Bora Pharmaceuticals

# Sustainability Report 2022

www.bora-corp.com

## Contents

## Preface. About this Report

Bora Pharmaceuticals (hereinafter Bora or the Group) began releasing annual sustainability reports in 2021 to serve as an important channel for stakeholder communications of non-financial information and to describe our corporate operations and sustainability actions.

## Report Period, Boundaries, and Scope

The information disclosed by this Report encompasses the period from January 1, 2022 to December 31, 2022. The main disclosure boundaries and scope encompasses 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. This Report presents our responses and actions on material topics of interest to our stakeholders.

Note: Data for facilities acquired this year were calculated starting from the date of acquisition to December 31, 2022.

Acquired Zhubei Facility on July 1, 2022.

Acquired Zhongli I Facility, Zhongli II Facility, and Jingde Facility on September 1, 2022

## Principles for Compilation

The information in this Report was mainly prepared in accordance with Global Reporting Initiative (GRI) guidelines. Non-financial information was disclosed in accordance with Task Force on Climate -Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) frameworks, and we 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

This Report is issued on an annual basis in both Chinese and English. The reporting period spans from January 1, 2022 to December 31, 2022 and associated files have been placed on the Bora Pharmaceuticals corporate website for stakeholder download.

Current issue: Released October 2023

Previous issue: Released November 2022

Previous reports: https://reurl.cc/GKEnoW

## Independent Assurance

To enhance the disclosure quality and credibility of this Report, we commissioned EY Taiwan to provide limited assurance on specific indicators in accordance with ISAE 3000. The assurance statement is disclosed in the appendix of this Report.

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Bora website

Bora ESG

盛 保 熙
保瑞集團總裁 董事長

## A Message from our Chairman and CEO :

# Bora's 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 in 2021; 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 has formally established a 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 which focus 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 2022


## E Environment

- Completed verification of first ISO 14064 : 2018 greenhouse gas inventory in June 2022

## S Social

- total of 43 (100%) new employees in the Taiwan region underwent physical examinations (not including employees merged into the Group from mergers and acquisitions)
- A total of 205 (100%) employees in the Taiwan region underwent physical examinations

## G Governance

- We established a Sustainability Committee to coordinate our sustainable management policies
- No products were recalled in 2022
- Received a bronze Taiwan Corporate Sustainability Award in 2022

# Chapter One.
# About Bora Pharmaceuticals

## 1.1 Company Overview

### Brand Essence, Products, and Services

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 rigorously 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 a hundred other countries around the world. We collaborate with the top pharmaceutical brands in each region, facilitate rapid growth through precision strategies, and have become one of the leading pharmaceutical brands in Taiwan.

Our excellent business performance garnered us second place in CommonWealth Magazine's 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, and provide quality products and efficient services to accelerate our path towards a comprehensive CDMO pharmaceutical company that produces world-renowned medications while facilitating sustainable growth in revenues and profits.

### Brand Essence

bora

**Contributing to Better Health All Over the World**

**" Contributing to Better Health All Over the World "** is our mission at Bora Pharmaceuticals. As we are responsible for protecting public health, we adhere to high standards, insist on "Doing what is right, 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 sustainable corporate 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."** We respect the professional capabilities of our colleagues and our common aim is to offer the highest quality products and services. We propose innovative ideas while driving progress at Bora Pharmaceuticals through cross-departmental communications and implementations.

## 2022

- Acquired TWi Pharmaceuticals
- Acquired CDMO operating assets of Eden Biologics

## 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$ 774,348,000 |
| 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 |
| Mississauga Facility | 7333 Mississauga Rd., Mississauga, Ontario, L5N 6L4 Canada |
| Zhongli I Facility | No. 3-1, Ziqiang 4th Rd., Zhongli Dist., Taoyuan City |
| Zhongli II Facility | No. 17, Dongyuan Rd., Zhongfu Vil., Zhongli Dist., Taoyuan City |
| Jingde Facility | No. 80, Sec. 1, Changan Rd., Luzhu Dist., Taoyuan City |
| Zhubei Facility | 6F, No. 12, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu County, Hsinchu Science |

## 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:

### Main Operations

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

We own high-end facilities with quality verifications from various regions such as the US, the UK, Europe, and Japan, equipped to manufacture a diverse range of dosage forms including nasal sprays, oral solid dosage forms(including sustained-release dosage forms with high technical thresholds), liquid preparations, and semi-solid dosage forms. Our professional CDMO production facilities include our Tainan Facility (PIC/S GMP), Zhunan Facility (PIC/S GMP/USFDA/MHRA), and Mississauga Facility (USFDA/Health Canada/ MHRA). Our main manufacturing and supply contract clients for Western pharmaceutical products include international renowned clients such as GSK, Amneal, and Eisai Taiwan, and we continue to expand our international reach for 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. We plan to strengthen existing channels and integrative marketing strategies in future to maximize our sales.

The effervescent beverage product series from our well-established, self-owned Immu Boost brand has a good market reputation and loyal consumers. 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 pharmaceutical development and analysis. Our team keeps informed of the latest pharmaceutical laws and is familiar with regulated application, registration, and verification processes for different countries, making us the most advantageous and competitive partner for clients looking to develop, register, and launch drugs in different regions.

## CDO

**Formulation design**
1.Development of new dosage compositions
2.Development of new dosage forms

**Product inspection**
1.Contract inspection
2.Development of contract inspection methodologies

**Pilot production expansion**
1.Establishment of process parameters
2.Process optimization

**Examination and registration**
1.Establishment of examination and registration information
2.International regulation consultancy

**Product development**

## Bora Pharmaceuticals one-stop international CDMO services

**Special dosage forms**
1.Sustained-release dosage forms
2.Multi-unit dosage forms

**Quality production**
1.US FDA
2.EMA
3.PMDA

**Mass production expansion**
1.Adjustment and establishment of process parameters
2.Process optimization

**Pharmaceutical packaging**
1.Sequential packaging
2.Automated packaging

**Product launch**

## CMO

### 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 has invested in advanced process and automation equipment, laboratory analysis equipment, and quality management systems to meet the needs of domestic and foreign regulations.

### Tainan Facility

PIC/S, TFDA, GCC, cGMP

Mainly produces capsule and table 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 who comply with international PIC/S GMP pharmaceutical standards.

### 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 global PIC/S standards, and our products are exported to countries in North America, South America, Europe.

## Zhubei Facility

TFDA, EU QP, cGMP

Mainly engaged in development of biosimilars and provision of CDMO services.

Facility I

Facility II

## Zhongli I & II Facilities

USFDA, TFDA

Mainly manufactures various oral solid, OROS, and suspension dosage forms, as well as sterile ophthalmic dosage forms for sale in the US market.

## Jingde Facility

USFDA, TFDA

One of the few domestic facilities focused on production of ophthalmic dosage forms. This facility passed US FDA inspections at the end of 2022 and not only supports Bora's ANDA applications and commercial production needs for opthalmic products in the US market, but also provides CDMO services for opthalmic products.

## Main Products

| Product Ratio(%) | 2020 | 2021 | 2022 |
|---|---|---|---|
| Sales of pharmaceutical and health products | 25.24 | 10.03 | 54.30 |
| CDMO | 74.76 | 89.93 | 45.62 |
| Other | -- | 0.04 | 0.08 |

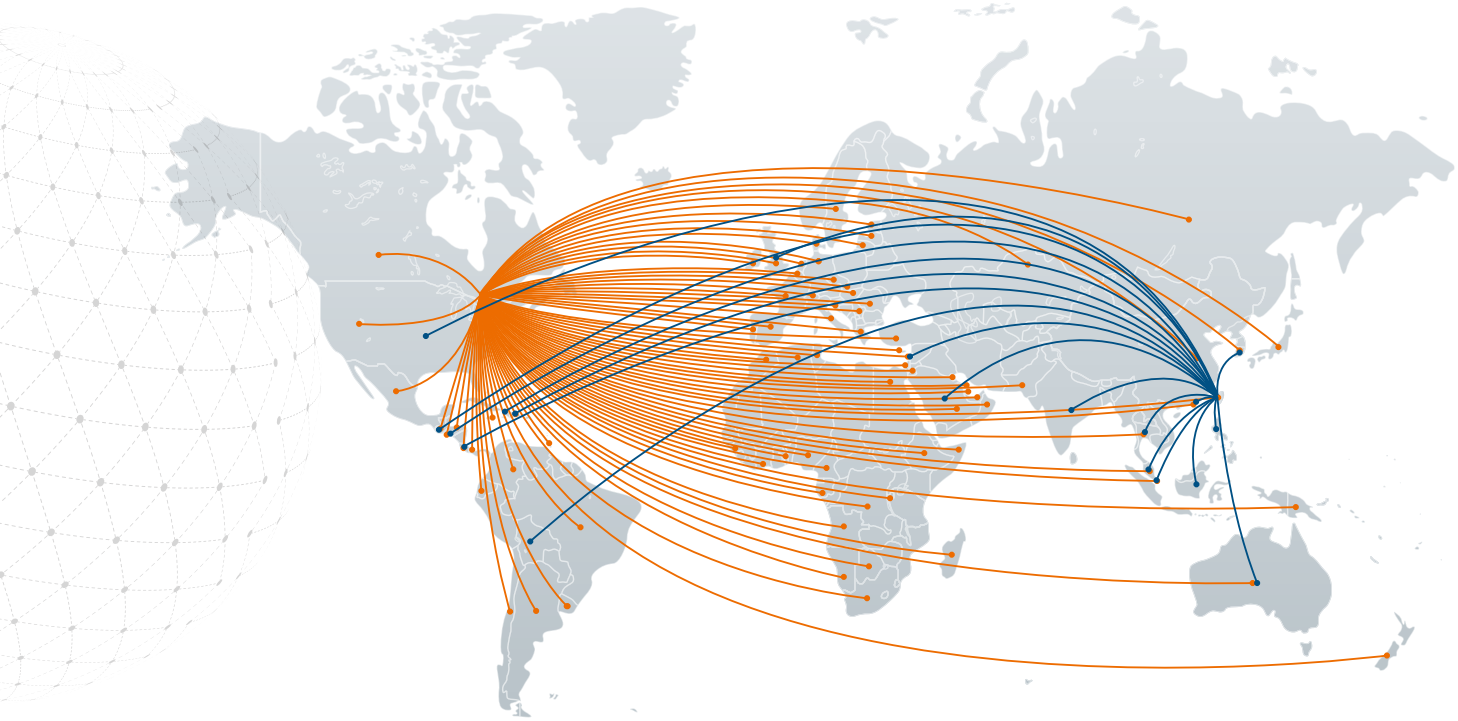
Notes：Sales of pharmaceutical and health products: Sales of self-owned pharmaceuticals as well as imported pharmaceutical and health products.
CDMO: Technical CMO and CDO services.
Other: Income from management consulting, licensing fees, and commissions.


## Sales Volumes

| Product Volumes | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| | Domestic sales | Export sales | Domestic sales | Export sales | Domestic sales | Export sales |
| Semi-solid dosage forms (thousand tubes) | 223 | 1,234 | 170 | 22,300 | - | 27,152 |
| Oral solid dosage forms (thousand tablets) | 495,624 | 319,667 | 411,190 | 312,300 | 424,796 | 293,584 |
| Oral solid dosage forms (thousand pieces) | - | 13 | - | 122,380 | - | 150,886 |
| Oral solid dosage forms (thousand pieces) | - | - | - | - | - | 1,446 |
| Liquid dosage forms (thousand bottles) | 322 | - | 219 | 16,643 | 14 | 3,850 |

## Main Sales Regions

| Revenues (thousand NTD) | 2020 | 2021 | 2022 |
|---|---|---|---|
| Taiwan market | 615,870 | 645,022 | 850,686 |
| Overseas | 1,183,700 | 4,254,863 | 9,643,784 |




## Operational Performance

Our consolidated revenues for 2022 were NT$ 10,494,470,000, an increase of 114% compared with the previous year. Consolidated after-tax profits were NT$ 1,401,525,000, an increase of 86.94% over the previous year NT$ 749,736,000, and after-tax basic earnings per share was NT$ 18.52.

| Economic value distributed (thousand NTD) | | | | |
|---|---|---|---|---|
| Composition | Description | 2020 | 2021 | 2022 |
| Direct economic value generated (A) | | | | |
| Revenues | Net revenues | 1,799,570 | 4,899,885 | 10,494,470 |
| | Interest/dividends/rent | 15,395 | 47,679 | 20,534 |
| Direct economic value distributed (B) | | | | |
| Operating costs | Costs arising from operational activities | 1,041,206 | 2,376,582 | 861,521 |
| Personnel costs | Salaries, dividends, bonuses, employee benefits (pensions and insurance fees) | 559,287 | 1,477,312 | 1,746,758 |
| Payments to providers of capital | Interest fees and dividend payments | 105,227 | 163,382 | 347,529 |
| Payment to government | Taxes (not including deferred taxes) | 26,912 | 53,772 | 381,545 |
| Community investments | Donations, sponsorships | 72 | 1,645 | 1,332 |
| Economic value retained (A-B) | | 82,261 | 874,871 | 7,176,319 |

## Corporate Finances

| Financial Performance (thousand NTD) | | | |
|---|---|---|---|
| Financial information | 2020 | 2021 | 2022 |
| Total assets | 7,004,179 | 7,372,334 | 22,761,215 |
| Equity | 2,464,764 | 3,152,541 | 5,140,456 |
| Net profit after tax | 578,426 | 749,736 | 1,401,525 |
| Basic earnings per share | 8.63 | 10.04 | 18.52 |

# 1.2 External Participation

## Awards and Recognition


Bora Pharmaceuticals continues to implement the Group's vision of "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 strive to strengthen internal management mechanisms through a continued and cyclical process of improvement. We use high management standards to enhance our product and service quality as we work to provide high-quality and high-performance services and products that enhance customer satisfaction. We have received the following awards:

### CPhI Pharma Awards
CEO of the Year

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


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

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

### CommonWealth Magazine Hundred Fastest Growing Companies
Second place in Hundred Fastest Growing Companies



### Sustainability Reporting Award
Bronze medal

# Chapter Two.
# Vision for Sustainability and Development Strategies

## 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.

**Responsibility and ethics**

Corporate governance and ethical management

**Talent cultivation and happy workplace**

Talent cultivation and employee care

**Healthy society and charitable participations**

**Patient care:** Promotion of CNS disease awareness and patient services

**Social participation:** Grant Wishes and Deliver Love activity

**Promotion of sports activities:** Promoted participation in marathon events and beach cleanup activities for environmental protection

**Responsible manufacturing and R&D innovation**

Continued to develop new dosage forms and new technology platforms to fulfill patient needs

**Ecological sustainability**

Carbon reduction plans and incorporation of ISO14064 greenhouse gas surveys

**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 released the 2030 Agenda for Sustainable Development in 2015 and officially announced the Sustainable Development Goals (SDGs) 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 and we hope to exert our influence on society and the environment. We matched our vision for sustainability with the SDGs and also referenced the UN Global Compact, GRI standards, and the SDG Compass guidelines published by WBCSD to link our five strategic axes and actions for sustainable development with the SDGs, thereby aligning our sustainable development strategies with international sustainability trends.

**Corporate Vision and Mission**
**Contributing to Better Health All Over the World**

| Responsibility and ethics | Responsible manufacturing and R&D innovation | Healthy society and charitable participations | Talent cultivation and happy workplace | Ecological sustainability |
|---|---|---|---|---|
| Communicate financial, environmental, risk, and operational information to stakeholders in accordance with the Corporate Governance Evaluation. | Continue to optimize manufacturing quality to fulfill unmet patient and client needs, and develop new dosage forms. | Promote internal and external participation in charitable activities. | Talent cultivation plans and employee benefits. | Continue to incorporate ISO14064-1; establish short, medium, and long-term carbon emissions targets; and implement carbon reduction plans. Pollution, waste, and water resource management |

**Future plans linked to SDGs**

| Responsible manufacturing and R&D innovation | Healthy society and charitable participations | Talent cultivation and happy workplace | Ecological sustainability |
|---|---|---|---|
| Prioritize procurement of paper with forest certification labels | Establish scholarships and paid internship opportunities for disadvantaged students from medical or pharmaceutical related majors<br>Donate resources to regions in need of emergency aid<br>Support education plans for rural areas | Establish human resource policies and diverse inclusiveness policies that prohibit discrimination based on race, gender, age, religion, political affiliation, mental or physical disability, or union membership | Establish water conservation targets<br>Enhance utilization and management of water resources<br>Establish renewable energy targets<br>Establish waste reduction targets and measures for handling effluents |

## 2.2 Corporate Sustainability Management Framework

### Sustainability Committee and Governance Structure

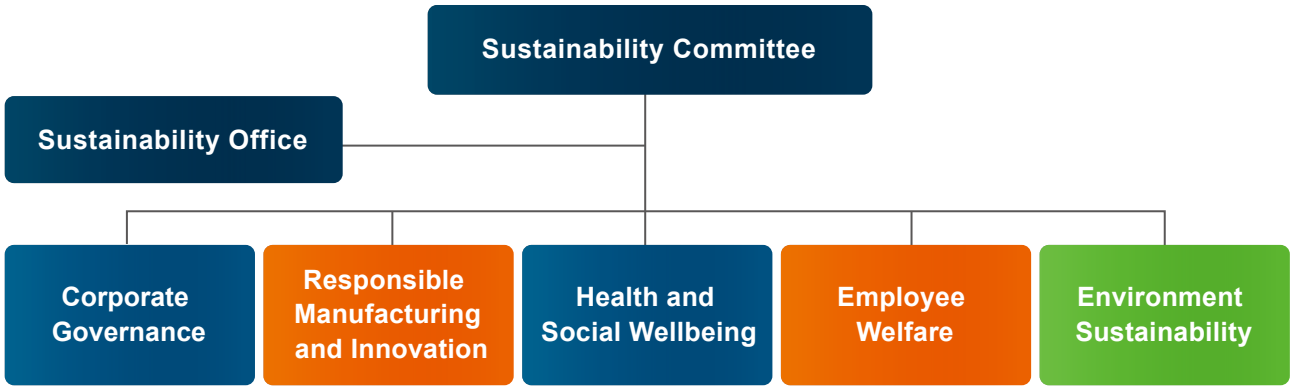
To realize our vision for sustainable development, fulfill our corporate social responsibilities, and strengthen our sustainability actions, we officially approved the establishment of a Sustainability Committee in February 2022, elevating our corporate goals for sustainable development to the level 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 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 sustainable 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 Sustainability Committee as shown in the following image. 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; evaluate actual or potential social, economic, environmental, and human rights impacts that could stem from organizational and business activities; and conduct impact analyses. Analysis results are discussed during Sustainability Committee meetings to determine material topics and management guidelines. These topics are discussed at each Sustainability Committee meeting.

Organizational chart：



# 2.3 Material Issues

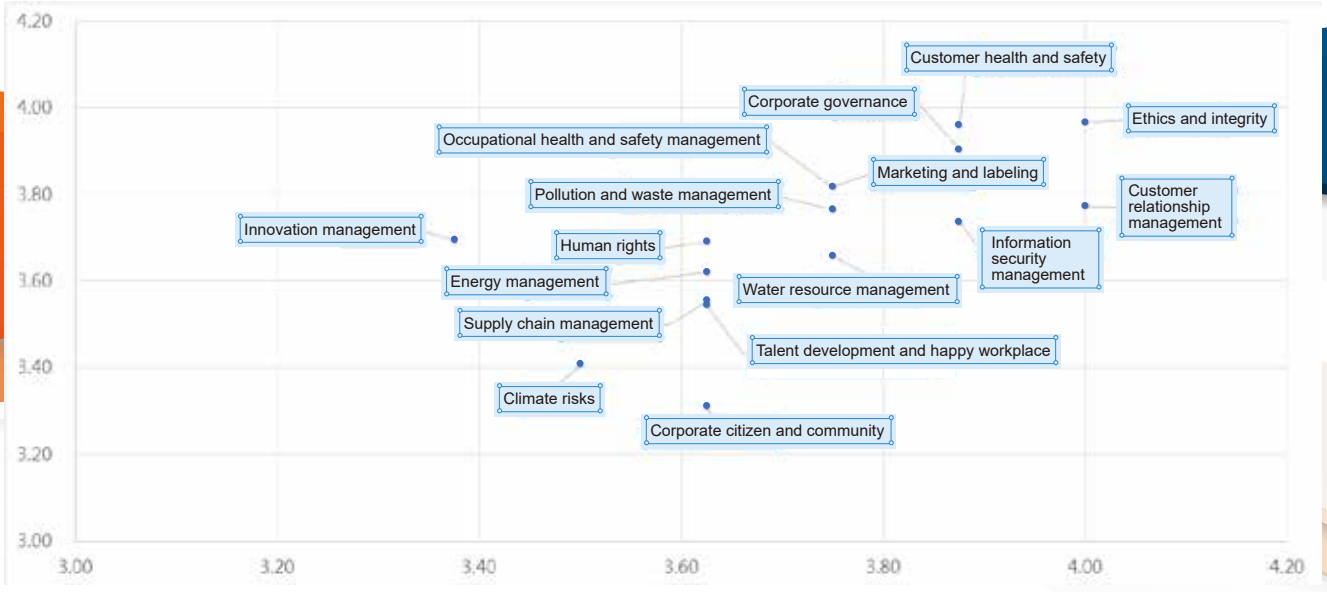
Sustainability reports serve as an important channel for the Bora Group to communicate sustainability issues with stakeholders. We engage with our stakeholders through various channels, respond to issues of stakeholder concern, and propose corresponding strategies and actions.

