

4.2 Integrity-Based Operation

We abide by the Company's management principles and adhere to sound business integrity to continue the Company's operations in an ethical manner, from top management to basic employees.

In 2024, there were no incidents of corruption, bribery, breaches of customer privacy, or other violations of integrity standards.

Based on the core value of "integrity", and in accordance with the requirements of Taiwan's Financial Supervisory Commission (FSC), Microbio has promulgated the Ethical Corporate Management Best Practice Principles, Business Integrity Procedures and Behavioral Guidelines, and the Codes of Ethical Conduct as internal regulations. Employees are required to strictly abide by laws and regulations, and integrity management education and training are conducted on a regular basis. Article 3 of the " Business Integrity Procedures and Behavioral Guidelines " explicitly prohibits dishonest conduct, requiring that the Company's directors, managers, employees, appointees, or persons with substantial control shall not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in any unethical conduct such as breaches of ethics, illegal acts, or breaches of their fiduciary duty to obtain or retain advantages during the process of engaging in business activities. Furthermore, Article 4 of the "Business Integrity Procedures and Behavioral Guidelines " specifies that the term "benefits" refers to any valuable things, including money, endowments, presents, commissions, positions, services, preferential treatment, kickbacks, facilitation payments, entertainment, or social activities of any type or in any name.

When working with external parties, the Company requires counterparties to abide by the Company's Ethical Management Policy in the terms of the contract or as an attachment, with terms specifying that if the counterparty is involved in an unethical act, Microbio may terminate or rescind the contract at any time.

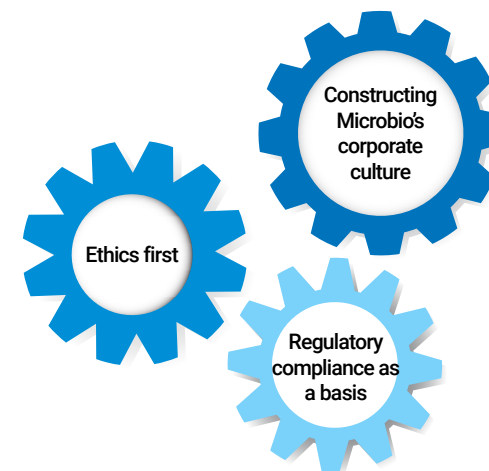
Note: The term "facilitation payments " refers to any payment of cash or provision of goods of value to government officials to perform their duties (such as: expediting the process of obtaining permits, licenses, or permission to use public facilities). The Company classifies " facilitation payments " as a form of improper benefit and expressly prohibits offering or promising to offer any form of facilitation fee (Article 8 of the " Business Integrity Procedures and Behavioral Guidelines ").

Responsible Unit

- To ensure the implementation of the Ethical Corporate Management Best Practice Principles, the Human Resources Department under the President's Office has been designated as the responsible unit. The Head of Human Resources serves as the Ethical Management Officer, to be in charge of assisting the Board of Directors and the management in the establishment, supervision and implementation of ethical management policies and unethical conduct prevention plans.
- The implementation status is reported to the Board of Directors once annually, and was reported on November 11, 2024.

Prohibition of bribery and corruption

Microbio has established and the Board of Directors has approved the "Procedures for Ethical Management and Guidelines for Conduct", which strictly prohibit the direct or indirect offer or acceptance of any improper benefits to or from business partners in the course of performing duties. "Improper benefits" include: any form of illegal monetary benefits, gifts, services, discounts, kickbacks, or any other item of value. Before establishing business relationships with external parties, the Company requires that its partners conduct business fairly and transparently, and any request, offer or acceptance of bribes is prohibited.



