

## **Sustainable Development Principles of Mycenax Biotech Inc.**

### **Chapter 1 General Principles**

#### Article 1

To fulfill the Company's corporate social responsibility initiatives and in promoting economic, environmental, and social advancement for purposes of sustainable development, the Company institutes the Sustainable Development Principles ("the principles") for compliance.

#### Article 2

The principles are applicable to the Company, and the scope covers including the entire operations of the company and business group. (hereafter referred to as the "the Company"). The principles encourage the Company to actively fulfill sustainable development in the course of their business operations to follow international development trends and contribute to the economic development of the country and improve the quality of life of employees, the community, and society by acting as responsible corporate citizens and enhancing competitive edges built on sustainable development.

#### Article 3

In promoting sustainable development initiatives, the Company shall, in corporate management guidelines and business operations, consider the rights and interests of stakeholders and, while pursuing sustainable operations and profits, consider the environment, society, and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social, and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

#### Article 4

To implement sustainable development initiatives, the Company follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate sustainable development information.

#### Article 5

The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders' meeting agenda.

## Chapter 2 Exercising Corporate Governance

### Article 6

The Company shall follow the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies, and the Code of Ethical Conduct for TWSE/TPEX-listed Companies to establish effective corporate governance frameworks and relevant ethical standards to enhance corporate governance.

### Article 7

The directors of the Company shall exercise the due care of good administrators to urge the Company to perform sustainable development initiatives, examine the results of the implementation thereof from time to time, and continually adjust to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company shall consider the interests of stakeholders, including the following matters, in the Company's furtherance of its sustainable development objectives:

1. Identifying the Company's sustainable development mission or vision and declaring its sustainable development policy, systems, or relevant management guidelines.
2. Establishing sustainable development as the guiding principle of the Company's operations and development and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions responsible for economic, environmental, and social issues resulting from the business operations of the Company and report the handling status to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

### Article 8

The Company shall regularly organize education and training on promoting sustainable development initiatives, including promoting the matters prescribed in paragraph 2 of the preceding article.

### Article 9

To manage sustainable development initiative, the Company shall create a governance structure for the promotion of sustainable development and the Administrative Management Division of the Company is an exclusively unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors periodically.

The Company shall set up a reasonable remuneration policy to ensure that remuneration arrangements support the organization's strategic aims and align with the stakeholders' interests. Employee's performance evaluation system shall be combined with sustainable development policies and that a clear and compelling incentive and discipline system be established.

Article 10

The Company shall respect for the rights and interests of stakeholders, identify stakeholders of the Company, establish a designated section for stakeholders on the Company website, understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the critical sustainable development issues which they are concerned about.

**Chapter 3 Fostering a Sustainable Environment**

Article 11

The Company shall follow relevant environmental laws, regulations, and international standards to adequately protect and promote a sustainable environment when engaging in business operations and internal management.

Article 12

The company shall endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The Company shall establish proper environmental management systems based on the characteristics of the industries. Such systems shall include the following tasks:

1. Collect sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establish measurable goals for environmental sustainability and examine whether such goals' development should be maintained and whether it is still relevant regularly.
3. Adopt enforcement measures such as concrete or action plans and regularly examine the results of their operation.

Article 14

The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans. They should periodically hold environmental education courses for their managerial officers and other employees.

Article 15

The Company shall consider the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce pollutants, toxins, and waste emissions, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.

4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve the efficiency of products and services.

#### Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures if needed.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

#### Article 17

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

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

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions from using energy such as imported electricity, heating, or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy but are from other sources of emissions owned or controlled by the Company.

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

## **Chapter 4 Preserving Public Welfare**

#### Article 18

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

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

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights and adopting corresponding handling processes.

3. Review the effectiveness of the corporate policy or statement on human rights regularly.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling the matter with respect to the stakeholders involved.

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

#### Article 19

The Company shall provide information for employees to understand the labor laws and the rights they enjoy in the countries where the Companies operate.

#### Article 20

The Company shall provide safe and healthful work environments for employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company shall organize training on safety and health for employees regularly.

#### Article 21

The Company shall create an environment conducive to the developing employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare, etc.) and appropriately reflect the business performance or achievements in policy of the employee remuneration to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

#### Article 22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees to obtain relevant information on and express their opinions on the Company's operations, management, and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions and provide the employees with necessary information and hardware equipment to improve the negotiation and cooperation among employers, employees, and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

#### Article 22-1

The Company shall treat customers or consumers of its products or services fairly and reasonably, including according to the following principles: fairness and good faith in contracting, the duty of

care and fiduciary duty, truthfulness in advertising and soliciting, the fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons, etc. Said company shall also develop relevant strategies and specific measures for implementation.

#### Article 23

The Company shall take responsibility for their products and services and take marketing ethics seriously. In research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of the products and services. They further shall establish and disclose consumer rights and interest's policies and enforce them in business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

#### Article 24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

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

#### Article 25

The Company shall evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

#### Article 26

The Company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

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

When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with sustainable development policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

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

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

**Chapter 5 Enhancing Disclosure of Sustainable Development Information**

Article 28

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

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

1. The board of directors resolved the policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment, and preserving public social welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the companies and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on significant suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29

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

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering a sustainable environment, preserving public welfare, and promoting economic development.
4. Future improvements and goals.

## Chapter 6 Supplementary Provisions

### Article 30

The Company shall always monitor the development of domestic and foreign sustainable development standards and the change of business environment to examine and improve established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

### Article 31

The principles shall be implemented after adoption by the board of directors, and the same shall apply to the revisions.

### Article 32

The principles were set up on April 8, 2013.

The first amendment was made on May 7, 2015.

The second amendment was made on November 8, 2016.

The third amendment was made on March 10, 2022.

*Translation –In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.*