## Identification Process for Material Issues

| Collect sustainability issues | Identify stakeholders | Survey stakeholders | Assess organizational impacts | Confirm material topics | Compile report |
|---|---|---|---|---|---|
| 16 topics | 5 stakeholder categories | 40 valid surveys | 8 material topics | Convened meeting to discuss material topics | 15 GRI categories |

Bora Pharmaceuticals compiled 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 also identified five main stakeholders (employees; clients; suppliers/contractors; industry, government, academic, and research institutes; and investors). We collected stakeholder feedback using surveys containing questions related to three aspects (environment, social, and governance) and designed around actual and potential impact categories. Surveys were distributed to various stakeholders and collected responses were weighted and included in analyses for our materiality matrix to determine material topics for Bora Pharmaceuticals that could be used as a basis for evaluating and managing sustainability risks. Relevant departments were notified of related topics and management guidelines were formulated. Our responses have also been incorporated in the different sections of our Sustainability Report as part of our management of sustainability issues.

Material topics at Bora Pharmaceuticals include ethics and integrity, customer health and safety, corporate governance, customer relationship management, information security management, marketing and labeling, occupational health and safety management, pollution and waste management, and talent development and happy workplace; these topics correspond with our operational and businesses focuses, and reflect the concerns and expectations of our stakeholders.



# Material Topics

## Material Topics and Management Guidelines

In 2022, Bora Pharmaceuticals identified the following nine material topics using the aforementioned sustainability risk assessment process:

| | Material Topic | Description of Material Topic | 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 | ● To effectively manage and control the wastewater and waste generated in our facilities, 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<br>● Stationary pollution sources:<br>Amended permits for organic solvents and boiler operations were included in our approved trial operation plan application for 2022<br>● Effluents:<br>(1) Effluent volumes are calibrated by an external institute every year<br>(2) Outsourced sampling and analysis procedures are conducted for the first and second half of each year, and reports are filed every January and July<br>(3) Water consumption volume charts and water balance charts are provided to facility sewage plants each month for future reference<br>(4) Inspections are conducted for the first and second half of each year in accordance with Department of Environmental Protection requirements<br>● Waste:<br>Waste sources and temporary stored volumes are reported every month, and qualified disposal companies are commissioned to clean and handle waste in accordance with the items in our waste disposal plan<br>● Toxic chemicals and chemical substances of concern:<br>Relevant contingency drills related to various registration documents are conducted in accordance with regulations, and recording and reporting procedures for approved documents are implemented in accordance with regulations |
| **Social** | Talent development and happy workplace | ● Establish a remuneration and welfare policy with external competitiveness and internal equality, and offer 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<br>● We strive to strengthen communication channels between supervisors and employees, as well as open and transparent communication channels between colleagues to build harmonious labor-management relations and achieve mutual benefits for us and our employees<br>● 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 | ● Establish 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, commanders, 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.<br>● We have implemented relevant measures in accordance with the Occupational Safety and Health Act, and have formulated automated inspection plans, occupational health and safety management plans, and related management regulations to ensure that our employees are protected during operations.<br>● We regularly conduct internal audits to confirm health and safety implementations at all facilities and regions, and to confirm that implemented items comply with laws and regulations. |

| | | | |
|---|---|---|---|
| Governance | Customer relationship management | ● Customer service quality, results of customer satisfaction surveys, and improvement measures<br>● 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<br>● Visits from regional managers to better understand customer needs<br>● Continue to maintain the highest standards for protection of customer information and rights |
| | Customer health 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<br>● We adhere to factory inspection standards set by the Ministry of Health and Welfare in Taiwan and the US Food and Drug Administration (FDA), and the UK Medicines and Healthcare products Regulatory Agency (MHRA)<br>● We ensure that we comply with client needs through irregular client facility inspections.<br>● Regularly participate in lectures and courses organized by the 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<br>● To achieve our quality goals, we have established a comprehensively designed and properly executed pharmaceutical quality system which encompasses Good Manufacturing Practice and Quality Risk Management, and all processes are fully documented to monitor effectiveness. All departments of the pharmaceutical quality system are properly staffed with competent personnel as well as appropriate and sufficient factories, equipment, and facilities. Manufacturing permit holders and authorized personnel bear additional legal liabilities. |
| | Ethics and integrity | ● Incorporation of integrity and ethics in our business strategies and promote ethical management policies, dissemination, and training to make ethical management a part of our corporate culture, and also embed integrity and ethics in decision-making processes | ● We received no reports of ethical violations in 2022<br>● We formulated the Bora Group Code of Conduct, established internal channels for announcements and dissemination, and required all colleagues to sign the Code of Ethical Conduct<br>● We promoted our Ethical Corporate Management Best Practice Principles, grievance reporting process, and prevention of insider trading through employee conferences<br>● All directors have completed training relating to prevention of insider trading and insider ownership reporting |
| | Information security management | ● Thoroughly implement information security management and monitoring, consider management of confidential customer information to the responsibility of all employees, and enhance information security awareness through education and training | ● Reduce risks by upgrading outdated protective equipment<br>● Introduce new technologies in response to the latest trends in information security attacks<br>● Inventory and strengthen management of information security vulnerabilities<br>● We consider information security to be the responsibility of all employees and enhance information security awareness through education and training<br>● Continue to implement operational security management and backup mechanisms<br>● Installed new-generation firewalls and introduced multi-factor authentication technologies in 2022<br>● Conducted vulnerability scans, updated and replaced defenses, and strengthened vulnerability protections in 2022<br>● Hosted an information security promotion event for all employees in 2022 and sent regular electronic newsletters<br>● Regular backups were conducted for all systems in 2022, and recovery and verification procedures were conducted in accordance with annual disaster recovery plans |
| | Corporate governance | ● Continue to implement corporate governance, strengthen internal controls and audits, adopt stakeholder feedback, and report to the Board | ● Our audit managers communicate periodically and non-periodically with our independent directors; communications are disclosed on our corporate website and in our annual reports<br>● Operations 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 all stakeholder rights and works to establish public, transparent, and effective communication channels with all stakeholders, using a stable and responsible attitude to achieve our vision of a sustainable future.

## Stakeholder Communication and Identification

Bora Pharmaceuticals upholds responsibilities and missions relating to sustainable governance. We have established a mailbox for stakeholder communications on our corporate 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 through implementation of strategic sustainability projects and analysis of correlations between stakeholder engagement and communication results to strengthen effectiveness of issue communications, and 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 achievements for 2022 |
|---|---|---|---|---|
| **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 adhere to the UN Guiding Principles on Business and Human Rights, emphasize human rights and equality in work rights, 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<br>• Talent recruitment and development<br>• Diversity and equal opportunities<br>• Employee health and employee care<br>• Workplace health and safety | • Departmental communication and work meetings (daily)<br>• Facility affairs meetings (weekly)<br>• Internal newsletters (daily)<br>• Employee conferences (quarterly)<br>• Labor-management meetings (quarterly)<br>• Labor Health and Safety Committee meetings (quarterly)<br>• Performance interviews (annual)<br>• Health and safety training (annual)<br>• Employee Welfare Committee meetings (annual)<br>• Remuneration Committee meetings (annual)<br>• Employee education and training (non-periodic)<br>• Employee suggestion box and grievance mailbox (real-time)<br>• Internal corporate website (non-periodic)<br>• Care and communications from facility nurses (irregular) | • Strengthened talent cultivation and provided internal job transfer opportunities<br>• 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.<br>• Effective promotion of labor-management relations through 3 labor-management meetings (hosted on a quarterly basis at each region)<br>• Established goals at the beginning of the year and underwent evaluations at the end of the year. The ratio of employees who underwent annual performance evaluations reached 100%.<br>• Conducted interviews with high-risk employees and employees with metabolic syndrome to check on their health status<br>• Provided travel and activity subsidies to help employees maintain their mental and physical health.<br>• Encouraged our colleagues to participate in charitable activities including beach cleanups on Family Day and Christmas gift-giving activities. |
| **Investors** | Bora Pharmaceuticals has always been committed to investor relations. We 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, thereby achieving timeliness and transparency in information disclosures while protecting shareholder interests. | • Corporate governance and operational performance<br>• Ethical management and legal compliance<br>• Risk management<br>• Future potential for growth and profitability | • Shareholders' general meetings (annual)<br>• Investor conferences (semiannual)<br>• Investor symposiums (non-periodic)<br>• Financial reports (quarterly)<br>• Revenue performance (monthly)<br>• Disclosures of important financial and business information on the Market Observation Post System (non-periodic)<br>• Spokesperson, deputy spokesperson, and media point of contact (real-time)<br>• Investor relations mailbox and point of contact (real time) | • Convened two shareholders' meetings<br>• Convened two investor conferences<br>• Convened three investor symposiums<br>• Disclosed 71 pieces of material information on the Market Observation Post System<br>• Conducted 32 interviews with domestic and overseas institutes, news interviews, and exclusive interviews (prior to the 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. We provide our clients with products that adhere to relevant regulations and strive to supply products to satisfy emergency client orders. | • Customer relationship management<br>• Supply chain management<br>• Information security and protection of personal information<br>• Product quality and legal compliance | • Customer service mailbox (real-time)<br>• Provision of professional information through our website and social media platforms (non-periodic)<br>• Newsletters (non-periodic)<br>• In-person/video conferences (monthly/quarterly)<br>• In-person visits (monthly)<br>• Telephone communications (irregular)<br>• Emails (irregular) | • Zero customer complaints and high levels of customer satisfaction<br>• The number of followers on our LinkedIn profile rose to 6,794 people.<br>• Regularly communicated product and manufacturing issues each month during rolling product and manufacturing meetings |

| | | | | |
|---|---|---|---|---|
| **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, communicate effectively with our suppliers/ contractors, maintain good relations and collaborations, all of which are greatly significant in protecting product quality, maintaining corporate reputations, and complying with related regulations. | • Raw materials and supply chain management (Business Continuity Management)<br>• Quality inspections/ compliance with GMP regulations | • MRO items processed through procurement, price inquiry, and negotiation processes (non-periodic)<br>• Purchase raw materials from listed qualified suppliers (non-periodic)<br>• Conduct supplier audits in accordance with PIC/S regulations to better understand supplier compliance. The frequency of periodic supplier audits are determined based on audit results and risk assessments.<br>• Emails (irregular)<br>• Telephone communications (irregular)<br>• Face-to-face communications (irregular)<br>• Video/in-person conferences (irregular) | • We completed supplier evaluations for 2022 and compiled evaluation reports; we conducted assessments of BCM, services, and other indicators to serve as a reference for decisions on future collaborations<br>• We completed audits for eight suppliers in 2022; all suppliers were found to be qualified.<br>• A total of 14 raw material suppliers/ manufacturers (including excipient suppliers and packaging material suppliers) passed quality assessment audits in 2022<br>• TWi Pharmaceuticals communicated with suppliers 44 times<br>• Cooperated with quality units to strengthen monitoring and evaluation of product quality and safety<br>• Regularly reviewed and updated corporate procurement policies and terms to ensure compliance with regulations and company values<br>• Strengthened evaluation and monitoring of suppliers/contractors |
| **Industry-government-academia-research institutes** | We maintain good communications with regulatory authorities and ensure legal compliance when manufacturing products that comply with regulations. | • Routine GMP audits<br>• Regulatory amendments<br>• Policy guidance, innovation platforms, and vendor development support<br>• Product compliance<br>• Product quality issues<br>• Audit-related issues<br>• Inspection registrations and notifications of major changes<br>• Drug/factory-related inspections and registrations, drug import and export applications, application issues, and progress inquiries | • Paper/digital official documents (irregular)<br>• Submit proposals to TFDA pharmaceutical association policy communication and negotiation meetings through public associations (irregular)<br>• CDE telephone or written inquiries (irregular)<br>• TFDA written or telephone inquiries (irregular)<br>• Telephone communications (irregular)<br>• Emails (irregular)<br>• Paper/digital official documents (irregular)<br>• Online submission platform (daily)<br>• Public application inquiry website (daily)<br>• Seminars or conferences (irregular) | • Submitted application to the Ministry of Health and Welfare for extension of GMP permit in August 2022, and accepted and passed Ministry of Health and Welfare on-site inspections in November<br>• Submitted proposals to TFDA pharmaceutical association policy communication and negotiation meetings through public associations<br>• Communicated directly with competent authorities by participating in competent authority and academic meetings<br>• Conducted irregular telephone and written inquiries with competent authorities<br>• Communicated PIC/S audit applications and organizations every 2-3 years<br>• Submitted 10 applications<br>• Imported 21 active pharmaceutical ingredients for self-use, imported 3 empty capsules, imported and exported 41 drugs for R&D projects, extended 2 API drug master files, applied for 1 new exclusive drug export permit, applied for 2 post-approval changes, applied for 5 drug permit extensions, and applied for 1 new facility controlled drugs registration license<br>• 13 TFDA contact reports<br>• A total of 24 facility-related registrations (GDUFA Self Identification, Establishment Registration, and Product Listing) required by the US FDA<br>• 14 domestic seminars and 6 videoconferencing overseas seminars |

## Stakeholder Communication Platform

In addition to important stakeholders, Bora Pharmaceuticals maintains good communications and interactions with all stakeholders. We established external communications on our corporate website as well as diverse and transparent communications channels with all stakeholders so we can work 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 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, thereby achieving timeliness and transparency in information disclosures while protecting shareholder interests.

**Contact：**

Spokesperson：Mr. Shih-Min Chen

Acting spokesperson：Ms. Alice Wang

Press contact: Ms. Angela Luan

Phone：+886-2-2790-1555

Email：public01@bora-corp.com

**Stock transfer agency**

Name：Stock Transfer Agency Department, Taishin Securities

Website：http://www.taishinbank.com.tw

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

Phone number：(02)2504-8125

### Customer communications

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

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

### Supplier contact

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.

Contact：Ms. Ruby Chung / Email：Ruby.Chung@bora-corp.com

### Employee relations and benefits

Bora Pharmaceuticals 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 adhere to the UN Guiding Principles on Business and Human Rights, emphasize human rights and equality in work rights, 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.

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

### Environmental health and safety

Bora Pharmaceuticals aims to achieve sustainable management, attaching great importance to occupational safety, environmental protection, pollution prevention, and other environmental health and safety issues.

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

### Mailbox for reports of ethical management violations

Bora Pharmaceuticals has established the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Regulations for Employee Rewards and Punishment," and other human resource management regulations, and all necessary measures are implemented following investigations. We have established an employee suggestion box that allows our employees to deliver information safely and confidentially through rigorous reporting mechanisms, and have also established a dedicated unit which investigates and responds to reports. We did not receive any reports related to dishonest or immoral conduct in 2022.

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

# 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 President’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 criteria related to professional expertise and diversity. Board members are diversified among professionals with expertise in finance and accounting, business, management, and technology. Our Board members possess 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 and 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, operational 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 optimal corporate governance targets, we ensure that all Board members possess the necessary knowledge, capabilities, and qualities required for carrying out their duties, including the following abilities :

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, as well as the industrial knowledge required for future market expansions. These Board members provide Bora Pharmaceuticals with multidimensional suggestions which are highly beneficial for our business operations. The following table lists attendance rates for Board meetings in 2022：

| No. | Title | Director name | Actual number of attendances | Number of proxy attendances | Ratio of actual attendances |
|---|---|---|---|---|---|
| 1 | Director | Sheng Pao-Shi | 9 | 0 | 100% |
| 2 | Director | Bao Lei Co., Ltd. representative Chen Kuan-Pai | 9 | 0 | 100% |
| 3 | Director | TA YA Venture Capital Co., Ltd. representative Shen Shang-Hung | 7 | 2 | 77.78% |
| 4 | Director | Chen Shih-Min | 9 | 0 | 100% |
| 5 | Independent Director | Lin Jui-Yi | 8 | 1 | 88.89% |
| 6 | Independent Director | Lee Yi-Chin | 9 | 0 | 100% |
| 7 | Independent Director | Lai Ming-Jung | 9 | 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 director training courses relating to current trends and corporate strategic needs encompassing themes relating to “ESG sustainability governance,” “climate governance,” and “risk management” 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 | 10/04 | Taiwan Corporate Governance Association | Risk management and internal controls | 3 | 6 |
| | | 11/03 | Securities & Futures Institute | Global risk perceptions-Opportunities and challenges for the next decade | 3 | |
| Corporate director representative | Shen Shang-Hung | 04/26 | Taiwan Institute of Directors | How the board of directors can strengthen corporate competitiveness | 3 | 9 |
| | | 07/19 | Taiwan Corporate Governance Association | Legal issues associated with insider shareholding management and share trading | 3 | |
| | | 09/06 | Taiwan Corporate Governance Association | Corporate climate governance and TCFD practices | 3 | |
| Corporate director representative | Chen Kuan-Pai | 06/29 | Taiwan Corporate Governance Association | Personal responses to CFC regulations (Part I): Know thy self and know thy enemy | 3 | 6 |
| | | 09/22 | Taiwan Securities Association | Corporate sustainability and ESG development trends | 3 | |
| Director | Chen Shih-Min | 10/04 | Taiwan Corporate Governance Association | Risk management and internal controls | 3 | 6 |
| | | 10/20 | Business Development Foundation of the Chinese Straits | Legal obligations and responsibilities associated with intellectual properties for directors and supervisors | 3 | |
| Independent director | Lin Jui-Yi | 10/21 | Taiwan Corporate Governance Association | How directors and supervisors monitor corporate risk management and internal controls | 3 | 6 |
| | | 11/18 | Taiwan Corporate Governance Association | Key issues related to integration during corporate mergers and acquisitions | 3 | |
| Independent director | Lee Yi-Chin | 03/09 | Taipei Exchange | Technological developments and business opportunities for electric vehicles and smart vehicles | 3 | 6 |
| | | 06/29 | Taiwan Corporate Governance Association | Personal responses to CFC regulations (Part I): Know thy self and know thy enemy | 3 | |
| Independent director | Lai Ming-Jung | 06/29 | Taiwan Corporate Governance Association | Personal responses to CFC regulations (Part I): Know thy self and know thy enemy | 3 | 6 |
| | | 10/14 | Taiwan Corporate Governance Association | Risk management and internal controls | 3 | |

# 3.2 Ethical Management

## Ethical Management

To fully 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 and be responsible for coordinating various corporate governance matters; introducing ethical management into the duties of corporate governance units; implementing ethical management matters; and carrying out business activities based on fair, honest, trustworthy, and transparent principles. We have established the “Ethical Corporate Management Best Practice Principles,” “Codes of Ethical Conduct,” and “Procedures for Handling Material Inside Information” to achieve the spirit of ethical management.

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

The responsibilities of our corporate governance unit are as follows：

1. Incorporate ethical and moral values into corporate management strategies and formulating prevention measures for ethical management in accordance with legal regulations.
2. Analyzing and assessing risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct as well as setting out in each program the standard operating procedures and conduct guidelines for Bora Group operations and businesses.
3. Planning internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of business activities within the business scope which are at higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethical policies.
5. Developing a whistle-blowing system and ensuring its effectiveness.
6. Assisting the Board and management in checking and evaluating effective operations of prevention measures established to implement ethical management, and regularly assessing compliance of related business processes.