Preface

1. Sustainability Performance

2. ESG Overview

3. Health Care

4. Corporate Governance

5. Safe Workplace

6. Social Inclusion

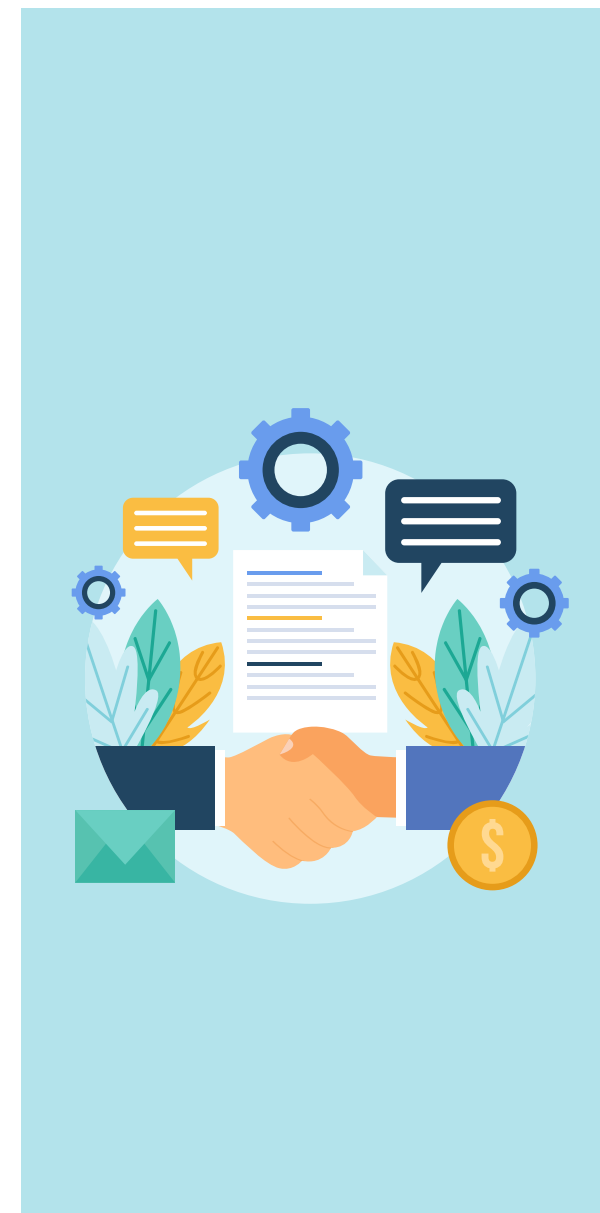
7. Environmental Protection

Appendix

Ethics and Integrity Education and Training

To enhance employees' awareness of ethical corporate management, the Company has introduced and planned additional training modules related to the Company's ethical corporate management policy and requires participation by all employees and non-employee workers (e.g., consultants). The achievements in 2024 are as follows:

1. **Directors and managers:** In 2024, directors and managers participated in "Investment to Change the World – Impact Investing and SDGs Practice", "Corporate Governance and Securities Regulations", "Courses for Directors and Supervisors and Corporate Governance Officers – Carbon Credit Trading Mechanism and Carbon Management Application", "TPEX-listed and Emerging Stock Market Company Insider Equity Educational Seminar", and "Responding to Compliance Challenges in Directors' Roles and Management Rights Under Corporate Governance 4.0" and other courses related to corporate governance and ethical management for at least 6 hours. Directors and managers were also invited to participate in the Company's internally organized courses on the ethical corporate management policy arranged in 2024.
2. **Employee Training:** The annual training session on the ethical corporate management policy was conducted in 2024. In October, the Company completed the training course on "Corporate Governance Education (including Insider Trading Prevention)". In December, the Company held two training courses: "Employee Intellectual Property Concepts and Trade Secret Protection" and "TIPS Training – Trade Secrets". The courses totaled 4.5 hours and the target audience was all employees. Using case studies, the training reinforced concepts of ethical corporate management, anti-corruption, and the management and prevention of unethical conduct, while emphasizing personal data protection, information security safeguards, insider trading prevention, and risk management. To ensure that all employees understand and comply with relevant regulations, a final exam was conducted. Only those with a score of 80 or above are deemed as having passed the examination. A total of 302 employees received training, with the total training hours being 720 hours. In September, a course titled "Trade Secrets and Information Security" was held for mid- to senior-level executives, conducted by officers from the Investigation Bureau. Through real-life case sharing, the course helped participants understand the importance of trade secret protection. A total of 10 participants attended the training.
3. **New Employee Orientation:** When reporting for duty, new recruits receive 1-hour education and training on the Ethical Corporate Management Best Practice Principles. Policies related to ethical management, including the whistleblower policy and reporting channels, were announced during orientation for them to understand the Company's Ethical Management Policy and the related regulations.
4. The contents of the education and training course on the Ethical Management Policy are available on the internal training website so that employees can receive refresher training or to review at any time, the objective being to keep promoting and enhancing the concepts that employees must have.
5. Each year, HR requires employees to review, acknowledge and faithfully comply with integrity-related regulations such as the "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behavioral Guidelines", and the "Whistleblowing Policy", which include detailed reporting channels and methods. It is widely promoted to the employees that inappropriate behavior can be reported through the reporting channel when conducting business in accordance with ethical business



Key Points of Ethical Corporate Management Best Practice Principles
Target: All Employees

- Forbidden for any person of the company to provide, promise, request, or accept improper benefits in the course of their duties or to commit a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
- Conflicts of interest are strictly prohibited. A specific reporting system shall be established and effective implementation shall be ensured.
- Abide by the operational philosophies of honesty, transparency, and responsibility, base policies on the principles of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.
- Specify the Company's Ethical Management Policy in the Articles of Incorporation and external documents. Furthermore, implement the commitments of the Ethical Management Policy, which shall also be adhered to in internal management and business activities.
- Take into consideration the legality of their trading counterparties and whether any of them are involved in unethical conduct and shall avoid any dealings with people so involved. Moreover, include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.
- All laws and regulations are complied with to implement ethical management.

