

Supplier Code of Conduct

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Dec 20, 2023

PharmaEssentia Corporation (referred to as "PharmaEssentia") is a biopharmaceutical company focused on the research and development of new drugs. We are dedicated to transforming innovative science into medical solutions that create shared value for patients. With a commitment to sustainable development, our mission is to promote human health and well-being, striving to realize the founding principle of "Better science, Better lives".

PharmaEssentia has grown steadily and robustly on a global scale. While developing new medicines, we remain true to our original mission, dedicating ourselves to corporate social responsibility. We prioritize labor rights, emphasize environmental sustainability, and uphold business ethics, aiming to set a positive example for society through honest and ethical business practices.

Our long-standing supply partners, integral to our sustained growth, have been instrumental in the success of PharmaEssentia. Therefore, as we strive for ESG (Environmental, Social, and Governance) sustainability values within our company, we expect our supply partners to join us in embracing corporate social responsibility and sustainable principles (hereinafter referred to as "these Principles"). Together, we commit to adhering to the following code of conduct (hereafter abbreviated as "this Code") and faithfully abiding by local laws, regulations, and policies. We also encourage suppliers to require their subcontractors and service providers to acknowledge and implement this Code. We are committed to obtaining regular input from stakeholders in the continued development and implementation of this Code.

This Supplier Code of Conduct applies globally to all PharmaEssentia suppliers, including their subcontractors and all entities within the Supply Chain (collectively as "Supplier") of the PharmaEssentia Group and its affiliated companies. The scope covered by this code includes:

- 1 Ethics
- 2 Labor and Human Rights
- 3 Health and Safety
- 4 Environment
- 5 Management Systems

This Code is based on standards set forth by international organizations inclusive of the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights (UDHR), and the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management.

1 Ethics

Suppliers shall conduct their business ethically and act with integrity.

1.1 Business Integrity

Suppliers shall not pay or accept bribes. All forms of bribery, corruption, deceit, extortion, and similar activities are prohibited.

1.2 Fair Competition

Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Suppliers shall employ fair business practices including accurate and truthful advertising.

1.3 Animal Welfare

All animals used for business purposes should be treated humanely. Suppliers should make every effort to reduce the number of animal tests and minimize the pain and stress experienced by animals as much as possible, with a commitment to developing or seeking alternative methods to in vivo studies.

1.4 Data Privacy and Security

Suppliers shall comply with applicable privacy and data protection laws, ensuring the protection, security, and lawful use of personal data of customers, employees and patients.

2 Labor and Human Rights

Suppliers shall be committed to upholding the human rights and employment rights of their labor force.

2.1 Freedom of Employment

All work shall be voluntary. Suppliers shall not use forced labor nor deprive or restrict worker's freedom of movement.

2.2 Child Labor and Young Workers

Suppliers shall not use child labor or young workers before reaching the minimum age for admission to employment as specified in local regulations.

2.3 Non-Discrimination

Suppliers shall provide a workplace free of discrimination, where individuals are not discriminated against based on race, color, age, gender, sexual orientation, religion, political affiliation, disability, marital status, and pregnancy.

2.4 Fair Treatment

Suppliers shall commit to a workplace free of harsh and inhumane treatment,

including any sexual harassment, corporal punishment, mental or physical coercion, or verbal abuse of workers.

2.5 Wages, Benefits, and Working Hours

Suppliers shall comply with applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits.

2.6 Freedom of Association

Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions. All workers shall be encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation, or harassment.

3 Health and Safety

Suppliers shall provide a healthy and safe working environment, including any company-provided living quarters.

3.1 Worker Protection

Suppliers shall protect workers from over exposure to chemical, biological and physical hazards in any workplace or company-provided living quarters. Suppliers shall provide necessary preventive measures to protect workers from workplace hazards or accidents.

3.2 Process Safety

Suppliers shall have management processes in place to identify the risks from chemical and biological processes and to prevent or respond to catastrophic release of chemical or biological agents.

3.3 Emergency Preparedness and Response

Suppliers shall identify and assess emergency situations in the workplace and any company provided living quarters, and to minimize their impact by implementing emergency plans and response procedures.

3.4 Hazard Information

Safety information relating to hazardous materials shall be available to educate, train, and protect workers from hazards.

4 Environment

Suppliers shall operate in an environmental-friendly and efficient manner to minimize adverse impacts on the environment and preserve the biodiversity on Earth.

4.1 Environmental Compliance

Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained, and their operational and reporting requirements followed.

4.2 Waste and Emissions

Suppliers shall have pollution control systems to ensure that the handling, movement, storage, recycling, reuse, and management of waste, air emissions, and wastewater discharge comply with regulations.

4.3 Spills and Releases

Suppliers shall establish disaster control systems to prevent and respond to accidental spills and releases to the environment.

4.4 Resource Use and Circulation

Suppliers shall take measures to improve operational efficiency and implement recycling practices to reduce resource consumption.

4.5 Sustainable Sourcing and Traceability

Suppliers shall carry out due diligence on the source of critical raw materials to promote legal and sustainable sourcing.

4.6 Active Environmental Protection

Suppliers shall be committed to avoid significant adverse impacts on the environment caused by business activities and actively strive towards the goals of land conservation and Zero Net Deforestation.

4.7 Biodiversity

Suppliers shall comply with conservation laws, avoid destroying or polluting vital habitats through business operations, and safeguard natural ecological environments to preserve biodiversity.

4.8 Climate Commitment

Suppliers shall collaborate with PharmaEssentia to make efforts to reduce greenhouse gas emissions and commit to working towards carbon neutrality.

5 Management System

Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these Principles.

5.1 Commitment and Accountability

Suppliers shall demonstrate commitment to the concepts described in this Code by

allocating appropriate resources.

5.2 Legal and Customer Requirements

Suppliers shall identify and comply with applicable laws, regulations, standards, and relevant customer requirements.

5.3 Risk Management

Suppliers shall establish mechanisms to determine and manage risks in all areas addressed by these Principles.

5.4 Documentation

Suppliers shall maintain documentation necessary to demonstrate conformance with this Code and compliance with applicable regulations.

5.5 Training and Competency

Suppliers shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to address the expectations in this Code.

5.6 Continual Improvement

Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.



ChingLeou Teng

Chairperson

December, 2023