## Corporate Governance Best Practice Principles

Bora Pharmaceuticals firmly believes that our sustained 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 comply with our Ethical Corporate Management Best Practice Principles and ethical business behaviors.

Our Ethical Corporate Management Best Practice Principles encompasses the entire Group and associated foundations with direct or indirect donated funds of more than 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 positions, occupations, or relationships 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 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 the Company's ability to pay principal or interest payments 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.

Apart from ensuring that our directors and corporate governance officer received the requisite number of training hours to prevent insider trading in 2022, we also promoted relevant concepts to Group directors, managers, and employees. Promotion themes included videos and presentations from competent authorities, elements constituting insider trading, and criminal and civil law regulations; we produced internal promotional materials related to these themes and placed them on our intranet for reference by our employees. We also hosted a "Preventing insider trading and protecting trade secrets course" attended by 706 people in 2022. The total duration of the course was 117.7 hours.

## Ethical Management Education and Training

To ensure that all Bora Pharmaceuticals employees abide by ethical management principles, we have assigned personnel to update 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 they can assess whether their routine tasks and actions may potentially damage our corporate reputation.

Bora Pharmaceuticals provides training for employees through courses encompassing implementation of ethical management policy regulations and handling procedures for 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 | 701 | 350.5 |
| 2 | Corporate governance unit | Risk management and internal controls | 10 | 30 |

# 3.3 Risk Management

To strengthen corporate governance and implement sustainable management, Bora Pharmaceuticals identified corporate-level risk categories based on the perspectives and scenarios of each department, and assessed the financial impacts, reputational impacts, policies, litigation risks, and technological substitutability of these risks and their significance for corporate operations.

## Risk Management Policies

Bora Pharmaceuticals ensures that management guidelines (including existing standard operating procedures and business continuity plans) have been established for identified risks and confirms that adequate response measures are in place. Inadequacies are supplemented by our emergency response team and the commander in chief is responsible for deploying resources and ensuring appropriate distribution of resources during emergencies for minimization of personnel injuries and property losses.

## Risk Identification and Response Measures

| 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.<br>The Bora Group acquired other companies in 2022. We comprehensively expanded our defenses and worked to prevent damage to our corporate reputation and operations from acquired companies and potential information security risks. | • Replaced old firewalls with new-generation firewalls and established rigorous firewall policies and excluded non-secure domains to ensure information security, preventing personnel from entering unsafe networks. Our information security personnel also conducted routine monitoring, analysis, and management.<br>• Organize training and dissemination to make information security tasks the responsibility of all employees and enhanced employee information security knowledge and awareness through continued training.<br>• Implemented vulnerability scans and strengthened information systems and network equipment security by upgrading and replacing existing equipment.<br>• Filtered spam emails to reduce phishing letters and risks of commercial fraud.<br>• Conducted social engineering drills to enhance vigilance and reduce risks from scams.<br>• Introduced new backup systems to implement daily backups of all systems and databases as well as remote backup mechanisms.<br>• Implemented identity verifications to reduce fraudulent use of system accounts and risks of operational hazards.<br>• Conducted information security tests and controls before and after acquiring companies. |
| Product liability and safety | Immediately evaluate whether internal response measures should be initiated to prevent non-compliance in the event of revisions or amendments to cGMP regulations.<br>Risk assessments of product manufacturing quality adhere 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. | • Regularly assessed domestic and foreign regulatory trends and their corporate impacts, and designed correspond measures.<br>• Conducted comprehensive investigations and related corrective and preventive measures based on incident circumstances, and implemented risk assessments when necessary. The competent authority (TFDA) were notified 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 temperature conditions to become more extreme, making it increasingly difficult to maintain temperature and humidity conditions of operating environments. | Improved air-conditioner systems and used energy-saving and frequency conversion air-conditioners. We also switched air-conditioners on and off based on shift arrangements to maintain stability of operating environments and reduce impacts from external environmental factors. |

| Risk categories | Risk impacts | Response measures |
|---|---|---|
| Clinical trials | We are required to conduct relevant notifications within specified time limits if clinical trial subjects develop severe adverse drug reactions.<br>We are also required to conduct 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. |
| Compliance with laws and regulations | Pharmaceutical regulations and laws relating to food, cosmetics, and medical equipment are growing increasingly rigorous, so products unable to comply with regulations cannot undergo inspection and registration processes, and will need to be discarded.<br>Laws and regulations are becoming increasingly strict over time, and regulatory management in Taiwan has entered a new era, requiring more self-management from companies to build a safer and better use environment. | 1. Product labels and advertising materials were controlled through confirmation processes for printed materials and reviewed by the pharmaceutical regulatory team; materials that did not comply with regulations were returned to the marketing department for revision to reduce risks of regulatory violations.<br>2. Proactively participated in regulatory training and meetings hosted by competent authorities and public associations, and organized dissemination or training for relevant departments. |
| Supply chain | Some raw materials can only be produced in specific areas, and therefore our supply chain may be affected by regional natural disasters or political risks, resulting in supply shortages or delays, which in turn affects product manufacturing and sales.<br>Supply chains are impacted by quality and compliance risks. Issues such as counterfeit or defective products will cause serious financial and reputational losses for Bora Pharmaceuticals. | ● Established diversified supply chains to reduce risks from reliance on a single region or supplier, and regularly conducted risk assessments and supplier evaluations to ensure supply chain stability and sustainability.<br>● Strengthened supplier evaluation and supervision to ensure product quality and compliance, and also strengthened supplier communication and training to improve awareness and compliance with quality and regulatory requirements. |

## 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 communicated with external stakeholders, collaborated with external institutes to obtain corporate information security information, and shared our business experiences so that our internal and external stakeholders could enhance their expertise while maintain interactions with the Company. Relevant associations and activities were as follows:

| Collaborating units | Description |
|---|---|
| Science Park Information Sharing and Analysis Center | The mission of the Science Park Information Sharing and Analysis Center (SP-ISAC) is to collect, exchange, and analyze information on science park infrastructure information security risks to grasp possible information security threats and vulnerabilities.<br>The information is shared with science park members to facilitate management and early responses from information security personnel. |
| Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) | Serves as the incident reporting and coordination unit for corporate information security incidents in Taiwan, and is responsible for offering corporate counseling and coordination services for information security incidents, sharing information related to information security matters, hosting information security promotion events, and strengthening corporate awareness of information security. The TWCERT/CC also maintains contact with international Computer Emergency Response Teams (CERTs) and promotes international information security exchanges and collaborations for joint maintenance of network security in Taiwan and to enhance overall information security protections in Taiwan. |

# 3.4 Legal Compliance

## Mechanisms for Handling Regulatory Changes

In consideration of the fact that regulatory knowledge is updated frequently, our regulatory department actively assigns personnel to participate in regulatory training organized by the Taiwan Food and Drug Administration (TFDA) and the Center for Drug Evaluation (CDE) as time permits. The department also notifies units affected by new regulations and organizes internal training. In 2022, we participated in 30 regulatory training sessions organized by competent authorities and organized 4 internal cross-departmental training sessions.
Announcements and information from competent authorities and public associations were conveyed to relevant departments by email as soon as possible. For products requiring changes, we conducted in-depth discussions with our quality departments to formulate strategic changes and schedules for submitting relevant documentation. In 2022, we participated in 14 domestic seminars, 6 overseas seminars (via videoconferencing), and 3 internal cross-departmental training sessions.

## Mechanisms for Handling Illegal Incidents

Documents relating to 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 competent authorities.


| Legal compliance of products | | |
|---|---|---|
| Violation | Description | Improvements |
| 1 | Bora Pharmaceuticals received a notice of violation due to a product labeling violation. We had resolved to change said product label at the end of 2021, but the changes were delayed due to issues with operational processes. | We immediately responded to the Department of Health and changed the label. |

# 3.5 Corporate Emergency Response Measures

## Emergency Response Teams and Measures

In order to handle various emergencies, Bora Pharmaceuticals has established existing risk management measures and also conducted corporate assessments of potentially significant risk categories. We have formulated emergency response team measures so our manufacturing facilities can immediately adopt effective actions in the event of emergencies, and we also implement rigorous controls and management encompassing safety, environmental protection, sanitation, fire safety, and security measures to respond to various emergencies events and reduce possibilities of personnel injuries and financial losses. We have further established an emergency reporting hotline which is used to inform and seek assistance from relevant units within industrial parks to minimize emergency impacts and stabilize corporate operations.

Emergency incidents can be divided into large-scale and small-scale incidents. Small-scale chemical leakages or fires should immediately be reported to on-site supervisors, who will issue related response mechanisms. If small-scale incidents spread or if it is no longer possible for on-site supervisors to implement countermeasures, we will form response units to execute related response measures. Facility directors and EHS departments command and coordinate responses to reduce disaster impacts.

Bora Pharmaceuticals plans and implements annual contingency drills. In 2022, we completed 3 chemical leakage drills (based on scenarios involving organic solvent tanks, special chemical substances, and toxic chemicals), 1 tabletop exercise, 1 external communication, and 1 annual full-facility fire evacuation drill.

## Operational Interruption Management and Response Measures

Bora Pharmaceuticals has adopted Business Continuity Management (BCM) measures and checked all items that directly or indirectly impact product supply as part of our assessment of risk levels. We have also formed a business continuity team which is convened by our president, and department managers are responsible for management of different impact items based on their responsibilities and positions:

1. Supply of raw materials: We conduct risk assessments on different raw material suppliers and propose procurement alternatives for high-risk suppliers which are jointly implemented by the quality control and procurement departments.
2. Production-related equipment: We inventoried production-related equipment, components, and spare parts; our engineering, quality control, and manufacturing units confirm risks related to supplier materials and service interruptions; and we initiate process changes and procure new equipment when necessary to prevent production interruptions.
3. We conducted a comprehensive review of personnel deployments and adjusted the allocation of production-related personnel to ensure that they can support each other using complementary skills, thereby preventing production and supply interruptions.

To enable rapid action and risk handling for facility emergencies, and to minimize disaster impacts, we have formulated emergency response plans for various emergency incidents in all facilities, established commanders who are responsible for allocating resources and coordinating with unit managers to set up command centers, and formed fire self-defense teams which are staffed by at least two trained personnel from each department to quickly resolve emergency incidents, including but not limited to fires, releases of hazardous energies, natural disasters, and life-threatening illnesses or injuries.

The “Environmental Health and Safety Emergency Response Plan” stipulates that our president is the manager and person in charge of emergency response and evacuation plans, and is also responsible for providing detailed explanations of incidents and formulating emergency response and evacuation plans as well as coordinating evacuation measures for all areas. The engineering and EHS departments are responsible for identifying appropriate and safe emergency exit routes, and our managers and directors are responsible for overseeing personnel counts and overall facility evacuations until assisting personnel arrive at assembly points.

Our managers and directors routinely review processes for reporting emergency incidents, locations of emergency exits, and evacuation routes posted in workplace environments with employees. The EHS department collaborates with local providers of public emergency response measures to include detailed stipulations and updates to our plan. If moderate- or major-level incidents occur in facilities, necessitating external support, we initiate emergency contact with industrial park units or related management units by phone to request support and assistance, or contact local government units for assistance based on different jurisdictions.

## Response Measures for Information-Related Incidents

| | |
|---|---|
| Information-related incidents and chain of command for emergency responses | 1. The highest-ranking manager of the information management department serves as the convener for the incident handling (response) team and routinely supervises business continuity plan implementations and disaster backup drills to provide mission-oriented training.<br>2. The team is mainly composed of personnel from the information management department, who are tasked with different missions based on their information skills and responsibilities, and we also request support and participation from external information technology vendors when necessary.<br>3. The response team convener is responsible for assessing incident scope and impacts, supervising analysis and handling of Level 1 or Level 2 incidents, and making timely progress reports to the president.<br>4. Incidents judged to be Level 3 or Level 4 incidents by the response team convener should immediately be reported to the president, following which the president, external spokesperson, financial officer, highest-ranking manager of the information management department, and information technology personnel will form an emergency response team headed by the president. The president will be responsible for directing information and communication response tasks; supervising recovery, identification, and investigation processes; and overseeing improvement mechanisms. |

## Epidemic Risk Management

Bora Pharmaceuticals immediately activated contingency mechanisms when the COVID-19 pandemic broke out. Apart from ensuring that all employees took temperature measurements, we also provided alcohol at all entrances and exits, guardhouses, lobbies, dining tables, and toilets so our visitors and employees could sanitize their hands when entering facilities. The protective films we placed on our elevator buttons were cleaned daily and changed weekly, and we placed markings on the ground to show the number of available standing spaces in elevators.

We segregated personnel flows and implemented segregated shifts and work from home (WFH) measures. WFH was initiated when the Central Epidemic Command Center announced a Level 3 epidemic alert. Our employees returned to the office when pandemic conditions eased. None of our colleagues received a confirmed diagnosis and we suffered no risks of operational interruptions from the peak to the easing of the pandemic. The efforts of all departments allowed us to safely survive the pandemic until the nation returned to a Level 2 epidemic alert.

The Bora Pharmaceuticals “Business Continuity Plan for Epidemics or Pandemic Flu” stipulates that the EHS and human resources departments should proactively notify all employees of any information received from the Ministry of Health and Welfare Taiwan Centers for Disease Control (including disease types and modes of transmission) and should regularly monitor and update employee statuses through electronic newsletters or other effective methods, as well as notify employees of any useful information through email. The EHS and human resources departments should also prepare thermometers, half-face masks and other medical supplies, and empty sealable bags at nursing stations, as well as adequate amounts of protective suits, plastic gloves, and protective goggles for personnel assisting impacted employees. These measures should be promoted internally and serve as basic precautions for all departments:

1. Encourage employees to practice good hygienic practices in the workplace
2. Remind employee to wash their hands thoroughly using soap at the following times:
   - Before and after preparing food
   - After going to the toilet
   - Before and after meals
   - After coughing and sneezing
   - After removing personal protective equipment (PPE)
3. Coughs and sneezes should be covered using napkins, and used napkins should be handled with care
4. Avoid sharing cups and tableware

When the coronavirus outbreak reached the epidemic (red alert) level stipulated in the “Business Continuity Plan for Epidemics or Pandemic Flu,” we recommended splitting personnel with key operational impacts into two separate teams with no contact. Employees with a fever or other suspicious symptoms were required to immediately notify EHS and human resources units and immediately arrange transport to the local hospital. These employees were also required to record all personnel who worked with them over the past 14 days and we also disinfected all affected areas.

Additionally, Bora Pharmaceuticals also supplied protection kits containing protective suits, gloves, masks, and alcohol to employees and managers who went on business trips during the pandemic. These kits were used for personal protection during travel. All facilities formulated customized management guidelines and strengthened disease prevention measures. Employee control measures were as follows:

**Epidemic Management Measures**

1. Installed thermometers at entrances and exits
2. Provided alcohol at all entrances and exits, guardhouses, lobbies, dining tables, and toilets so our visitors and employees could sanitize their hands when entering facilities.
3. The protective films we placed on our elevator buttons were cleaned daily and changed weekly, and we placed markings on the ground to show the number of available standing spaces in elevators.
4. The occupational health and safety manager coordinated all health and safety measures at our Zhunan Facility. Apart from complying with regulatory requirements, we also implemented several measures exceeding requirements, such as assessing new drug exposure risks and protective measures and establishing a dedicated nurse to carry out our four major health management plans (related to maternal protection, musculoskeletal issues, workplace violence, prevention of abnormal workloads) and health promotion matters. We also hired external doctors to provide health consultations and organized lectures on musculoskeletal topics to help our colleagues understand the musculoskeletal impacts of different postures. Our infirmary organized several health promotion lectures in 2022 related to exercise and diet where we invited nutritionists to help our colleagues gain a deeper understanding of exercise, diet, muscle gain, and fat loss.
5. Provided medical-grade masks
6. Set up VPNs for remote working
7. Utilized video conferences

We implemented the following measures for potentially high-risk employees:

**Epidemic Management Measures**

The Central Epidemic Command Center began loosening lockdown measures in 2022. The Bora Group ensured normal operations by quickly planning and calculating the amount of rapid test kits required for each facility and region; the Group purchased these kits in bulk and distributed them as needed.

All facilities and regions formulated response measures for high-risk groups and also established leave measures for infected colleagues. Following the epidemic outbreak in May 2022, we continued to implement separate meal and work flows, WFH, and rapid screening measures to minimize operational risks. The Bora Group also announced health education information from time to time and provided updates on the latest control measures to help our colleagues understand Group countermeasures and related actions during the pandemic.

Suspected cases or employees who were previously in contact with infected personnel were required to conduct self-evaluations in accordance with the "Self-Health Monitoring Form," take temperature measures twice a day (morning and evening) for 14 consecutive days, record temperature measurements, and check whether they have the following symptoms:

1. A fever of more than 38°C
2. Coughing
3. Respiratory symptoms
4. Throat pain
5. Joint inflammation
6. Muscle pain or weakness
7. Gastrointestinal symptoms (diarrhea, vomiting, abdominal pain)

## Management of Supplier Facility Entry Measures During the Epidemic

All visitors and vendors required to enter our facilities must scan a QR code and fill out health declaration forms, undergo temperature measurements conducted by security personnel, and sanitize their hands using alcohol when entering facilities. Job interviews were mainly conducted via videoconferencing, and candidates were only invited to our facilities to conduct interviews when necessary.

Personnel entering facilities are required to undergo forehead temperature measurements

Hand disinfection procedures for personnel entering facilities

## Management of Manufacturing Units

As it was difficult for on-site manufacturing units to adopt remote working models, we adhered to the following standards:

1. Office desks in the manufacturing department were separated using partitions to prevent direct contact and transmission.
2. During the Level 3 epidemic alert, operational personnel were separated into teams who worked at our facilities over two shifts. Personnel working on different shifts did not conduct face-to-face conversations and were required to conduct cleaning and disinfection procedures using alcohol when leaving work sites.
3. Personnel working in formulation preparation and packaging sites were required to wear dust-proof masks in accordance with the "Work Apparel and Standard Operating Procedures for Entering and Exiting Work Areas." Epidemic prevention grade medical masks were worn inside dust-proof masks. If production procedures required the use of N95 masks, then only one N95 mask as worn, and medical-grade masks were worn at all times in secondary packaging areas.
4. We strictly complied with procedures to prevent cross-contamination in production sites and prohibited gathering and chatting in public spaces.
5. Preparation and packaging team meetings were temporarily canceled and we used LINE groups to issue important information. Original meeting times were used for cleaning work environments.

# 3.6 Information Security

We continue to optimize our information security systems, 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 information security supervisors with ISO 27001, Certified Information Systems Auditor (CISA), ISACA Certified Information Systems Auditor (CISA), and other certifications. These supervisors are responsible for coordinated 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 2022.

## Information Security Measures

We 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<br>2. Formulated information and communications security systems<br>3. Strengthened security of existing information and communications systems | 1. Hired dedicated information security supervisor to implement various information security tasks<br>2. Regularly reviewed and revised Bora Pharmaceuticals information and communications security policies to regulate promotion of information security tasks<br>3. Reviewed, assessed, and optimized existing information and communications systems |
| **Technological applications** | 1. Strengthened information and communications systems<br>2. Collected internal and external information<br>3. Data analysis and responses | 1. Upgraded network protection equipment in 2022 and introduced multi-factor authentication technologies<br>2. Managed and strengthened information and communications system vulnerabilities<br>3. Monitored and prevented abnormalities<br>4. Blocked spam and phishing letters |
| **Information optimization** | 1. Continued to enhance information security awareness in all employees<br>2. Gradually strengthened information security defenses and protection systems<br>3. Organized backup and disaster recovery drills for important systems and data | 1. Regularly delivered information security newsletters; we released 46 newsletters in 2022.<br>2. Hosted irregular information security training sessions<br>3. Implemented management of information and communications system vulnerabilities<br>4. Implemented identity verifications to reduce cyber fraud risks<br>5. Organized social engineering drills to enhance employee risk awareness |

## Information Security Education and Training

We organized 4,380 hours of information security training for 28,136 participants in 2022 to enhance information security awareness in Bora Pharmaceuticals employees, ensuring constant attention to usage of information equipment and potential information security risks.
Training themes were as follows:

| No. | Unit | Topic | Number of participants | Training hours |
|---|---|---|---|---|
| 1 | All employees | Townhall meeting-Information security training for all employees | 705 | 141 |
| 2 | All employees | IT newsletters and information security dissemination | 27,320 | 4098 |
| 3 | Information departments | Vulnerability management | 6 | 6 |
| 4 | Information departments | CCTV settings and management | 3 | 3 |
| 5 | Information departments | Introduction to and management of multi-factor authentication | 72 | 72 |
| 6 | Information departments | Education and training for phishing emails | 16 | 16 |
| 7 | Senior executives | Information security promotions for exchange-listed and OTC-listed companies | 10 | 20 |
| 8 | Information departments | 2022 Taiwan Information Security Conference | 2 | 16 |
| 9 | Information departments | 2022 Taiwan Information Security Reporting and Responses Annual Conference | 2 | 8 |

Bora Pharmaceuticals has actively established proactive measures for information systems to prevent risks from losses and tampering of company information. Core information-related actions are divided into three categories: Network security protection equipment to monitor network behaviors, remote backup mechanisms, and information security protective mechanisms. In recent years, our remote working demands have increased due to the pandemic, requiring off-site access to company information. We therefore implemented regular system and information backups to effectively prevent malicious attacks and invasions as well as block malicious network behaviors. We also conduct periodic backup recovery tests each year to reduce potential risks of information loss.