Key Points of Guidelines for the Adoption of Codes of Ethical Conduct
Target: Directors and Management

- Prohibit management to use the Company's property, information, or their position for personal gains or to compete with the Company.
- Prohibit conflict of interest between person and the Company.
- Directors and managerial officers are obligated to confidentiality regarding the information of the Company or customers.
- Fairly treat customers, competitors and employees. Improper benefits through manipulation, concealment, misuse of information obtained in the course of duties, misrepresentation of material matters, or other unfair trading means are prohibited.
- Protect the Company's assets and ensure they are used effectively and legally for the Company's affairs.
- Abide by all laws and regulations as well as the Company's relevant policies and rules.
- Reinforce ethical concepts and encourage employees to report to the responsible unit on any suspected or discovered violations of laws and regulations or the Guidelines for the Adoption of Codes of Ethical Conduct. Whistleblowers are also protected from retaliation.
- Implement relevant disciplinary measures according to the Codes of Ethical Conduct for any violations. If the relevant staff have objections to the company's decision, they can file a complaint with detailed reasons in writing.

Whistleblowing Policy and Whistleblower Protection

Microbio has formulated the "Whistleblowing Policy" to provide a channel for internal and external personnel to report violations of laws, company policies or procedures, violations of Codes of Ethical Conduct and the Ethical Corporate Management Best Practice Principles. In case of a violation of the law, violation of company policies, systems or the Codes of Ethical Conduct, damage to the Company's rights such as misconduct including fraud, misappropriation of company assets, leakage of company secrets, and receipt of improper benefits discovered by the Company's employees or external personnel, a report can be filed anonymously by letter or email:

- **By letter:** 18F-1, No. 3, Park Street, Nangang District, Taipei City, 115, Whistleblower Mailbox
- **By email:** MBG_audit@microbio.com.tw

We will open a case for investigation in accordance with the "Whistleblowing Policy" and are committed to protecting the whistleblower. We adopt a zero-tolerance attitude toward any retaliatory behavior. We will ensure the whistleblower is not dismissed, demoted, have their salary reduced, or have the rights and interests they enjoy as prescribed by the law or their contract harmed, or suffer from other adverse disposition as a result of the case. Also, the Company is responsible for the confidentiality of the identity of anonymous whistleblowers, the content of the case, and the investigation procedures. No information that could identify a whistleblower will be disclosed.

In 2024, Microbio and its subsidiaries received zero whistleblowing reports.

Political Donations

We have formulated internal "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behavioral Guidelines", which are disclosed on the Company's website. Specific clauses are as follows:

- Prohibition of illegal political contributions (Article 11 of Ethical Corporate Management Best Practice Principles and Article 9 of Business Integrity Procedures and Behavioral Guidelines)
When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Prohibition of offering and accepting bribes (Article 10 of the Ethical Corporate Management Best Practice Principles and Article 3 and 4 of Business Integrity Procedures and Behavioral Guidelines)
- When conducting business, the Company and its directors, managers, employees, mandataries, and substantive controllers may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- No employees may directly or indirectly provide any things of value, including money, endowments, presents, commissions, positions, services, preferential treatment, kickbacks, facilitation payments, entertainment, or social activities, to public servants, political candidates, and party members in exchange for interest gains or protection.

Ethical corporate management audit result

The Audit Office conducts an ethics audit and risk assessment once every two years according to relevant regulations of the Company's "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles," "Business Integrity Procedures and Behavioral Guidelines" and "Whistleblowing Regulations", and the scope covers Microbio and its subsidiaries. The most recent ethical audit was conducted in 2023, and the audit results indicated no significant violations.

Contributions to Political Activities

(Currency: NTD)

	2021	2022	2023	2024
Lobbying interest	0	0	0	0
Local, regional or national political campaigns	0	0	0	0
Donation to Trade Associations, Think Tanks or other tax-free organizations	0	0	0	0
Donations for activities related to referendums or ballots	0	0	0	0