Index Name	Page	Remark
102-51	Date of most recent report	Page 2	
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102-54	Claims of reporting in accordance with the GRI Standards	Page 2	
102-55	GRI content index	Page 70	
102-56	External assurance	Page 62-69	

Material topics

GRI Standards		Index Name	Page
Pollution and Waste Management			
GRI103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
GRI306：Effluents and waste 2016	306-2	Waste by type and disposal method	Page 30-32
Talent Cultivation and Happy Workplace			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
GRI 404：Training and education 2016	404-1	Average hours of training per year per employee	Page 39
Occupational Health and Safety Management			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
GRI 403：Occupational health and safety 2018	403-6	Promotion of worker health	Page 42-43
	403-9	Work-related injuries	Page 47
Customer Relationship Management			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
Product Responsibility and Safety			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
Ethics and Integrity			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
Information Security Management			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14

Material topics

GRI Standards		Index Name	Page
Corporate Governance			
GRI 103：The management approach	103-1	Explanation of the material topic and its boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
GRI 205：Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Page 20-21
Specific Topic			
GRI 303：Water and water discharge 2018	303-3	Water withdrawal	Page 34
	303-4	Water discharge	Page 34
GRI 305：Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 33
	305-2	Energy indirect (Scope 2) GHG emissions	Page 33
	305-7	Nitrogen oxides (NoX), sulfur oxides (SoX), and other significant air emissions	Page 33
GRI 401：Employment 2016	401-3	Parental leave	Page 44
GRI 414：Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain, and actions taken	Page 53

SASB Index

Topic	Accounting Metric	Page/Note	SASB Code
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Page 51-52	HC-BP-210a.1
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Bora does not have relevant event that occurred in 2021	HC-BP-210a.2
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Bora does not have relevant event that occurred in 2021	HC-BP-210a.3
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Bora does not have relevant event that occurred in 2021	HC-BP-240b.1
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Page 50	HC-BP-240b.2 HC-BP-240b.3
Drug Safety	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Bora does not have relevant event that occurred in 2021	HC-BP-250a.2
	Number of recalls issued, total units recalled	Page 49	HC-BP-250a.3
	Total amount of product accepted for takeback, reuse, or disposal	Page 49	HC-BP-250a.4
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Bora does not have relevant event that occurred in 2021	HC-BP-250a.5
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Page 51	HC-BP-260a.1
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Page 51	HC-BP-260a.2
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Bora does not have relevant event that occurred in 2021	HC-BP-260a.3
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Bora does not have relevant event that occurred in 2021	HC-BP-270a.1
	Description of code of ethics governing promotion of off-label use of products	Page 48-49	HC-BP-270a.2
Employee recruitment, development and retention	Recruitment and retention of scientists and researchers	Page 50	HC-BP-330a.1
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Bora does not have relevant event that occurred in 2021	HC-BP-510a.1
Activity Metric	Number of patients treated	Bora only manufactures drugs and does not reach patients directly	HC-BP-000.A

Bora Pharmaceuticals

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