## 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 2022. Our management actions were as follows：

| | |
|---|---|
| **Information security governance** | • Planned information security architecture which was constantly adjusted to align with Bora Pharmaceuticals developments and changes in information security trends<br>• Periodic checks of existing information security environments and assessments of upgrades and replacements to reduce information security risks.<br>• Continued to assess information security solutions and offered budgeting recommendations for resource integration.<br>• Organized information security training and promotion to strengthen information security awareness in all employees.<br>• Grasped information security trends and provided relevant information to managers. |
| **Information security defenses** | • Continued to evaluate and upgrade network security protection equipment and introduce a multi-factor authentication mechanism to reduce risks of illegal access.<br>• Information security personnel conducted routine monitoring, analysis, and management, and no external attacks resulted in irreversible system damages in 2022<br>• Made information security tasks the responsibility of all employees and enhanced employee information security knowledge and awareness through continued training. Implemented vulnerability scans and strengthened information systems and network equipment security by upgrading and replacing existing equipment. |
| **Responses and handling** | • Introduced new-generation backup systems which back up our systems and databases every day. We also implemented remote backup mechanisms to ensure our systems could be restored in accordance with predefined system significance levels in case of emergency. |

We constantly update our cyber defense knowledge and equipment, as well as continue to formulate various targets for maintaining 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<br>• Inventory of tangible and intangible information and communications assets<br>• Vulnerability management<br>• Identity verifications<br>• Social engineering drills | • Network access controls<br>• Management of privileged accounts<br>• Prevention of endpoint data breaches<br>• Cloud protection solutions<br>• Intrusion detection and defense systems<br>• Security information and incident management | • Introduction of information security certification systems<br>• 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. No major information security incidents occurred in 2022.

# Chapter Four.
# Ecological Sustainability

## 4.1 Environmental Policies

Supply chain management at Bora Pharmaceuticals focuses on environmental sustainability. We not only comply with laws and international standards, but also strive to attain higher standards in controlling wastewater, waste, and greenhouse gases generated by our facilities and corporate operations to protect the environment. 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 "Sustainable Development 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, and dispose of waste appropriately

03 | Enhance recycling and reuse of materials and products

04 | Maximize sustainability of renewable resources

The environmentally friendly measures implemented at the Bora Group are as follows:

**Facilities in Taiwan**

- Annual maintenance and replacement of consumables used in regenerative thermal oxidizers (RTOs) to enhance efficiency and comply with exhaust emission standards.
- We replace activated carbon used in VOC emissions treatments twice each year
- Outsourced calibration of wastewater flow meters
- Reapplied for boiler and regenerative thermal oxidizer trial runs following changes made to our permits
- Use of solar equipment
- Changed boiler fuel from diesel oil to gas to reduce air pollution; no air pollution charges were incurred in 2022
- Raised the positions of water motors to increase sewage sedimentation rates and reduce sewage discharge
- Replaced old water chillers to conserve energy
- Optimized chilled water pipelines to reduce waste during transportation and conserve energy

**Mississauga 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 feed water
- Replaced dissolved ozone monitors in water purification system

# 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, and metrics and targets.

## TCFD Governance

To enhance corporate governance and supervision of climate change issues, we established a functional committee, the Sustainability Committee, under the Board in 2022 to assist in reviewing issues related to sustainability and climate change. Bora began implementing greenhouse gas inventories starting in 2021, the results of which are reported regularly to the Board. Assessments of climate-related risks are currently implemented by all departments, who evaluate possible risks, discuss risks during management meetings, and regularly track risks until impacts have been minimized.

## TCFD Strategies/Risk Management

Bora Pharmaceuticals references annual global risks reports released by the World Economic Forum (WEF), domestic and overseas industrial reports on related issues, and the TCFD framework to identify climate-related risks and opportunities, and to assess their possibilities of occurrence, levels of impact, and significance. We have also formulated various response measures and management goals. In recent years, the main impacts faced by Bora were caused by extreme weather events (such as heavy rain or typhoons).

This year, personnel from all units assessed and managed transition risks and consulted with external experts when necessary; periodic drills were conducted for physical risks in accordance with our emergency response measures, and we procured relevant equipment as needed. In terms of opportunities, the business development (BD) team assesses related development opportunities during routine contact with clients. Related risks and opportunities were regularly discussed during management meetings and were reported to the Sustainable Development Committee to strengthen departmental collaborations when responding to related impacts and opportunities.

## TCFD Metrics

Bora Pharmaceuticals began implementing the ISO 14064-1:2018 system in 2021. We completed system verifications for the first time and established complete greenhouse gas assessment metrics for all our facilities. New entities acquired in 2022 underwent their first verifications in 2022; inventory durations spanned from the acquisition date to the end of the year. We aim to complete verifications in the middle of 2023. As we acquired new entities in 2022, we expected to formulate subsequent annual measurement metrics after verifications have been completed, and current metrics have been disclosed in the various sections of Chapter Six.

| Aspect | | ▲Risk/ ◯Opportunity | − Negative/ + Positive Financial Impacts | Management and Impact Responses | Links to Material Topics |
|---|---|---|---|---|---|
| Transition Risks | Policy and regulatory aspects | ▲General environmental regulations<br>▲Air pollution control<br>▲Compulsory reports<br>▲Uncertainties from new regulations or lack of regulations<br>▲Volume control/emission trading<br>▲Carbon taxes/carbon fees<br>▲Fuel taxes/energy taxes | - Increased operational costs for compliance and reporting<br>- Policy changes which require upgrading or replacement of existing equipment<br>- Penalties from non-compliance of regulations or report omissions<br>- Increased operational costs from upgrading equipment and laboratory inspections<br>- Additional levied taxes and fees | ● Dedicated regulatory tracking team<br>● Waste was handed over to a professional third-party vendor for disposal<br>● Formulated and implemented greenhouse gas reduction plans | Corporate governance<br>Pollution and waste management |
| Physical Risks | Immediate | ▲Extreme rainfall conditions or changes in rainfall patterns<br>▲Extreme climates cause average winter temperatures to be lower than previous years and average summer temperatures to be higher than previous years | - May result in personnel being unable to enter facilities, interruptions in transportation for raw materials, and difficulty obtaining water resources, leading to reduced or interrupted capacity<br>- Necessary addition of water storage tanks and other equipment<br>- Necessary upgrades of energy-saving and temperature control equipment in response to extreme climate conditions | ● Assessed effectiveness of energy-saving and water-saving equipment<br>● Took out insurance policies against operational interruptions to transfer potential risks of financial losses from operational interruptions | Pollution and waste management |
| Opportunities | Resource efficiency | ◯Recycling and reuse<br>◯Use of high-efficiency production and distribution processes<br>◯Adopt more efficient transportation methods<br>◯Move to more efficient buildings | + Enhance utilization efficiency of energy resources and increase income<br>+ Optimize production processes and centralize distribution to reduce operational costs<br>+ Replace manual labor with machines to reduce occupational safety risks and manpower needs<br>+ Change pipelines for convenient use and maintenance | ● Enhance production efficiency<br>● Changed pipelines to achieve energy-saving effects | Occupational health and safety management<br>Customer relationship management<br>Customer health and safety |
| | Products and services | ◯Product R&D, innovation, and customization | + Use new solutions to fulfill climate adaption needs and increase income<br>+ Improve competitiveness to reflect changes in client preferences and increase income | ● Expand CDMO markets | |
| | Opportunities | ◯Enter new markets | + Improve possibilities of expanding market scale | | |

## Environmental Management Policies

We are committed to environmental protection, consider sustainable management to be our responsibility, and have set energy management as one of our core items of concern. We began conducting greenhouse gas inventory verifications in all facilities for the first time in 2022 and also completed inventory verifications for 2021. We implemented various inventory processes for predefined scopes based on business characteristics under the guidance of a consulting company. Inventory processes helped us gain a better understanding of main emission sources for each facility, and this information was used as reference for future energy management and carbon reductions. Our Tainan Facility is located in the Guantian Industrial Park and our Zhubei Facility is located in the Hsinchu Biomedical Science Park. Therefore, these two facilities must adhere to industrial park and biomedical science park regulations. Management measures at our Mississauga Facility also adhere to local regulations relating to soil, groundwater, water, and energy resources. The following are some equipment upgrades we are gradually implemented in our facilities to conserve energy:

**Facilities in Taiwan**

- Shut down unnecessary air-conditioners in machine rooms to reduce annual electricity usage by 317,090 KWH
- Shut down 24-hour air-conditioners in canteens and began using small fans with timers to reduce annual electricity usage by 173,792 KWH
- Increased chiller temperatures by 1°C to reduce annual electricity usage by 178,206 KWH
- Reduced heat exhaust emissions from machine rooms to reduce annual electricity usage by 6,539 KWH
- Isolated operating areas and shut down air-conditioners in non-operating areas to reduce annual electricity usage by 249,572 KWH
- Moved idle heat pumps to secondary processes to reduce annual natural gas usage by 22,4564 $m^3$
- Adjusted pipeline balances to lower pump operating frequencies and reduce annual electricity usage by 247,908 KWH
- Installed solar power equipment, discarded old chillers and maintained pipeline flow, and prevented external humidity from entering air-conditioners to reduce chiller loads and decrease cooling tower evaporation, thereby saving water and electricity as well as achieving our energy conservation and management policies.

**Mississauga Facility**

- Installed new ceramic discs on wastewater filters, lowering incinerated wastewater volumes from 15,000 liters to 7,000 liters.

## 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 documentation in accordance with regulations. We commission qualified disposal companies to implement waste removal and handling as well as final checks before final disposal.

### Pollution Management Costs in Taiwan Region

Unit: thousand NTD

| Category | 2020 | 2021 | 2022 |
|---|---|---|---|
| Sewer charges | 1,287 | 1,022 | 822 |
| Disposal costs for industrial waste | 3,348 | 3,852 | 4,207 |
| Air pollution costs | 57 | 105 | 203 |

Note: The figures for 2020 only include data from the Zhunan Facility; the figures for 2022 include data from the acquired Zhubei Facility.

Unit: CAD

| Category | 2020 | 2021 | 2022 |
|---|---|---|---|
| Wastewater management costs | 46,676 | 305,000 | 172,130 |
| Waste management costs | 59,550 | 662,000 | 801,090 |

## 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, capacity, 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 and we may also revise our disposal plans for industrial waste if necessary. Waste management items that require regular reports and associated report times are shown as follows:

1. Reported every Wednesday: Reports of D-1801 domestic waste and D-0299 waste plastic mixtures.
2. Reported every month: 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: Management reports for priority chemicals.
5. Reported every three years: Reports of hazardous chemical exposures and classified management.

## Waste Management Mechanisms at Zhunan Facility

1. We estimate the total amount of raw materials and additives in newly introduced chemicals and products, and identify corresponding waste codes based on material characteristics, then make adjustments or changes to our waste disposal plans, which are then submitted to the Hsinchu Science Park for review. We then conduct subsequent report and processing in accordance with approved plans.
2. Reported before the 5th of every month: Reports on storage amounts for the previous month.
3. Reported at the end of each month: Reports on production capacity and estimated waste.

## Waste Management Mechanisms at Zhubei Facility

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

*Recycling and reuse of waste at our Bora Biologics Zhubei Facility adheres to regulations, and we entrust waste disposal, removal, and handling to qualified vendors. As removal and handling procedures are implemented by different vendors (branch companies), all waste is removed and cleared by cleaning vendors.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## Waste Disposal Data for Facilities in Taiwan

Unit：Tons (t)

| Waste category | Item/Year | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|
| | 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 |
| | Total amount of renewable general industrial waste | 0 | 0 | 0 | 0 | 0 | 1.5 |
| | Total amount of general industrial waste processed through other recycling procedures | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total amount of recycled general industrial waste** | 0 | | 0 | | 1.5 | |
| | Total amount of incinerated general industrial waste (energy recovery) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of incinerated general industrial waste (no energy recovery) | 0 | 30.1 | 0 | 36.2 | 0 | 31.7 |
| | Total amount of general industrial waste disposed by landfill | 0 | 3.4 | 0 | 4.2 | 0 | 2.7 |
| | Total amount of general industrial waste disposed by other methods | 0 | 23.1 | 0 | 7.1 | 0 | 21.8 |
| | **Total amount of non-recycled general industrial waste** | 56.6 | | 47.5 | | 56.1 | |
| Hazardous industrial waste | Total amount of hazardous industrial waste prepared for reuse | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of renewable hazardous industrial waste | 0 | 2.8 | 0 | 2.5 | 0 | 0 |
| | Total amount of hazardous industrial waste processed through other recycling procedures | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total amount of recycled hazardous industrial waste** | 2.8 | | 2.5 | | 0 | |
| | Total amount of incinerated hazardous industrial waste (energy recovery) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of incinerated hazardous industrial waste (no energy recovery) | 0 | 9.5 | 0 | 6.5 | 0 | 14.3 |
| | Total amount of hazardous industrial waste disposed by landfill | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of hazardous industrial waste disposed by other methods | 0 | 0 | 0 | 0 | 0 | 1.0 |
| | **Total amount of non-recycled hazardous industrial waste** | 9.5 | | 6.5 | | 15.3 | |

## Waste Management Mechanisms at Mississauga Facility

To ensure that waste at our Mississauga Facility is disposed of in a safe and environmentally friendly 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 handling of waste solvents and chemicals used in quality control/ analysis laboratories”, “recording, handling, and transportation of waste for convenient recycling and disposal”, “collection, disposal, and destruction procedures for waste materials”, “disposal of waste chemicals though pumping methods with assistance from qualified third-party personnel”, “list of pharmaceutical waste” and “disposal form for chemicals and hazardous waste.”

## Waste Disposal Data for Mississauga Facility

Unit：Tons (t)

| Waste category | Item/Year | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|
| | 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 |
| | Total amount of renewable general industrial waste | 0 | 16 | 0 | 262 | 0 | 275 |
| | Total amount of general industrial waste processed through other recycling procedures | 0 | 73 | 0 | 500 | 0 | 451 |
| | **Total amount of recycled general industrial waste** | 89 | | 762 | | 726 | |
| | Total amount of incinerated general industrial waste (energy recovery) | 0 | 93 | 0 | 510 | 0 | 277 |
| | Total amount of incinerated general industrial waste (no energy recovery) | 0 | 11 | 0 | 86 | 0 | 67 |
| | Total amount of general industrial waste disposed by landfill | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of general industrial waste disposed by other methods | 0 | 0 | 0 | 0 | 0 | 54 |
| | **Total amount of non-recycled general industrial waste** | 104 | | 596 | | 398 | |
| Hazardous industrial waste | Total amount of hazardous industrial waste prepared for reuse | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of renewable hazardous industrial waste | 0 | 0 | 0 | 5 | 0 | 0 |
| | Total amount of hazardous industrial waste processed through other recycling procedures | 0 | 0 | 0 | 0 | 0 | 39 |
| | **Total amount of recycled hazardous industrial waste** | 0 | | 5 | | 39 | |
| | Total amount of incinerated hazardous industrial waste (energy recovery) | 0 | 0 | 0 | 5 | 0 | 0 |
| | Total amount of incinerated hazardous industrial waste (no energy recovery) | 0 | 3 | 0 | 74 | 0 | 14 |
| | Total amount of hazardous industrial waste disposed by landfill | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total amount of hazardous industrial waste disposed by other methods | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total amount of non-recycled hazardous industrial waste** | 3 | | 79 | | 14 | |

Definitions of recycling processes:
1. Reuse preparations: Recycled waste is inspected, cleaned, and repaired to ready it for reuse on its original purpose
2. Recycling and reuse: Recycled waste is made into recycled materials following intermediate processing
3. Other recycling procedures: All other recycling and disposal methods beyond the two aforementioned definitions

Definitions of non-recycling processes:
1. Incineration with energy recovery: Waste removed from facilities is incinerated (with energy recovery)
2. Incineration with no energy recovery: Waste removed from facilities is incinerated (without energy recovery)
3. Landfill disposal: Waste removed from facilities is directly landfilled without incineration
4. Other disposal methods: All other disposals that do not adhere to the aforementioned three definitions

# Energy Management

## Energy Management Measures

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

## Energy Usage

| Year / Energy Category | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Externally purchased electrical power | MWh | 16,047.00 | 14,867.20 | 2,436,112.60 |
| Diesel | kL | 0.28 | 0.10 | 0.87 |
| Natural Gas(NG) | $m^3$ | 988,787.00 | 909,925.00 | 648,289.00 |
| Gas | kL | 13.48 | 17.69 | 17,089 |

## Greenhouse Gas Emissions and Air Pollutants

Bora Pharmaceuticals began implementing ISO 14064 greenhouse gas inventories in 2021 and has commissioned a third-party institute to conduct verification procedures. We acquired our Zhubei Facility on July 1, 2022 and our Zhongli I Facility, Zhongli II Facility, and Jingde Facility on September 1, 2022; related greenhouse gas inventories span the period from the acquisition date to December 31.

