

PharmaEssentia Corporation Responsible Artificial Intelligence Policy

(Responsible Artificial Intelligence Policy)

This Policy shall apply to the Company. The Company also encourages its suppliers and business partners to adopt and align with the spirit of this Policy.

Article 1 Policy Purpose

PharmaEssentia Corporation (“the Company”) upholds the principles of integrity in management, sustainable development, and technology for good. The Company recognizes that while artificial intelligence (AI) contributes to improvements in efficiency across research and development, manufacturing, operations management, and administration, it may also give rise to risks related to information security, data protection, ethics, human rights, and regulatory compliance.

To achieve innovative development and risk governance throughout the development, procurement, adoption, use, and management of AI, while aligning with applicable domestic and international laws, regulations, and international governance trends, the Company hereby establishes this **Responsible Artificial Intelligence Policy** (“this Policy”) as a fundamental framework for advancing AI governance.

Article 2 Scope of Application

This Policy shall apply to AI technologies, models, or tools used by the Company under the following circumstances:

- (I) In-house developed AI systems.
- (II) AI systems developed by engaged third parties.
- (III) Third-party AI platforms, models, or services that are procured, leased, or otherwise used by the Company.
- (IV) Other applications involving AI technologies.

Article 3 AI Governance Principles

The Company's use and/or development of AI shall adhere to the following governance principles:

I. Respect Data Privacy

In its use of AI, the Company shall comply with all applicable laws and regulations concerning the protection of personal data and privacy. The Company shall adhere to the principles of lawfulness, fairness, necessity, and data minimization in the collection, processing, and use of data.

Where personal data or confidential and sensitive information is involved, the Company shall adopt appropriate de-identification measures, access controls, and data protection to prevent unauthorized access, disclosure, or misuse.

II. Ensure Cybersecurity and Network Security

The Company shall establish appropriate AI information security management measures, including mechanisms such as access control, identity authentication, data protection, and incident response, in order to mitigate information security risks and cyberattacks.

III. Avoid Potential Bias

The Company shall assess, to an appropriate extent, the quality, diversity, and representativeness of the data used in AI models and shall take reasonable measures to reduce potential bias, discrimination, or unfair outcomes that such models may generate.

Where necessary, the Company shall conduct periodic reviews of model outputs and continuously improve model quality.

IV. Maintain Human-in-the-Loop

AI shall serve as an auxiliary tool and shall not fully replace human professional judgment.

Where material operational decisions, regulatory compliance, medical-related judgments, patient safety, intellectual property, material financial matters, or other decisions with potentially material impact are involved, the Company shall retain appropriate human review and final decision-making authority. The Company shall also allow human intervention to adjust or suspend the operation of AI systems.

V. Ensure Transparency and Explainability

The Company shall be committed to improving the transparency and explainability of AI systems.

To the extent reasonably feasible, the Company shall retain necessary decision-making records so that analyses, recommendations, or decisions generated by AI are traceable to an appropriate extent.

VI. Define Accountability

The Company's relevant supervisors and units employing AI shall bear ultimate management accountability for any analyses, recommendations, or results generated by AI.

VII. Define Scope and Boundaries

Subject to compliance with laws, regulations, and this Policy, the Company may apply AI for lawful purposes, including research and development, manufacturing, quality management, operations management, administration, knowledge management, and regulatory compliance.

The Company shall strictly prohibit the use of AI for the following purposes:

- Any purpose that violates laws or regulations;
- Unauthorized collection, processing, or use of personal data;

- Purposes involving discrimination, harassment, or infringement of the rights and interests of others;
- Making material medical or other material decisions directly without appropriate human oversight; and
- Engaging in any other conduct that violates the Company's integrity principles or corporate ethics.

VIII. Low Environmental Footprint

When procuring, using, or deploying AI-related computing resources, the Company is encouraged to appropriately consider energy efficiency, carbon emissions, and environmental impacts. It is recommended that priority be given to information infrastructure or third-party services with lower environmental footprints to support the Company's sustainable development goals.

IX. Prohibition of Harmful AI

The Company shall not use, procure, or deploy AI systems under the following circumstances:

- (I) Manipulating user behavior.
- (II) Exploiting human vulnerabilities to exert undue influence.
- (III) Involving social credit scoring systems.
- (IV) Conducting real-time biometric monitoring without lawful authorization.
- (V) Any other circumstances that violate human rights or major ethical principles.

Article 4 Training and Continuous Improvement

The Company may conduct AI-related training as required by its business needs to enhance employees' awareness and understanding of information security, data protection, ethics, and regulatory compliance.

Additionally, the Company may conduct periodic reviews of AI governance measures and continuously refine its management systems.

Article 5 Policy Review and Revision

Relevant responsible units shall periodically review this Policy. The Company may revise this Policy as necessary to ensure timely alignment with domestic and international laws and regulations, international standards, technological developments, and the Company's operational needs.