## Greenhouse Gas Emissions (Carbon Dioxide Equivalent)

Unit: tCO2e

| 2022 / Unit | Unit | Scope 1 Greenhouse Gas Emissions | Scope 2 Greenhouse Gas Emissions | Total |
|---|---|---|---|---|
| Taipei Head Office | $tCO_2e$ | 1.8134 | 38.6494 | 40.4628 |
| Zhunan Facility | $tCO_2e$ | 1,866.8985 | 7,028.8020 | 8,895.7005 |
| Tainan Facility | $tCO_2e$ | 52.7021 | 1,594.4148 | 1,647.1169 |
| Zhubei Facility | t $CO_2e$ | 79.2188 | 908.2595 | 987.4783 |
| Zhongli I & II Facilities | $tCO_2e$ | 207.6963 | 1,609.7400 | 1,817.4363 |
| Jingde Facility | $tCO_2e$ | 222.7777 | 846.7381 | 1,069.5158 |
| Mississauga Facility | $tCO_2e$ | 16,743.5592 | 657.1803 | 17,400.7395 |
| Total | $tCO_2e$ | 19,174.6660 | 12,683.7841 | 31,858.4501 |

## Scope 1 Greenhouse Gas Emissions

| GHG type | Emissions (tons CO2e) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | $CO_2$ | $CH_4$ | $N_2O$ | HFCs | PFCs | $SF_6$ | $NF_3$ | Total |
| Taipei Head Office | 0.2345 | 0 | 0 | 1.5789 | 0 | 0 | 0 | 1.8134 |
| Zhunan Facility | 1,833.8211 | 0.6333 | 0.6279 | 31.8162 | 0 | 0 | 0 | 1,866.8985 |
| Tainan Facility | 32.4435 | 9.2740 | 0.0273 | 10.9573 | 0 | 0 | 0 | 52.7021 |
| Zhubei Facility | 68.2911 | 0.0335 | 0.0273 | 10.8669 | 0 | 0 | 0 | 79.2188 |
| Zhongli I & II Facilities | 187.3213 | 3.0299 | 0.1365 | 17.2086 | 0 | 0 | 0 | 207.6963 |
| Jingde Facility | 205.9551 | 2.4217 | 0.1092 | 14.2917 | 0 | 0 | 0 | 222.7777 |
| Mississauga Facility | 16,692.6673 | 13.5455 | 37.3464 | 0 | 0 | 0 | 0 | 16,743.5592 |
| Total | 19,020.7339 | 28.9379 | 38.2746 | 86.7196 | 0 | 0 | 0 | 19,174.6660 |
| % | 99.20% | 0.15% | 0.20% | 0.45% | 0 | 0 | 0 | 100% |

## Scope 2 Greenhouse Gas Emissions

| Location | MWh | Emission factor | Unit | Emissions (tons $CO_2e$) |
|---|---|---|---|---|
| Facilities in Taiwan | 24,296.1692 | 0.495 | tCO2e/MWh | 12,026.6038 |
| Mississauga Facility | 23,470.7235 | 0.028 | tCO2e/MWh | 657.1803 |
| Total | | | | 12,683.7841 |

## Emissions of Other Air Pollutants

| Other pollutant gas emissions at Zhunan Facility | | | | |
|---|---|---|---|---|
| Types | Unit | 2020 | 2021 | 2022 |
| Nitrogen oxides | Metric tons (t) | 1.89957 | 2.68306 | 3.8138 |
| Sulfur oxides | Metric tons (t) | 0.34807 | 1.903 | 4.1541 |
| VOCs | Metric tons (t) | 6.5804 | 8.51395 | 11.9799 |
| PM | Metric tons (t) | 0.38628 | 0.4874 | 1.3133 |

| Other pollutant gas emissions at Tainan Facility | | | | |
|---|---|---|---|---|
| Types | Unit | 2020 | 2021 | 2022 |
| Nitrogen oxides | Metric tons (t) | 0.0305 | 0.04029 | 36.18 |
| Sulfur oxides | Metric tons (t) | 0.00242 | 0.0032 | 2.87 |
| VOCs | Metric tons (t) | 0.04197 | 0.00149 | 0.23 |
| PM | Metric tons (t) | 0.00098 | 0.00128 | 0.001 |

| Other pollutant gas emissions at Zhubei Facility | | | | |
|---|---|---|---|---|
| Types | Unit | 2020 | 2021 | 2022 |
| Nitrogen oxides | Metric tons (t) | 0 | 0 | 0.05844 |
| Sulfur oxides | Metric tons (t) | 0 | 0 | 0 |
| VOCs | Metric tons (t) | 0 | 0 | 0.09962 |
| PM | Metric tons (t) | 0 | 0 | 0 |

## 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, posing 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 recycling water.

| | |
|---|---|
| **Water Management Performance** | 1. Reviewed process cleaning water usage and pressure reductions for process cleaning water.<br>2. Used heat pumps to reduce chiller loads and water used by cooling towers.<br>3. Adjusted boiler feed water. |
| **Wastewater Treatment at Zhunan Facility** | Our Zhunan Facility is currently evaluating the feasibility of classifying and collecting low-concentration organic wastewater generated by washing processes in quality management laboratories. We have also purchased agents to neutralize Chemical Oxygen Demand (COD); these agents were poured into our wastewater collection areas to reduce rejection risks and decreased waste handling expenditures by NT$ 100,000. |
| **Wastewater Treatment at Tainan Facility** | 1. Rainwater discharge: Diverted into drains for direct discharge<br>2. Domestic sewage is discharged to septic tanks and then diverted to sewage tanks following filtering and sedimentation.<br>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

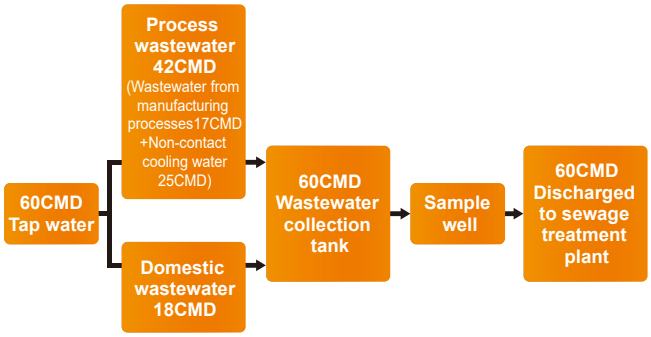
| Energy Category | Unit | Year | | |
|---|---|---|---|---|
| | | 2020 | 2021 | 2022 |
| Externally purchased water (from a third party) | kL | 90,252 | 73,652 | 72,413 |
| Generated water (recycled water) | kL | 26.4 | 26.4 | 26.4 |

## Water Management Mechanisms at Tainan Facility

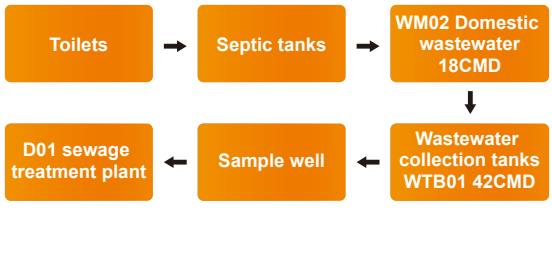
Our Tainan Facility has a water storage capacity of 71 tons and maximum daily inflows from tap water is equal to 60 tons. In 2022, we consumed 7,475 tons of tap water and recycled 40% of pure water. We recycled 2.2 tons of water each month, resulting in annual recycling amounts of 26.4 tons. Our two main types of wastewater are domestic sewage and process wastewater; wastewater from production processes are collected and treated in facility wastewater collection tanks before discharge to sewage treatment plants. We have designated specific pipelines in our facilities 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

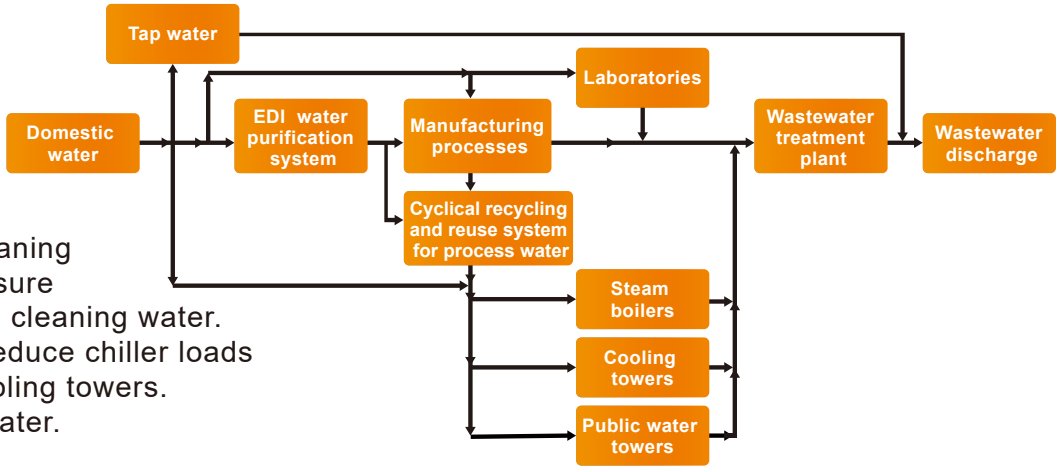



Domestic wastewater treatment measures


Process wastewater treatment measures

## Diagram of Water Management Mechanisms at Zhunan Facility

### Water Balance Diagram for Zhunan Facility




### Water Management Mechanisms at Zhunan Facility

1. Reviewed process cleaning water usage and pressure reductions for process cleaning water.
2. Used heat pumps to reduce chiller loads and water used by cooling towers.
3. Adjusted boiler feed water.

# 5

# Chapter Five.
# Social Participation

## 5.1 Public Welfare Activities


Bora Pharmaceuticals has always been an employee-oriented company emphasizing employee health and family life. We continually strive to incorporate our core culture of inclusiveness and diversity in all systems and employee interactions as we provide care for employees and their families, care for patients and their families, and contribute to society to fulfill our social, economic, and environmental responsibilities.

In 2022, Bora Pharmaceuticals continued to host public welfare activities such as beach clean-ups and Christmas gift-giving activities to encourage active employee participation in environmental protection and social welfare matters. The collective momentum and contributions of all our employees enabled us to protect the environment and give back to society through practical actions.

Charity activities hosted or co-hosted by Bora Pharmaceuticals in 2022 were as follows:

- **Christmas gift-giving activity (secondhand item donation activity)**
- **Taya Marathon**
- **Corporate Recruitment of Sports Instructors Program**
- **Bora beach cleanup activity**
- **Industry-academia exchanges**

Apart from charity activities, our Mississauga Facility raised a rainbow flag in support of LGBT Pride Month, emphasizing the importance of diversity and inclusiveness. The Bora Group supports and respects the unique characteristics of all employees and has created inclusive and equal workplace environments.

# 2022 Bora Pharmaceutical Public Welfare Activities

## Christmas gift-giving activity (secondhand item donation activity):

Our employee welfare committee hosted an annual Christmas activity and collected Christmas wishlists from schoolchildren in rural areas which were fulfilled by our colleagues. We gifted a total of 169 Christmas gifts. We also purchased gifts for employees made by disadvantaged groups to spread the love and help rural schoolchildren feel warmth during the cold winter season.

## "Corporate Recruitment of Sports Instructors" Program：


In response to the government's promotion of employment for sports talent, Bora participated in the "Corporate Recruitment of Sports Instructors" to ensure that the livelihoods of sports personnel were not affected by the pandemic and to revitalize corporate human resources, help our employees build exercise habits, and encourage our employees to exercise. We also incorporated consultation services, capacity building courses, technological physical fitness tests, and other resources to establish a comprehensive supporting system that encouraged our employees exercise and formed a culture conducive for exercise.

## Industry-academia exchanges:

Chairman Sheng was invited to share business, market, and entrepreneurial insights with fourth -year medical students at National Yang Ming Chiao Tung University, helping the students gain a different perspective and encouraging them to implement an entrepreneurial spirit in their lives and future careers.

## Taya Marathon:

Bora Pharmaceuticals formed a team which participated in this event hosted by the Taya Group. This activity focused on environmental protection, local communities, cultural promotion, and exercise for all. We co-hosted this event to help our colleagues better understand local communities and also to promote work-life balance, work-exercise balance, and physical and mental stress relief.

## Bora beach cleanup activity:


We demonstrated our emphasis on environmental management by leading an employee beach cleanup activity at Fengjiu Beach (Longfeng Fishing Port in Zhunan, Miaoli) on Bora's Family Day in 2022 to enhance employee commitment as well as build momentum and contributions to realize environmental protection in Taiwan.

# Chapter Six.
# Talent Cultivation and Happy Workplace

## 6.1 Talent Cultivation

### Diversity and Inclusiveness

As a rapidly growing company, Bora Pharmaceuticals strives to enable employee growth alongside corporate growth. We not only organize positions for elite employees to exert their talents, but also provide comprehensive promotion channels; cross-department, cross-company, and transnational training; and professional on-the-job training, demonstrating our emphasis on talent cultivation. We believe that providing a stable environment makes it possible for our colleagues to achieve career development and display maximum potential.

“Putting people first and respecting expertise” has always been an integral part of our innovation and R&D process, and our leadership team uses this core value to recruit outstanding talent from all countries. We consider talent to be an important corporate asset, and view openness, respect for expertise, and employee care as important business philosophies.

Bora Pharmaceuticals adheres to five main management guidelines (“fair and competitive remuneration”, “career development opportunities”, “diverse benefits”, “open communication channels” and “work-life balance”) to provide a friendly workplace environment for our employees and attract industry elites. Our resources and benefits are superior to our peers, and we also provide a chance to make Bora Pharmaceuticals a global leading brand, thereby creating mutual benefits for the company, our outstanding colleagues, and the market.

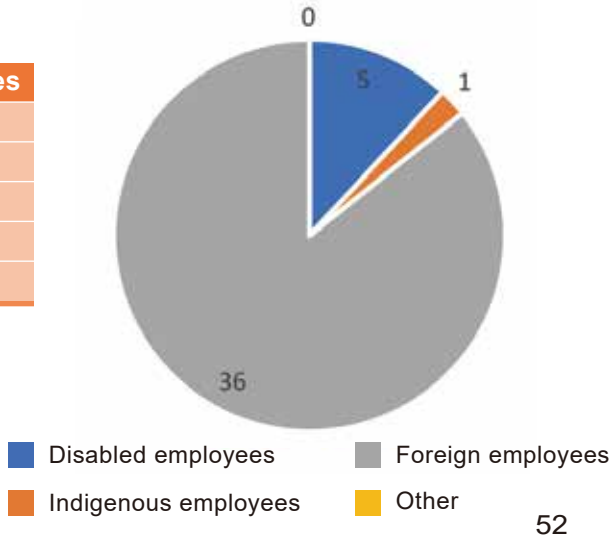
### Talent Diversity

Bora Pharmaceuticals considers employees to be important assets and strives to build a workplace environment with diverse talent, equality, impartiality, and protection of legitimate rights. In 2022, the total number of Group employees in Taiwan amounted to 886 people, with a male to female ratio of 1:1.09, and 45.24% of our managers were female, demonstrating our emphasis on gender equality at work and creating similar development opportunities for employees of different genders. In 2022, 3.35% of our new employees were over 50 years old, showing that we do not consider age to be a limitation when selecting talent and recruiting a wide range of professionals.

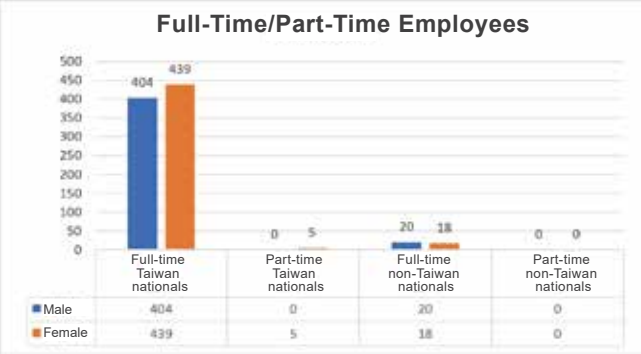
**Taiwan Region**

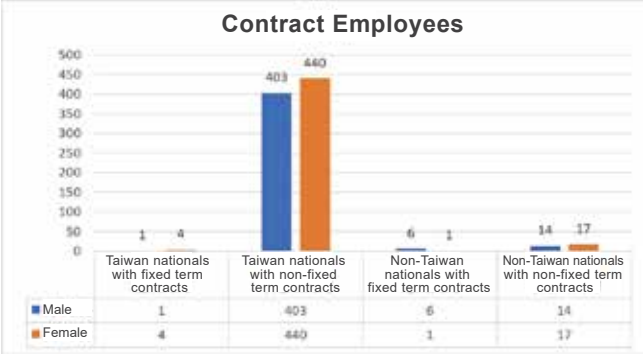
| Diversity of employees | | Number of employees |
|---|---|---|
| Diversity | Disabled employees | 5 |
| | Indigenous employees | 1 |
| | Foreign employees | 36 |
| | Other | - |
| | Total | 42 |

**Diverse composition of employees**



| Employee characteristics | Nationality | Male | | Female | | Total | |
|---|---|---|---|---|---|---|---|
| | | Number of employees | Ratio | Number of employees | Ratio | Number of employees | Ratio |
| Fixed term contracts | Taiwan nationals | 1 | 0% | 4 | 0% | 5 | 0% |
| Non-fixed term contracts | Taiwan nationals | 403 | 45% | 440 | 50% | 483 | 95% |
| Fixed term contracts | Non-Taiwan nationals | 6 | 1% | 1 | 0% | 7 | 1% |
| Non-fixed term contracts | Non-Taiwan nationals | 14 | 2% | 17 | 2% | 31 | 4% |
| Total | | 424 | 48% | 462 | 52% | 886 | 100% |
| Full-time employees | Taiwan nationals | 404 | 45% | 439 | 50% | 843 | 95% |
| Part-time employees | Taiwan nationals | - | 0% | 5 | 0% | 5 | 0% |
| Full-time employees | Non-Taiwan nationals | 20 | 3% | 18 | 2% | 38 | 5% |
| Part-time employees | Non-Taiwan nationals | - | 0% | - | 0% | - | 0% |
| Total | | 424 | 48% | 462 | 52% | 886 | 100% |




## Taiwan Region

| Category | Rank | Definition | Male | Female | Total | |
|---|---|---|---|---|---|---|
| | | | | | Number of employees | Ratio |
| Management | Senior executives | Associate managers and above | 17 | 9 | 210 | 24% |
| | Mid-level executives | Deputy associate managers, senior managers, and managers | 44 | 33 | | |
| | Entry-level managers | Deputy managers and section chiefs | 54 | 53 | | |
| Non-management | General employees | Researchers, engineers, administrators, specialists, forepersons, technicians, and drivers | 309 | 367 | 676 | 76% |

## Mississauga Facility

| Category | Rank | Definition | Male | Female | Total | |
|---|---|---|---|---|---|---|
| | | | Number of employees | Number of employees | Number of employees | Ratio |
| Management | Senior executives | Associate managers and above | 17 | 9 | 210 | 24% |
| | Mid-level executives | Deputy associate managers, senior managers, and managers | 44 | 33 | | |
| | Entry-level managers | Deputy managers and section chiefs | 54 | 53 | | |
| Non-management | General employees | Researchers, engineers, administrators, specialists, forepersons, technicians, and drivers | 309 | 367 | 676 | 76% |

### Taiwan Region

| New employees | Taiwan region | Nationality | Male | Female |
|---|---|---|---|---|
| Age | Under 30 | Taiwan nationals | 27 | 43 |
| | 30-50 | Taiwan nationals | 60 | 101 |
| | Over 50 | Taiwan nationals | 5 | 3 |
| Total | | | 92 | 147 |
| **Terminated employees** | **Taiwan region** | **Nationality** | **Male** | **Female** |
| Age | Under 30 | Taiwan nationals | 20 | 20 |
| | 30-50 | Taiwan nationals | 43 | 51 |
| | Over 50 | Taiwan nationals | 10 | 41 |
| Total | | | 73 | 75 |
| **Terminated employees** | **Taiwan region** | **Nationality** | **Voluntary turnover rate** | **Involuntary turnover rate** |
| Age | Senior management | Taiwan nationals | 1.35% | - |
| | Mid-level management | Taiwan nationals | 8.11% | 0.68% |
| | Professional personnel | Taiwan nationals | 6.07% | 1.35% |
| | Others | Taiwan nationals | 81.76% | 0.68% |
| Total | | | 97.29% | 2.71% |

## Talent Development

We regard talent as our most important asset, and cultivation of global multinational talent is an important business philosophy of the Group. We believe our business philosophy enables our employees to succeed in their careers and molds them into the best partners for strategic planning and implementation so we can work together to achieve our goal of sustainable development.

We strive to understand the individual developmental needs of our colleagues from entry-level staff to senior managers. We conduct fair appraisals of employee performance and potential, formulate bottom-up talent development plans, and organize appropriate training.

Our human resources department reference the Group's strategic development plans to design training courses that cultivate common capabilities in all employees and leadership capabilities in outstanding employees. We have established a diverse and comprehensive talent development plan, offer unique courses based on individual employee cultivation plans, and also organize annual training plans and training budgets based on employee needs and future Group developments to inspire our employees and place them in suitable positions, thereby enhancing professional employee capabilities while increasing employee work satisfaction. Our training courses 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 based on practical trends on corporate social responsibilities, corporate governance, and sustainable corporate management
5. Professional training courses for capabilities required by future Group business expansions
6. Management courses that convert our colleagues from individual contributors to leaders and managers

## Training Hours for Taiwan Region

2022 **238** managers / Total training **1,247** hr

| Category | 2020 | 2021 | 2022 |
|---|---|---|---|
| Male managers (hours) | 163 | 375 | 635 |
| Female managers (hours) | 77 | 389 | 612 |
| Total training hours for managers | 239 | 763 | 1,247 |
| Number of managers | 79 | 118 | 238 |

2022 **469** non-managers personnel / Total training **1,243** hr

| Category | 2020 | 2021 | 2022 |
|---|---|---|---|
| Male non-management personnel (hours) | 251 | 312 | 604 |
| Female non-management personnel (hours) | 217 | 388 | 639 |
| Total training hours for non-management personnel | 468 | 699 | 1,243 |
| Number of non-management personnel | 294 | 291 | 469 |

## Annual Training Statistics

| Year | Average training hours for male employees (hour/person) | Average training hours for female employees (hour/person) | Average training hours for all employees (hour/person) |
|---|---|---|---|
| 2022 | 2.92 | 2.71 | 2.81 |
| 2021 | 3.60 | 3.56 | 3.58 |

## Training Hours for Taiwan Region

| Category | 2020 | 2021 | 2021 |
|---|---|---|---|
| Total training hours for managers | 239 | 763 | 1,247 |
| Number of managers | 72 | 146 | 238 |
| Total training hours for non-management personnel | 468 | 699 | 1,243 |
| Number of non-management personnel | 66 | 161 | 469 |

## Management Training Conferences 2022


## Management Training Conferences 2022



# 6.2 Happy Workplace

## Employee Friendly Workplace

### Employee Salaries

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

| Salaries for Full-Time, Non-Executive Employees | (Unit: thousand NTD) | | |
|---|---|---|---|
| Item | 2020 | 2021 | 2022 |
| Total salaries of all full-time, non-executive employees (A) | 97,997 | 103,346 | 90,703 |
| Total number of all full-time, non-executive employees (B) | 154 | 150 | 125 |
| Average salaries for all full-time, non-executive employees (B÷A) | 636 | 689 | 726 |
| Median salaries for all full-time, non-executive employees | 462 | 513 | 521 |

### Employee Benefits

Bora Pharmaceuticals has a benefits system which provides comprehensive employee care. We strive to improve workplace 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 education and care which provides mental and physical care for all employees, thereby enhancing 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 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:** Some of our offices have hired visually impaired massage therapists. We give back to society by providing job opportunities for visually impaired people while helping 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; some offices 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 banquets.

- **Diverse activities and social clubs:** We work to promote a diverse variety of activities and social clubs, provide associated subsidies to help our colleagues achieve a work-life balance, and enhance cooperation and interactions between colleagues through these activities
- **COVID epidemic prevention measures:** During the pandemic, we established a dedicated epidemic prevention team which regularly monitors epidemic conditions within the Group, assesses and adjusts epidemic prevention measures, increases work-from-home equipment and measures for work segregation, and provides free rapid test kits for employees to maintain their health. Some offices also designed care packages which were gifted to colleagues with confirmed diagnoses at the first instance to convey our concern.

## Health Management Policies

To prevent occupational disasters during implementations of 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, as well as 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 own 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 have undergone health checks is 100%.

| Bora Pharmaceuticals also implements the following occupational health management measures: | |
|---|---|
| Personal health checks | ● A total of 43 (100%) new employees underwent health checks<br>● A total of 205 (100%) employees underwent health checks |
| Personal health consultations | ● In 2022, a total of 156 employees received counseling for health issues associated with metabolic syndrome, workloads, abnormal workloads, ergonomic muscle soreness assessments, risks of ischemic heart disease within ten years, health consultations for the middle-aged and elderly, and maternal health protection. Counseling records were stored in accordance with regulations.<br>● We provide annual employee physical examinations superior to regulatory requirements as well as special health checks to protect employee health and safety. |
| Healthy workplace environments | ● Some of our facilities are Class II Enterprises with fewer than 300 personnel, but we have established facility nurses, exceeding regulatory requirements, to protect the health of our employees.<br>● We implemented four major plans in accordance with the Occupational Safety and Health Act in compliance with legal standards. |
| Health lectures | ● We organized the following activities and lectures in 2022:<br>● 1.Announced health education information on flu vaccinations<br>● 2.Organized lectures on exercise and diet<br>● 3.Participated in the Taya Marathon<br>● 4.Participated in a Sports Administration overnight relay run<br>● 5.Organized a bicycle tour around Miaoli<br>● 6.Organized a muscle gain and fat loss competition<br>● 7.Organized technological physical fitness tests (including yoga, strength training, cardio-boxing, trampolining, muscle stretching and massage)<br>● A total of 245 people participated in the aforementioned activities and lectures. |

| Employee Day Activities | |
|---|---|
| Employee Day | ● 2022 Total Wellness Fitness Challenge<br>● Zhunan Facility Parent & Child Day: Bring children to work day<br>● Summer exercise event<br>● Bora Mississauga BBQ Day |


Bora Mississauga BBQ Day

Paternity Leave and Maternity Leave

| Item | 2020 | 2021 | 2022 |
|---|---|---|---|
| Number of paternity leave applicants | 12 | 7 | 23 |
| Number of paternity leave applicants | 7 | 12 | 17 |
| Number of miscarriage leave applicants | 0 | 0 | 1 |

| Employee benefits (reinstatement rates and retention rates following parental leave) | | | | | |
|---|---|---|---|---|---|
| Reinstatement rate | Male | Number of employees eligible for leave | 24 | Number of expected reinstatements from parental leave for the year | 1 |
| | | Actual number of employees who took parental leave | 0 | Reinstatement rate | 100% |
| | Female | Number of employees eligible for leave | 25 | Number of expected reinstatements from parental leave for the year | 10 |
| | | Actual number of employees who took parental leave | 10 | 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 | 6 | Number of reinstatements for the previous year | 6 |
| | | | | Retention rate | 100 % |

Notes:Number of employees eligible for leave: The total number of employees entitled to parental leave

Actual number of employees who took parental leave: The actual total number of employees who took parental leave

Number of expected reinstatements from parental leave for the year: The total number of employees reinstated from parental leave 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%

Number of actual reinstatement applications from parental leave for the year: The total number of employees reinstated from parental leave during the reporting period

# Employee Communication

## Employee Conferences

In 2019, Bora Pharmaceuticals received the HR Asia 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 chains; 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 Policies

Bora Pharmaceuticals protects the human rights of employees; prohibits forced labor, child labor, and illegal discrimination; ensures equality at work; strictly complies with regulations related to salaries and work hours; and protects 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 during implementation of work duties, Bora Pharmaceuticals (hereinafter “the Company” or “the Group”) has issued written statements that declare zero tolerance of 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 (such as beating, scratching, punching, and kicking).
  (2) Psychological violence (such as threats, bullying, harassment, and abuse).
  (3) Verbal violence (such as bullying, intimidation, interference, and discrimination).
  (4) Sexual harassment (such as inappropriate sexual innuendo and behaviors).

III. Responses to workplace violence:
  (1) Seek advice and support from supervisors or colleagues.
  (2) Communicate rationally with and express emotions to perpetrators
  (3) Ponder own shortcomings and ask colleagues to assess 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 personnel 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.

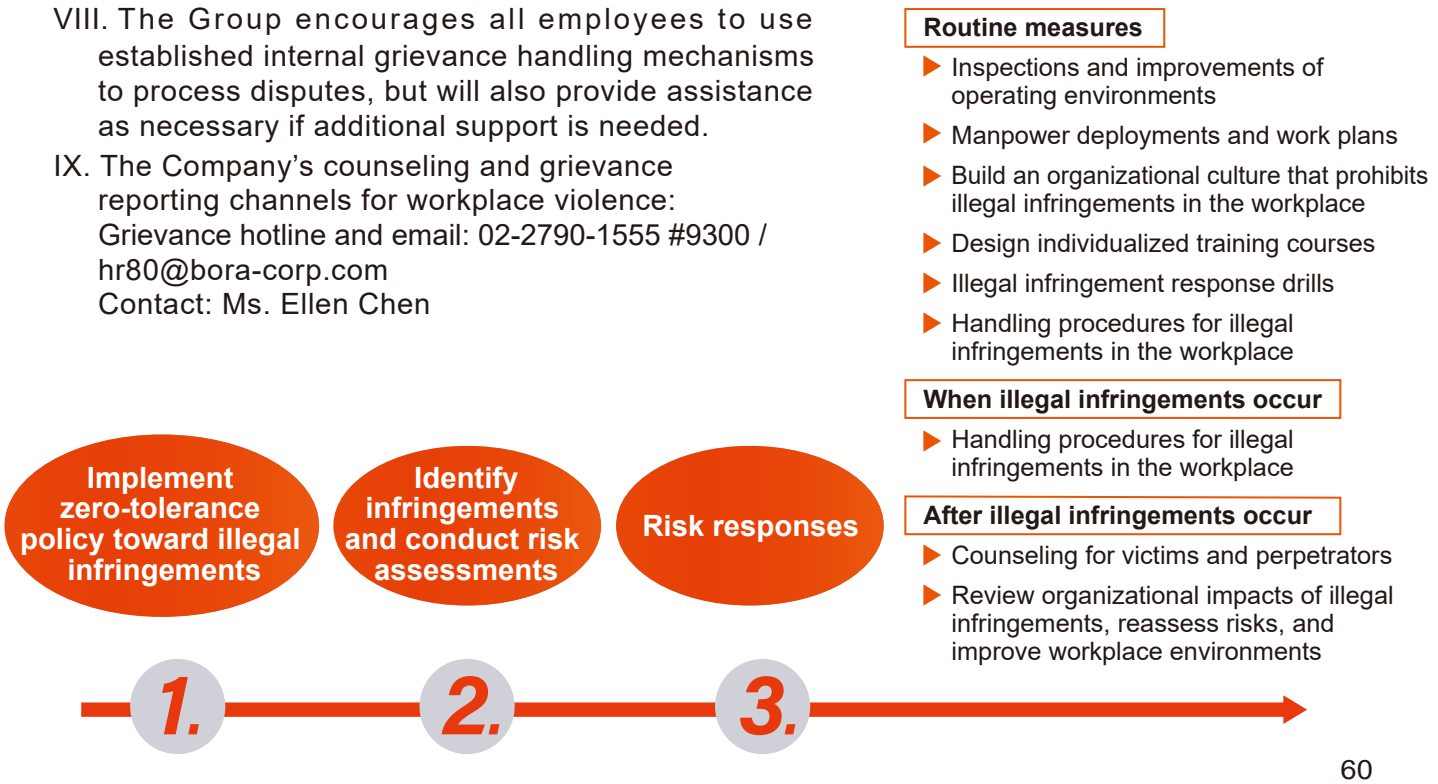
V. The Group strictly prohibits any acts of retaliation or inappropriate treatment against complainants, informants, or personnel assisting investigations

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

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

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

IX. The Company’s counseling and grievance reporting channels for workplace violence:
Grievance hotline and email: 02-2790-1555 #9300 / hr80@bora-corp.com
Contact: Ms. Ellen Chen



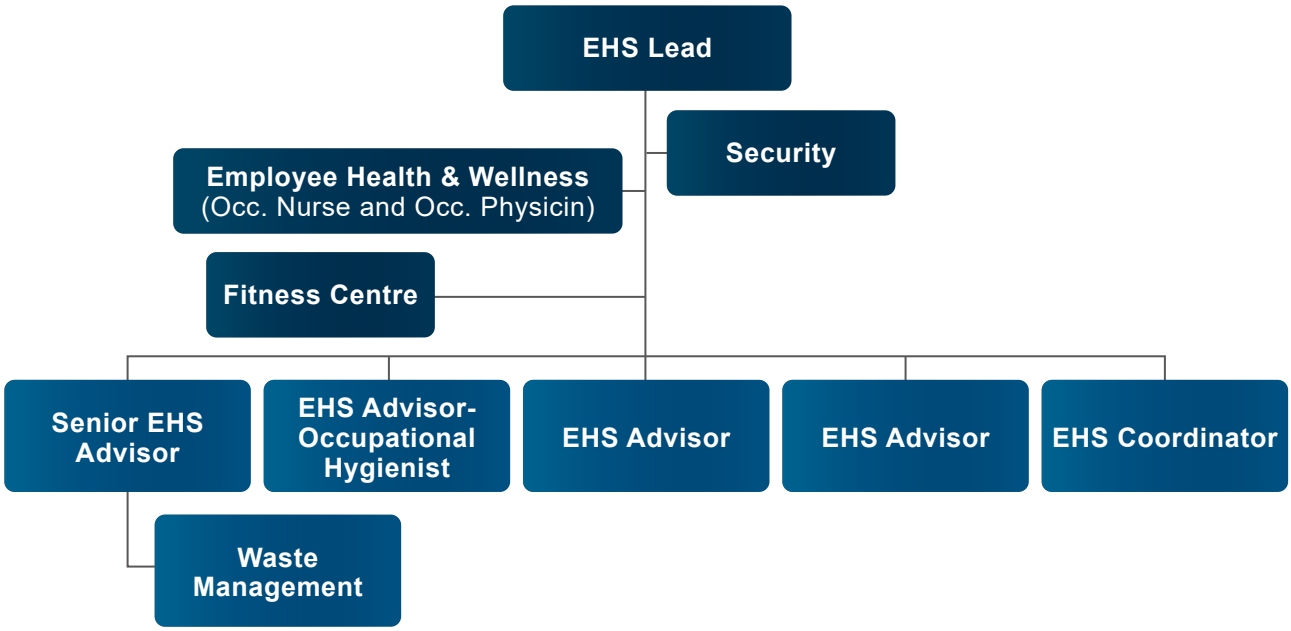
# Employee Occupational Safety

## Environmental Health and Safety (EHS) Deployments at Taiwan Facilities

- We have established EHS personnel at all facilities and full-time occupational nurses, exceeding regulatory requirements, as well as external occupational health specialists who provide on-site services every quarter.
- We inspect safety equipment every month and fill out monthly occupational disaster reports.
- We compile reports and implement management in accordance with Department of Environmental Protection and Occupational Safety and Health Administration regulations and policies.
- We monitor the carcinogenic properties of products.

## Environmental Health and Safety (EHS) Management Structure at Mississauga Facility

Our team is composed of environmental health and safety professionals who have expertise in industrial health and safety, environment, and other scientific fields. Team members are responsible for handling various environmental issues in facilities, a full-time nurse has been established in each department, and a part-time doctor conducts periodic facility 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 our Zhunan Facility. We also conduct periodic inspections and fire evacuation drills, and also commission qualified fire inspection companies to carry out annual fire safety inspections, compile reports, and conduct safety inspections of public buildings to improve upon defects, ensuring that our tangible and intangible resources 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 attend external training and obtain relevant qualifications.

Our Zhunan Facility 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 adopted the Total Recordable Rate (TRR) safety indicator issued by the Occupational Safety and Health Administration (OSHA). In 2022, our TRR was 0.42, which adhered to our KPI of 1.5 set at the beginning of the year.

## Occupational Safety Management at Tainan Facility

1. We host “Occupational Health and Safety Committee meetings” every three months to discuss unsafe locations and equipment as well as ensure that employees possess appropriate security awareness.
2. We conduct group fire safety training once every six months and reports of training results are submitted to the fire department. We also commission qualified fire inspection companies to carry out fire safety inspections and compile reports each year, as well as safety inspections of public buildings once every two years to improve upon defects, ensure compliance with regulatory requirements, and achieve our aim of protecting labor safety.
3. Permits for first-aid and fire safety personnel; supervisors of operations involving organic solvents, dust, and special chemicals; operators of forklifts, Class 1 pressure vessels, boilers; and Level A labor health and safety supervisors are tracked and managed to ensure validity. We also organize external training and obtain qualifications on specific dates in accordance with regulations.
4. Regulated report items and report times throughout the year are as follows:
   a. Reported every Wednesday: Reports of D-1801 domestic waste and D-0299 waste plastic mixtures
   b. Reported before the 5th of every month: Online reporting of recycled waste and industrial waste.
   c. Reported before the 10th of every month: Monthly statistics on occupational hazards.
   d. Reported before the 10th of April, July, October, and January on a quarterly basis: Integrated management system reports of air pollution expenditures and emissions from stationary pollution sources.
   e. Reported before the 15th of July and January on a semi-annual basis: Reports of regular inspections for dedicated underground industrial wastewater and sewage systems.
   f. Reported every six months (in May and November): Results of operating environment inspections and group fire safety drills.
   g. Reported annually: Optimized reports of chemical management.
   h. Reported every three years: Reports of hazardous chemical exposures and classified management.

The aforementioned reports aim to protect employee health and environmental safety by reducing unnecessary deaths, injuries, and disasters.

## Incident Rate at Zhunan Facility

A total of one accident occurred in 2022 when a member of the production team walk down the stairs, lost the balance, and slipped, resulting in injury to their thighs and buttocks.

| | Number of injured personnel | Lost workdays | Total recordable rate (TRR) | Disabling injury frequency rate (FR) | Disabling injury severity rate (SR) | Total number of hours worked |
|---|---|---|---|---|---|---|
| 2022 | 1 | 2 | 0.42 | 2.11 | 4.21 | 474,856 |
| 2021 | 3 | 12 | 1.35 | 6.76 | 29.3 | 443,616 |
| 2020 | 2 | 19 | 0.73 | 3.65 | 34.66 | 548,201 |

Notes: 1. Total recordable rate (TRR) = Occupational injuries (cases) x 200,000 / Total work hours
2. Disabling injury frequency rate (FR) = Occupational injuries (cases) 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

## Incident 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 of hours worked |
|---|---|---|---|---|---|---|
| 2022 | 0 | 0 | 0.00 | 0 | 0 | 306,200 |
| 2021 | 1 | 0 | 0.00 | 7.01 | 0 | 142,721 |
| 2020 | 0 | 0 | 0.00 | 0 | 0 | 332,162 |

Notes: 4. Total recordable rate (TRR) = Occupational injuries (cases) x 200,000 / Total work hours
5. Disabling injury frequency rate (FR) = Occupational injuries (cases) x 1,000,000 / Total work hours
6. 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) reports 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.

7

## Chapter Seven.

# Responsible Manufacturing, R&D, and Innovation

## Value Chain

### 01 Management of raw materials

We strictly manage raw materials to ensure that quality and safety comply with regulations and corporate standards. Raw materials include active ingredients, excipients, solvents, and other materials. The purpose of raw material management is to ensure that all used materials adhere to our quality standards, thereby ensuring the quality and safety of manufactured pharmaceutical products.

### 02 Laboratory

Raw materials used in the laboratory are managed strictly to ensure the quality and safety of the raw materials comply with the regulation and company's standard. Raw materials include active ingredient, excipient, solvent, and other material. The purpose of raw material management is to ensure raw material used comply with the Company's standard and ensure the quality and safety of the drug produced.

### 03 Suppliers

We rely on our suppliers to provide raw materials and services including drug preparations, packaging, and logistics, so need to establish a comprehensive supplier management system to ensure that all suppliers adhere to our corporate quality and safety standards. This system encompasses supplier evaluation, monitoring, risk assessment and management, and communication.

### 04 Drug manufacturing

Drug manufacturing is the core business of the pharmaceutical industry and includes many processes such as drug preparation, bottling, packaging, and testing, so requires establishment of a strict drug manufacturing management system to ensure that drug quality and safety comply with laws and corporate standards. This system encompasses design and management of production facilities, operating procedures, production records, and equipment calibration and maintenance.

### 05 Transportation

Transportation refers to the processes following drug manufacturing where products are delivered from production bases to logistics centers, warehouses, or directly to clients. Management of transportation processes necessitates attention to product temperatures, humidity, transportation methods, and packaging to ensure product quality and safety.

### 06 Sales

Sales refers to the processes where drugs are sold to hospitals, pharmacies, or end customers. Drug sales processes need to consider sales channels, price controls, inventory management, and marketing.

# 7.1 Pharmaceutical Safety

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

### Standards Adopted at Our Facilities

| Facility | Verification Year/Month | Verification Standards | Verification Results |
|---|---|---|---|
| Zhunan Facility | June 2019 | PIC/S GMP certification | Obtained PIC/S GMP certification with 3.5-year validity following approval 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 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 |
| Mississauga Facility | 2021 | Health Canada GMP audits | NAI No. 483 |
| | 2020 | Russian Ministry of I&T GMP audits | Passed |
| | 2020 | ISO Inspection Medical Device audits | Passed |
| | 2019 | US FDA GMP audits | Passed |
| | 2019 | Belarussian MOH GMP audits | Passed |
| | 2019 | ISO Inspection Medical Device audits | Passed |
| | 2019 | PMDA GMP audits | Obtained PIC/S GMP certification following approval by the Ministry of Health and Welfare |
| Zhongli I Facility | August 2020 | GMP/GDP audits | Obtained PIC/S GMP certification following approval by the Ministry of Health and Welfare |
| Zhongli II Facility | December 2020 | GMP evaluations | Obtained PIC/S GMP certification with 3.5-year validity following approval by the Ministry of |
| Jingde Facility | December 2021 | PIC/S GMP certification | Health and Welfare |
| | December 2022 | US FDA PAI audits | Completed audits |
| Zhubei Facility | March 2023 | PIC/S GMP certification | Obtained PIC/S GMP certification with 2.4-year validity following approval by the Ministry of Health and Welfare |

# Production Assessments and Quality Management

Our EHS units conduct risk assessments on Active Pharmaceutical Ingredients (APIs) in client-developed new products. APIs are divided into five Occupational Exposure Banding (OEB) levels, OEB1~OEB5, based on their hazard characteristics. Currently, our Zhunan Facility can manufacture products under OEB3, and therefore OEB assessments have become an important determinant of production feasibility.

Our EHS units conduct risk assessments and use risk matrices to calculate Occupational Exposure Limits (OEL) 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. In 2022, we assisted the project management department in evaluating several projects, and successfully completed evaluation of one OEB4 project which has begun undergoing research and development.

### Drug Safety Training

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 for all facility personnel and GMP personnel in accordance with GMP regulations.
3. We 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.<br>**Products:** All product batches are manufactured in accordance with GMP regulations, and production processes are controlled to ensure consistency. Products are required to undergo additional inspections before they can be released onto 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)

| Site | Number of product recalls in 2022 | Total units recalled | Total amount of products accepted for takeback, reuse, or disposal |
|---|---|---|---|
| Bora Group | 0 | Not applicable | Not applicable |

No product recalls occurred at the Bora Group in 2022.

# 7.2 R&D and Innovation

## R&D Investments

Bora Pharmaceuticals is a major 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 facility 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 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 facilities
2. Provide a variety of rotation and promotion opportunities so our employees can gain expertise across different production facilities
3. Promote collaborative R&D opportunities with international pharmaceutical companies

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| Number of employees | 18 | 19 | 61 |
| Average R&D tenure | 11.62 | 11.95 | 9.55 |

### Products Developed in 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. |
| 2020 | ● BSAT-1301 (a new dosage form of compound pain relief drug) was patented in Germany, the UK, and France |
| 2019 | ● TGR-1524 (drug for Parkinson's disease): Obtained license |
| 2018 | ● BSAT-1301 (a new dosage form of a mpound pain relief drug) was patented in Taiwan<br>● TGT-1520 (antiviral drug): Obtained license |
| 2017 | ● BSAD-1303 (OTC combination cold and flu medicine): Obtained license<br>● TGTE-1305 (antiviral drug): Obtained license<br>● TGT-1307 (antiviral drug): Obtained license and completed product verification and launch<br>● TGT-1409 (drug for urinary tract disorders): Obtained license<br>● TGT-1520 (antiviral drug): Completed bioequivalence studies<br>● TGR-1524 (drug for Parkinson's disease): Completed bioequivalence studies |

## Pharmaceutical License Management

### Number of Pharmaceutical Licenses

In 2014, Bora Pharmaceuticals acquired 100% shares in Bora Health Inc. (hereinafter referred to as Bora Health) and incorporated it as a subsidiary. Following this merger, Bora Health, 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 and marketing. Bora Health currently holds the following pharmaceutical licenses:

| Number of Pharmaceutical Licenses | |
|---|---|
| Licensing region | Capsule, tablets, and other formulation categories |
| Domestic | 178 |
| Overseas | 0 |
| Total | 178 |

### Pharmaceutical License Management Processes and Invested Resources

| Pharmaceutical License Management Processes and Relevant Measures | | | |
|---|---|---|---|
| Facility | | | |
| Category | Zhunan Facility | Tainan Facility | Zhongli TWi Pharmaceuticals Facility |
| System implementations and certifications | ● Introduced computer systems for management of raw materials, finished products, and inbound and outbound procedures<br>● 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 | ● Continued to improve and refine quality management and undergo audits and verifications by related units to ensure compliance with CGMP and PIC/S GMP quality control and drug safety requirements, and regularly updated related information to maintain the validity of drug certificates in accordance with regulatory requirements. |

## Pharmaceutical Marketing and Labeling

The labels on pharmaceutical products should clearly convey accurate drug information and actively communicate drug contents to consumers to ensure that customers understand drug names and usage details. Bora Pharmaceuticals did not violate any regulations related to product and service information in 2022. The following table describes the methods used for preventing counterfeiting at each facility.

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

| Facility | Description |
|---|---|
| **Zhunan Facility** | 1. Document and version numbering management for printed packaging<br>2. Physical locks on printed packages, material requisition records, and calculation of reasonable usage rates<br>3. Introduced automated serialization systems in accordance with the Drug Supply Chain Security Act (DSCSA) to print exclusive codes on product packaging. These codes and other information can be uploaded to client systems for market tracking. |
| **Tainan Facility** | 1. Document and version numbering for printed packaging<br>2. Clients can opt to use anti-counterfeiting laser labels |
| **Zhongli I Facility** | 1. As the facility does not have a packaging production line, manufactured drugs are packaged externally<br>2. The external packaging vendor introduced an automatic serialization system in accordance with the Drug Supply Chain Security Act (DSCSA) to print exclusive codes on packaging for each product. These codes and other information can be uploaded to client systems for market tracking. |
| **Zhongli II Facility** | 1. As the facility only has a packaging production line for liquid formulations, packaging for other formulations are handled externally<br>2. Document and version numbering management for printed packaging<br>3. Physical locks on printed packages, material requisition records, and calculation of reasonable usage rates<br>4. Use anti-counterfeiting laser labels to prevent counterfeiting<br>The external packaging vendor introduced an automatic serialization system in accordance with the Drug Supply Chain Security Act (DSCSA) to print exclusive codes on packaging for each product. These codes and other information can be uploaded to client systems for market tracking. |
| **Jingde Facility** | 1. Document and version numbering management for printed packaging<br>2. Physical locks on printed packages, material requisition records, and calculation of reasonable usage rates<br>3. Introduced an automatic serialization system in accordance with the Drug Supply Chain Security Act (DSCSA) to print exclusive codes on packaging for each product.<br>These codes and other information can be uploaded to client systems for market tracking. |
| **Zhubei Facility** | 1. Document and version numbering management<br>2. Enable access permissions to manage all files uploaded with each document<br>3. Only specific clients/internal personnel can upload and receive documents<br>4. Clients have to sign receipts confirming document acceptance |

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

| Facility | Description |
|---|---|
| **Zhunan Facility** | 1. Client-designed graphics and content for printed packaging are provided to suppliers, who commence printing processes using designs confirmed by manufacturers and clients.<br>2. We have established complete internal processes to facilitate immediate client notification when encountering risks of counterfeit drugs and also implement subsequent handling processes in collaboration with our clients |
| **Tainan Facility** | 1. Managed suppliers and conducted periodic on-site audits to ensure supplier compliance.<br>2. Internal management of packaging printing processes to reduce counterfeiting risks.<br>3. Established anti-counterfeiting measures such as laser labels in accordance with client demands. |
| **Zhongli I Facility** | 1. Managed suppliers and conducted periodic on-site audits to ensure supplier compliance. |
| **Zhongli II Facility** | 1. Internal management of packaging printing processes to reduce counterfeiting risks.<br>2. Used anti-counterfeiting measures for labels.<br>3. Managed suppliers and conducted periodic on-site audits to ensure supplier compliance. |
| **Jingde Facility** | 1. Managed suppliers and conducted periodic on-site audits to ensure supplier compliance.<br>2. Internal management of packaging printing processes to reduce counterfeiting risks.<br>3. Established anti-counterfeiting measures such as laser labels in accordance with client demands. |
| **Zhubei Facility** | 1. Clients are required to verify and sign receipts for all delivered products<br>2. Clients are required to clearly state the services provided by Bora (for example, DS manufacturing facilities) for products when submitting final documents to regulatory agencies for verification. |

## 7.3 Protection of Clinical Subjects

### Mechanisms for Protecting Clinical Subjects

Bora Pharmaceuticals selects contract research organizations (CRO) based on past 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 protection of 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

1. Confirm supplier scope
2. Acquire samples from suppliers
3. Test and evaluate samples
4. Distribute questionnaires
5. Review documents
6. On-site audits
7. List as qualified supplier

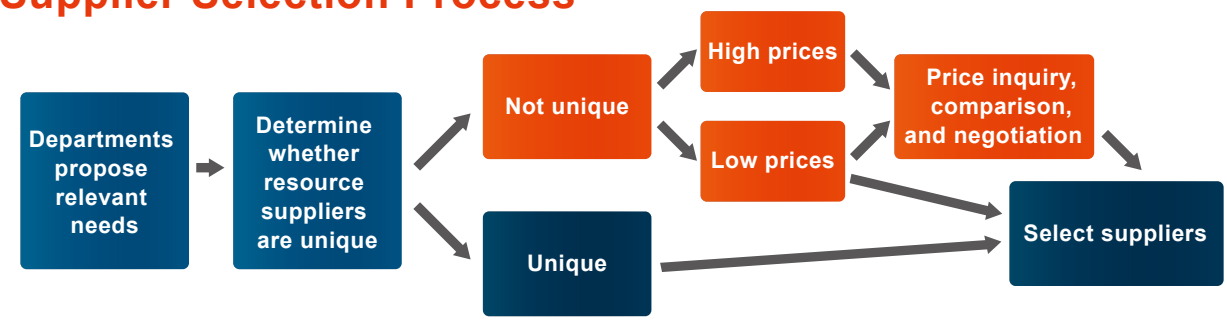
Raw materials: In terms of raw materials, our facilities in Taiwan require suppliers to provide quotations based on the requirements and specifications of relevant departments. After confirming that specifications and prices adhere to specified requirements, suppliers will be requested to provide samples for testing. Following evaluations by relevant departments to ensure that testing results adhere to our requirements, suppliers will be requested to fill out questionnaires 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.

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

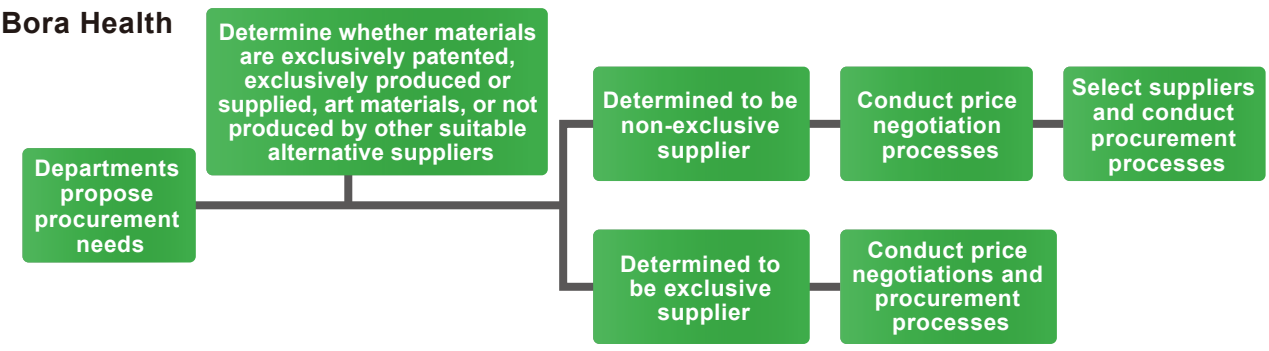
Our Mississauga Facility requires suppliers to fill out New Supplier Risk Assessment Surveys for assessment of basic supplier information and financial risks. Relevant units are requested to participate in assessments under the following conditions that require assessments from relevant departments:

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

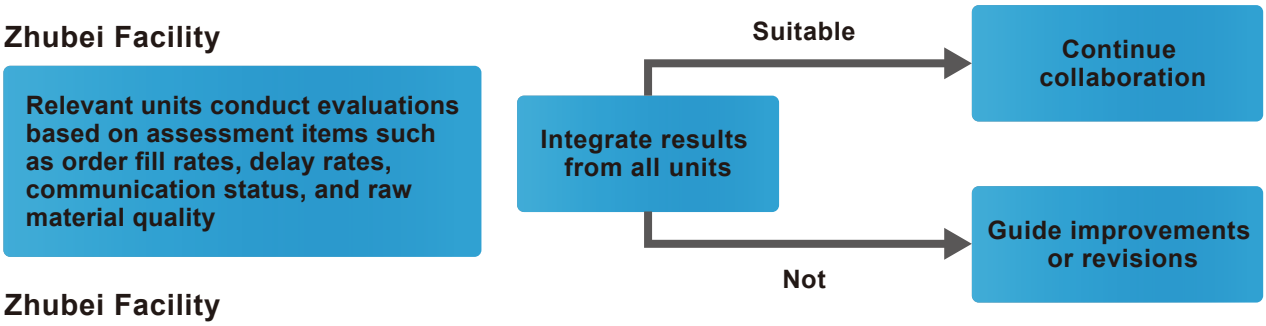
## Supplier Selection Process




**Bora Health**



### Zhubei Facility




### Zhubei Facility

| Evaluation Items for New Suppliers | |
|---|---|
| **Evaluation benchmarks** | 1. Fill out supplier questionnaires or supplier self-assessment reports and attach relevant factory certificates and quality certificates<br>2. Review whether supplier questionnaires are complete and whether suppliers are suitable, following which we review written materials provided by suitable suppliers and confirm their status as qualified suppliers. On-site inspections are carried out if evaluations require further confirmations, and suppliers can become qualified following completion of audits and after providing appropriate responses to defects. |

### Tainan Facility

| Evaluation Items for New Suppliers | |
|---|---|
| **Evaluation benchmarks** | Supplier Quality Management Standard Operating Procedures Plan D-5-10<br>1. Responsible Facility personnel may conduct on-site GMP audits of raw materials procured by the Company from domestic manufacturers, and the manufacturer and supplier should provide quality declarations and related GMP certification documents.<br>2. Company clients may conduct on-site GMP audits of raw materials procured by said clients from domestic manufacturers, and responsible Facility personnel may conduct joint audits with clients if necessary.<br>3. Responsible Facility personnel may (personally or through an impartial third party) conduct on-site GMP audits of directly procured and imported raw materials from overseas manufacturers and suppliers, or of raw materials and supplies provided by clients, or clients can directly provide audit reports or related quality certification documents.<br>4. If on-site GMP audits are conducted by an impartial third party institute, said institute can be a professional audit company, clients, or client parent companies or local branch companies; audit reports can be used as assessment reports following evaluation by the Facility.<br>5. If on-site audits cannot be conducted, the “Main Component Supplier Questionnaire (Appendix 5),” “Raw Material Supplier Questionnaire (Appendix 6),” “Outsourced Inspected Laboratory Questionnaire (Appendix 9),” or standard basic information from original manufacturers provided by suppliers can be used as a basis for reviews, and quality risk assessments should be conducted on said supplier using the Risk Assessment Report shown in Appendix 7.<br>6. The quality assurance department shall establish, appropriately manage, and update a “Qualified Supplier List” (Appendix 3) based on supplier quality assessment results.<br>7. Changes of suppliers/manufacturers, if necessary, should strictly abide by Facility change control procedures (D-1-11 Standard Operating Procedures for Various Changes and Settings) and material verification procedures (D-5-17 Standard Operating Procedures for Material Verification Procedures) to assess new suppliers and evaluate impacts following supplier changes. Relevant documents should be amended following approval. |

### Bora Health

| Evaluation Items for New Suppliers | |
|---|---|
| **Evaluation benchmarks** | *Evaluation process for new suppliers:<br>In terms of raw materials, our facilities in Taiwan first require suppliers to provide 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.<br>For general procurement, relevant departments request quotations based on requirements and specifications, and procurement requests are submitted after requirements and specifications have been confirmed by relevant units. Procurement units confirm suppliers following price inquiries and comparisons. New suppliers are required to fill out New Supplier Forms; supplier financial information is then confirmed by our finance departments, following which suppliers are approved by the highest-ranking authority. Supplier information is then entered into our system and orders are placed. |

## Supplier Selection Process

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

At our Zhubei Facility, quotations from two or more suppliers should be attached to purchase orders of US $3,000/NT$100,000/RMB ¥2,000 (tax inclusive) and above, and Single-Sole Source Request Forms with corresponding explanations should be attached to purchase orders with designated suppliers which should be approved by managers and sent to procurement units. Separate contracts should be signed for fixed assets and maintenance contracts exceeding NT$1 million or with additional requirements, and procurement contracts should be processed in accordance with the procedures for general contracts.

Tainan Facility:

1. The procurement unit screens suitable suppliers based on production needs and quotation amounts
2. Require suppliers to provide COAs, basic company information, and technical product information to ensure that supplied products adhere to relevant needs
3. Initiate formal supplier evaluation procedures based on the Supplier Quality Management Standard Operating Procedures Plan D-5-10

Bora Health:

1. Review basic supplier information: Review supplier information to confirm whether basic information provided by suppliers adheres to the information registered with the Ministry of Economic Affairs Department of Commerce, whether payment terms align with the conditions recommended by the Company, and whether payment information is consistent with provided attachments.
2. Confirm specifications: Apply for samples so related units can implement testing
3. Quality document review: Require suppliers to fill out quality questionnaires or provide their own standard quality questionnaires for review
4. On-site audits: Quality units conduct on-site inspections if necessary

Raw materials suppliers for our Zhunan and Tainan facilities 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); orders that exceed NT$2.25 million (tax exclusive) are required to obtain more than three and no fewer than two quotations from different suppliers, except for suppliers with patents or ownership rights for said item or service.

Contracts handling transactions of more than CAD $100,000 CAD at our Mississauga Facility need to be signed directly by the Company president. If estimated order amounts exceed CAD $100,000, at least three suppliers must be invited to participate in the screening process, which should adhere 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 suppliers of raw materials and equipment. Therefore, evaluation and management of supply chains constitute an important part of 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 a supplier and potential collaborator for Bora Pharmaceuticals if they adhere to relevant standards. All of our current suppliers have passed our evaluations.

## Supplier Maintenance

Supplier management is implemented by our procurement team, and all executed contracts are archived in our central contract systems. All contracts must be signed by all units prior to recognition and execution, and all units 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. Bora Pharmaceuticals suppliers have all passed FDA classification evaluations, and no suppliers were found to be high-risk vendors.

Furthermore, Bora Pharmaceuticals conducts monthly reviews of new or revised supplier information to ensure consistency between written and electronic information; review results are approved by responsible supervisors. Consistency of written and electronic information for existing suppliers are reviewed every six months, and 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, and other supply-related items, as well as corporate operational conditions. Our quality assurance units conduct regular reviews based on relevant regulations.

Supplier risk assessment results classify suppliers as high risk, moderate risk, or low risk.

Bora Pharmaceuticals works with high-risk suppliers to establish improvement plans encompassing enhancements to production environment safety, improvements to labor conditions, and promotions of sustainable supply chains. We use specific improvement measures and schedules to enhance sustainability and social responsibility performance, and regularly conduct supplier evaluations and audits to ensure thorough implementation of improvement plans. Bora Pharmaceuticals also regularly monitors supplier sustainability and social responsibility performance to ensure compliance with our requirements, such as by requiring suppliers to regularly provide related reports and data to facilitate monitoring and assessments; the results these reports serve as a basis for updating qualified supplier lists.

### Tainan Facility

| Annual Evaluations | | |
|---|---|---|
| Item | Unit | Value |
| Ratio of evaluated suppliers | Ratio (%) | 100.00% |
| Number of evaluated suppliers | Number | 101 |
| Ratio of suppliers that underwent on-site evaluations | Ratio (%) | 19.00% |
| Number of suppliers that underwent on-site evaluations | Number | 19 |

### Zhubei Facility

| Annual Evaluations | | |
|---|---|---|
| Item | Unit | Value |
| Ratio of evaluated suppliers | Ratio (%) | 100.00% |
| Number of evaluated suppliers | Number | 147 |
| Ratio of suppliers that underwent on-site evaluations | Ratio (%) | 18.00% |
| Number of suppliers that underwent on-site evaluations | Number | 26 |

### Zhunan Facility

| Annual Evaluations | | |
|---|---|---|
| Item | Unit | Value |
| Ratio of evaluated suppliers | Ratio (%) | 100.00% |
| Number of evaluated suppliers | Number | 36 |
| Ratio of suppliers that underwent on-site evaluations | Ratio (%) | 0.00% |
| Number of suppliers that underwent on-site evaluations | Number | 0 |

## 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. We diversify our raw material procurement targets and have a diversified supply chain, so do not rely on single regions or suppliers. We also regularly conduct risk assessments and supplier evaluations to ensure supply chain stability and sustainability, and therefore have never encountered stockouts.

### Equipment Maintenance Measures

Breakdowns of production line equipment may affect production capacity if serious, so we have sought out alternatives for all important components, consumables, and parts, as well as set safety stock levels. We conduct monthly inventory reviews and replenish stock in a timely manner to prevent unavailability of components when machines or equipment break down, ensuring that repairs can be completed in the shortest possible time.

## Supplier Occupational Safety Management

Bora Pharmaceuticals has established the “Contractor Health and Safety Regulations,” which adheres to our “Standard Operating Procedures for Contractor Safety Management” and helps to regulate contractor operational safety. We require contractors to comply with occupational health and safety regulations to ensure appropriate safety protections for our employees, assets, and contractor constructor personnel, thereby preventing accidents and environmental pollution.

Relevant regulations include：

| | |
|---|---|
| Related procedures | 1. All commissioning units must explain the provisions of the “Contractor Health and Safety Regulations” and “Affidavit of Construction Safety” to contractors prior to contract signing and commencement of construction work. Major environmental health and safety concerns and procedures must also be communicated to contractors.<br>2. Before commencing joint operations, commissioning units should convene contractors to form “project coordination organizations” and designate on-site persons in charge. Meetings should be convened and the “meeting minutes for project coordination organizations” should be recorded.<br>3. Contractors are required to sign “Project Collaboration Agreement” forms before hiring contractors or commencing work; these forms are collected by commissioning units and the project coordination unit before submission to the industrial safety office for archival.<br>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 facilities. Application forms should be signed by responsible supervisors in project operation 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 project completion signing procedures should be implemented after projects have been completed, following which application forms should be returned to the industrial safety office for archival.<br>5. Contractors are required to place construction notices in conspicuous locations within project sites.<br>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. Personnel information and certifications should be submitted to the industrial safety office for review. For projects under NT$600,000 or involving general operations, commissioning units should also require contractors to designate on-site health and safety supervisors to monitor site operations during project duration.<br>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 maintain personnel safety during construction work.<br>8. Contractors shall be responsible for all losses, personnel injuries, and criminal liabilities from legal violations resulting from inadequate safety preventive measures or errors of contractor personnel, and shall also be responsible for providing compensation in the event of property damages to Bora Pharmaceuticals or other third parties.<br>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.<br>10. Contractor personnel are required to complete at least three hours of health and safety training provided by the contractor prior to entering our facilities. Contractors involved in the construction 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 facility entry.<br>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 companies. |
| Incident handling | If accidents occur at work, emergency measures should immediately be implemented on site, and commissioning units shall immediately notify the industrial safety office to conduct site surveys. The industrial safety office should assist on-site contractor supervisors to handle subsequent procedures in accordance with 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 “Notification of Contractor Violations of Construction Regulations” in accordance with the “Contractor Health and Safety Regulations” and “Affidavit of Construction Safety” and deduct penalties. Relevant documentation should be submitted to the industrial safety office for review and then transferred to the commissioning unit for fee deductions when verifying project completion. A copy of said documentation should be submitted to the audit office and accounting department for archival. |

Additionally, a notice of environmental hazards should be provided, reminding contractor personnel to take precautions in the workplace and ensuring that both Bora Pharmaceuticals and contractor employees are attentive of construction risks during construction processes, thereby preventing accidents from happening.

# Appendix
# Assurance Verification Statement

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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 2022 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 Global Reporting Initiatives Standards ("GRI Standards") issued by Global Reporting Initiative (GRI), and for the design, execution and maintenance of internal controls in regard with 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.3000 — "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 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.

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- Performing analytical procedures on the selected sustainability performance indicators; gathering and checking other supporting documentation and management information obtained; testing on 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 *Standards on Quality Control No. 1 "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.

Hung, Kuo-Sen

Ernst & Young

June 30, 2023

*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 | Article title | Remarks | Applicable benchmarking |
|---|---|---|---|---|
| 1 | 26 | 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 | 45 | 4.2 Environmental Management Measures-Waste Management | Total amount of industrial waste during 2022 in Waste Disposal Data for Taiwan Facilities | In 2022, the Company followed the GRI Disclosure 306-5 to report the following information:<br>1. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.<br>2. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the disposal operations.<br>3. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the disposal operations.<br>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. |

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| No. | Page | Article title | Remarks | Applicable benchmarking |
|---|---|---|---|---|
| 3 | 42 | 4.2 Environmental Management Measures-Pollution Management Costs in Taiwan Region | Sewer charges, disposal costs for industrial waste and air pollution costs in 2022 in the chart of Pollution Management Costs in Taiwan Region | The Company's statistics of pollution management costs in 2022:<br>● sewer charges<br>● disposal costs for industrial waste<br>● air pollution costs |
| 4 | 62 | 6.2 Employees' Health and Safety | Disabling injuries and number of incidents in 2022 in the chart of incidence rate at Zhunan Facility and Tainan Facility | In 2022, 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:<br>1. The number and rate of fatalities as a result of work-related injury.<br>2. The number and rate of high-consequence work-related injuries (excluding fatalities).<br>3. The number and rate of recordable work-related injuries.<br>4. The main types of work-related injury.<br>5. The number of hours worked. |
| 5 | 65 | 7.1 Quality Control | There was no product recall during 2022 | Refer to SASB Index- HC-BP-250 a.3<br>Number of recalls issued, total units recalled |

# Appendix .
# 2022 ISO14064-1 DNV Statement

# IMPARTIALITY VERIFICATION OPINION

VERIFICATION OPINION No.:
C606068-2022-AG-TWN-DNV

Issued date:
23 August, 2023



This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2022) of

## BORA PHARMACEUTICALS CO., LTD.

**Scope of Verification**
DNV Business Assurance (DNV) has been commissioned by BORA PHARMACEUTICALS CO., LTD. ( 'the Organization') to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2022) (hereafter the "Inventory Report") with respect to the sites listed in Appendix.
The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation and indirect GHG emissions from products used by the Organization. The further descriptions for the Reporting Boundary listed in Appendix A.

**Verification Criteria and GHG Programme**
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

**Verification Opinion**
It is DNV's opinion that the Inventory Report (2022), which was published on 2023-06-12 Version 1, 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 (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2022) were verified with reasonable level of assurance.
- ☒ For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.

Also, the GHG information as stated in Appendix A and B has been verified during the process.

Chien Yi Jerry huang
GHG Verifier

Place and date:
Taipei, 23 August, 2023

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 Verification Opinion

### 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, 2022 to 31st December, 2022, it is DNV's opinion that the significant GHG emissions and removals identified within the Reporting Boundary has been included in the Inventory Report as claimed in accordance with the verification criteria identified as stated above, and 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 ☒$SF_6$ ☒$NF_3$

The Quantification of GHG emissions and removals in Direct and Indirect Emission Source:

| Category | Direct and indirect GHG emissions categorization* | Emissions and removals verified, tonnes CO2-e |
|---|---|---|
| 1 | Direct emissions and removals** | 14,122.2033 |
| 2 | Indirect GHG emissions from imported energy | 12,683.9538 |
| 3 | Indirect GHG emissions from transportation | 4,677.6931 |
| 4 | Indirect GHG emissions from products used by the Organization | 9,036.6885 |
| 5 | Indirect GHG emissions associated with the use of products from the Organization | 26.1968 |
| Total greenhouse gas emissions and removals verified in this verification | | 40,546.736 |

*:Unless other indicated, the Indirect Emissions was calculated based on 2022 electricity emission factor of 0.495 kg CO2-e/kwh in Taiwan, and 0.028 kg CO2-e/kwh in Canada. The Global Warming Potential (GWP) defined in IPCC AR6 (2023) has been choose .
**:the details subcategory of each category could be refer later in the Report.

### Verification Opinion
☒ unmodified
☐ modified
☐ adverse

# APPENDIX A

*The Reporting Boundary and emissions of BORA PHARMACEUTICALS CO., LTD. Greenhouse Gas Inventory Management Report (2022)*

| Category | Subcategory | Tonnes CO2 e |
|---|---|---|
| Direct GHG emissions and removals | Mainly from fuel consumption, other GHG sources or sinks inside organizational boundaries and that are owned or controlled by the organization. | 14,122.2033 |
| Indirect GHG emissions from imported energy | The amount of greenhouse gas emissions produced by the input of electricity and energy. | 12,683.9538 |
| Indirect GHG emissions from transportation | Upstream transportation and distribution | 803.1768 |
| | Business travel | 2258.1740 |
| | Employee commuting | 802.6088 |
| | Downstream transportation and distribution | 813.7335 |
| Indirect GHG emissions from products used by organization | Upstream leased assets | - |
| | Purchased goods and services | 9036.6885 |
| | 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 | 26.1968 |

*The scope of other indirect emissions (other than Imported Energy with specified/limited list of sources) was defined by the organization's own pre-determined criteria for significance of indirect emissions, considering the intended use of the GHG inventory.

| Site 廠區 | Address 地址 |
|---|---|
| 台北 HQ<br>Bora Pharmaceuticals (Taipei-HQ) | 台北市內湖區瑞光路 26 巷 36 弄 2 號 6 樓<br>6F., No. 2, Aly. 36, Ln. 26, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan |
| 加拿大 Canada<br>BORA PHARMACEUTICAL SERVICES INC. | 7333 Mississauga Rd, Mississauga, ON L5N 6L4 Canada<br>11 Rimini Mews, Mississauga, ON L5N 4K1 Canada |
| 蘆竹 LuZhu<br>Synpac-Kingdom Pharmaceutical Co.,Ltd.<br>景德製藥股份有限公司 | 桃園市蘆竹區長安路一段 80 號<br>No. 80, Sec. 1, Chang' an Rd., Luzhu Dist., Taoyuan City 338020, Taiwan |
| 中壢 ChungLi<br>TWI PHARMACEUTICALS, INC.<br>安成國際藥業股份有限公司 | 桃園市中壢區自強四路 3 之 1 號<br>No. 3-1, Ziqiang 4th Rd., Zhongli Dist., Taoyuan City 320023, Taiwan |
| 台南 Tainan<br>Bora Pharmaceuticals Tainan | 台南市官田區工業西路 54 號<br>No. 54 Gongye West Road Guantian District, Tainan City 720, Taiwan |
| 竹南 ZhuNan<br>Bora Pharmaceuticals Laboratories Inc. | 苗栗縣竹南鎮科東三路 1 號<br>No. 1, Kedong 3rd Rd., Zhunan Township, Miaoli County 35053, Taiwan |
| 竹北 ZhuBei<br>Bora Biologics Co., Ltd. 保瑞生技 | 新竹縣竹北市生醫路二段 12 號 5 & 6 樓, 12-1 號 6 樓, 12-2 號 6 樓, 18 號 3&5 樓, 20 號 3&5 樓, 22 號 3 樓, 16 號 5 樓<br>5F&6F, No. 12, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan |

| | |
|---|---|
| | 6F, No. 12-1, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan<br>6F, No. 12-2, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan<br>3F&5F, No. 18, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan<br>3F&5F, No. 20, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan<br>3F, No. 22, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan<br>5F, No. 16, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu county 302058, Taiwan |

Appendix B to Statement No. C606068-2022-AG-TWN-DNV

# APPENDIX B

*For direct emissions and removals, quantified separately for each GHG as below, in tonnes of CO2-e:*

| Category 1 Direct Emission and Removals | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **$CO_2$** | **$CH_4$** | **$N_2O$** | **HFCs** | **PFCs** | **SF6** | **$NF_3$** | Total |
| Emissions **(ton $CO_2e$)** | 13,555.8474 | 21.0200 | 11.4387 | 533.8972 | 0.0000 | 0.0000 | 0.0000 | 14,122.2033 |
| **(%)** | 95.99% | 0.15% | 0.08% | 3.78% | 0.0% | 0.0% | 0.0% | 100.0% |

# Appendix . GRI Index

# Appendix. GRI Index

| GRI 2022 | Description | Corresponding Sections | Page No. | Remark |
|---|---|---|---|---|
| 2-1 | Organizational details | 1.1 Company Overview | 7 | |
| 2-2 | Entities included in the organization's sustainability reporting | 1.1 Company Overview | 7 | |
| 2-3 | Reporting period, frequency and contact point | Publication frequency and contact information | 2 | |
| 2-4 | Restatements of information | None | | |
| 2-5 | External assurance | Appendix | 57-58 | |
| 2-6 | Activities, value chain and other business relationships | 1.1 Company Overview<br>Chapter Seven. Responsible Manufacturing, R&D, and Innovation | 8, 55 | |
| 2-7 | Employees | 6.1 Talent Cultivation<br>6.2 Happy Workplace | 44-46 | |
| 2-8 | Workers who are not employees | 6.1 Talent Cultivation | 44-46 | |
| 2-9 | Governance structure and composition | 2.2 Corporate Sustainability Management Framework<br>3.1 Corporate Governance Structure | 15, 22 | |
| 2-10 | Nomination and selection of the highest governance body | 3.1 Corporate Governance Structure | 22 | |
| 2-11 | Chair of the highest governance body | 3.1 Corporate Governance Structure | 22 | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 3.1 Corporate Governance Structure | 22 | |
| 2-13 | Delegation of responsibility for managing impacts | 2.2 Corporate Sustainability Management Framework | 15-16 | |
| 2-14 | Role of the highest governance body in sustainability reporting | 2.2 Corporate Sustainability Management Framework | 15-16 | |
| 2-15 | Conflicts of interest | 3.3 Risk Management | 25-26 | |
| 2-16 | Communication of critical concerns | 2.4.2 Communication Channels and Responses | 18-20 | |
| 2-17 | Collective knowledge of the highest governance body | 2.2 Corporate Sustainability Management Framework | 15-16 | |
| 2-18 | Evaluation of the performance of the highest governance body | 3.1.1 Board Composition and Operations | 22 | |
| 2-19 | Remuneration policies | 6.2 Happy Workplace Annual Report | 49 | |
| 2-20 | Process to determine remuneration | 6.2 Happy Workplace Annual Report | 49 | |
| 2-21 | Annual total compensation ratio | 6.2 Happy Workplace Annual Report | 49 | |
| 2-22 | Statement on sustainable development strategy | A Message from our Chairman and CEO | 3 | |
| 2-23 | Policy commitments | 2.1 Vision for Sustainability and Development Goals | 15 | |
| 2-24 | Embedding policy commitments | 2.1 Vision for Sustainability and Development Goals | 15 | |
| 2-25 | Processes to remediate negative impacts | 3.3 Risk Management | 25 | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 2.4 Stakeholder Communication | 21 | |
| 2-27 | Compliance with laws and regulations | 3.4 Legal Compliance | 27 | |
| 2-28 | Membership associations | 3.3 Risk Management | 26 | |
| 2-29 | Approach to stakeholder engagement | 2.4 Stakeholder Communication | 19-21 | |

# Appendix. GRI Index

| GRI 2022 | Description | Corresponding Sections | Page No. | Remark |
|---|---|---|---|---|
| 2-30 | Collective bargaining agreements | 6.1 Talent Cultivation | 45 | |
| 3-1 | Process to determine material topics | 2.3 Material Issues | 16 | |
| 3-2 | List of material topics | 2.3 Material Issues | 18 | |
| 3-3 | Management of material topics-Pollution and waste management | 4.2 Environmental Management Measures | 36-38 | |
| 3-3 | Management of material topics-Talent development and happy workplace | 6.2 Happy Workplace | 49-52 | |
| 3-3 | Management of material topics-Occupational health and safety | 6.2 Happy Workplace | 53-54 | |
| 3-3 | Management of material topics-Customer relationship management | 2.4 Stakeholder Communication | 21 | |
| 3-3 | Management of material topics-Customer health and safety | 7.1 Pharmaceutical Safety | 56 | |
| 3-3 | Management of material topics-Corporate integrity and ethics | 3.2 Ethical Management | 24 | |
| 3-3 | Management of material topics-Information security management | 3.6 Information Security | 31-32 | |
| 3-3 | Management of material topics-Corporate governance | 3.1 Corporate Governance Structure | 22 | |

# Material Topic

| GRI 2022 | Description | Corresponding Sections | Page No. | Remark |
|---|---|---|---|---|
| 3-3 | Management of material topics-Pollution and waste management | 2.3 Material Issues | 18 | |
| 306-1 | Waste generation and significant waste-related impacts | 2.3 Material Issues | 18 | |
| 306-2 | Management of significant waste-related impacts | 2.3 Material Issues | 18 | |
| 306-3 | Waste generated | 4.2 Environmental Managem ent Measures | 36 | |
| 306-4 | Waste diverted from disposal | 4.2 Environmental Management Measures | 36 | |
| 306-5 | Waste directed to disposal | 4.2 Environmental Management Measures | 36 | |

| Talent development and happy workplace (GRI 404:2016 Training and Education) | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Talent development and happy workplace | 2.3 Material Issues | 18 | |
| 404-1 | Average hours of training per year per employee | 6.1 Talent Cultivation | 47 | |

| Occupational health and safety management (GRI 403:2018 Occupational Health and Safety) | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Occupational health and safety | 2.3 Material Issues | 18 | |
| 403-1 | Occupational health and safety management system | 6.2 Happy Workplace | 53-54 | |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 6.2 Happy Workplace | 54 | |
| 403-6 | Promotion of worker health | 6.2 Happy Workplace | 50 | |
| 403-9 | Work-related injuries | 6.2 Happy Workplace | 53 | |

| Customer relationship management | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Customer relationship management | 2.3 Material Issues | 18 | |

| Customer health and safety | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Customer health and safety | 2.3 Material Issues | 18 | |

# Material Topic

| Ethics and integrity | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Corporate integrity and ethics | 2.3 Material Issues | 18 | |

| Information security management | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Information security management | 2.3 Material Issues | 18 | |

| Corporate governance | | | | |
|---|---|---|---|---|
| 3-3 | Management of material topics-Corporate governance | 2.3 Material Issues | 18 | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 3.2 Ethical Management | 47 | |

# Other topics

| GRI 201:2016 Economic Performance | | | | |
|---|---|---|---|---|
| 201-1 | Direct economic value generated and distributed | 1.1 Company Overview | 12 | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 4.1 Environmental Policies | 34-35 | |

| GRI 302:2016 Energy | | | | |
|---|---|---|---|---|
| 302-1 | Energy consumption within the organization | 4.2 Environmental Management Measures | 39 | |
| 302-4 | Reduction of energy consumption | 4.2 Environmental Management Measures | 39 | |

| GRI 303:2018 Water and Effluents | | | | |
|---|---|---|---|---|
| 303-3 | Water withdrawal | 4.2 Environmental Management Measures | 18 | |

| GRI 305:2016 Emissions | | | | |
|---|---|---|---|---|
| 305-1 | Direct (Scope 1) GHG emissions | 4.2 Environmental Management Measures | 39 | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 4.2 Environmental Management Measures | 39 | |
| 306-6 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 4.2 Environmental Management Measures | 40 | |

| GRI 401:2016 Employment | | | | |
|---|---|---|---|---|
| 401-1 | New employee hires and employee turnover | 6.1 Talent Cultivation | 46 | |
| 402-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 6.2 Happy Workplace | 49 | |
| 402-3 | Parental leave | 6.2 Happy Workplace | 51 | |

# Appendix. SASB Index

| SASB Standards | Topic | Metric | Corresponding Sections | Page No. |
|---|---|---|---|---|
| HC-BP-210a.1 | Safety of Clinical Trial PSarticipants | Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials | 7.2 Pharmaceutical Marketing and Labeling | 59 |
| HC-BP-210a.2 | | Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in:<br>(1) Voluntary Action Indicated (VAI) and<br>(2) Official Action Indicated (OAI) | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-210a.3 | | Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-240b.1 | 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 | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-240b.2<br>HC-BP-240b.3 | | Percentage change in list price and net price of product with largest increase compared to previous year | No related incidents occurred at Bora in 2022 as Bora is a pharmaceutical manufacturer | NA |
| HC-BP-250a.2 | Drug Safety | Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-250a.3 | | Number of recalls issued, total units recalled | 7.1 Quality Control | 57 |
| HC-BP-250a.4 | | Total amount of product accepted for takeback, reuse, or disposal | 7.1 Quality Control | 57 |
| HC-BP-250a.5 | | Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-260a.1 | Counterfeit Drugs | Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting | 7.2 Pharmaceutical Marketing and Labeling | 59 |
| HC-BP-260a.2 | | Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products | 7.2 Pharmaceutical Marketing and Labeling | 60 |
| HC-BP-260a.3 | | Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-270a.1 | Ethical Marketing | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-270a.2 | | Description of code of ethics governing promotion of off-label use of products | 7.1 Pharmaceutical Safety | 56 |
| HC-BP-330a.1 | Employee Recruitment, Development & Retention | Discussion of talent recruitment and retention efforts for scientists and research and development personnel | 7.2 R&D Investments | 58 |
| HC-BP-510a.1 | Business Ethics | Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery | No related incidents occurred at Bora in 2022 | NA |
| HC-BP-000.A | Activity metrics | Number of patients treated | Bora is a pharmaceutical manufacturer that does not directly come into contact with patients | NA |

2021 2022

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