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5.4 Labor Rights

In order to fulfill CSR and protect the human rights of all employees, customers and interested parties, Microbio and its subsidiaries complies with various international human right conventions, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and the UN Global Compact, and other international human rights conventions of the International Labor Organization. We respect internationally recognized human rights and abide by the labor laws and regulations of the places where we operate. Formulate human rights policies and specific management plans, and disclose them on the official website after obtaining the approval of the Chairman. Please refer to the Human Rights Policy of Microbio for details.

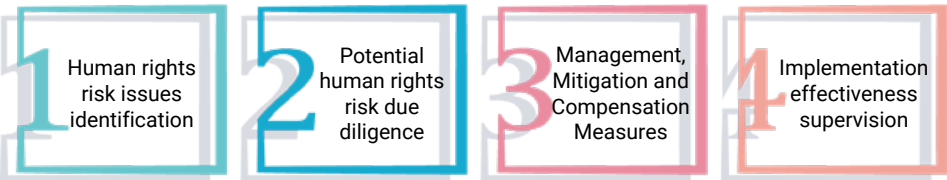
- We support and respect the internationally recognized declaration for the protection of human rights and ensure that human rights are not violated.
- Diversity inclusion and equal opportunity
- Prohibit forced labor and child labor.
- Provide fair and reasonable compensation and working conditions.
- Provide a safe, hygienic and healthy working environment.
- At Microbio, we have not yet established a labor union but hold labor-management meetings in accordance with the law and respect employees' freedom of association. Employees are free to join external labor organizations.

To implement the labor and human rights policy in our operations, we conduct education and training for newcomers when they report to work and conduct human rights-related trainings every year, such as the gender awareness and equality, sexual harassment prevention education and training in November 2024 and the workplace unlawful conduct prevention training at Longtan plant in August 2024. For deepening colleagues' understanding of gender equality, workplace bullying and sexual harassment, the courses also inform them about the Company's grievance mechanism to provide a friendly workplace environment.

When cooperating with suppliers, the Company requires them to sign the "Supplier's Declaration of Corporate Social Responsibility Commitment" to fulfill the Company's human rights commitment. We also revised the "Supplier Management Procedure" and added protection of human rights and equal treatment to the evaluation checklist to regularly review the implementation of the supplier's human rights policy.

• Human Rights Due Diligence

Based on the Company's human rights policy, we regularly conduct due diligence on human rights risk issues to examine whether there is any risk of human rights infringement and management performance.



| Implementation status in 2024 | |
|-------------------------------|---|
| Reference Standard | "United Nations Guiding Principles on Business and Human Rights" and "OECD Due Diligence Guidance for Responsible Business Conduct." |
| Scope of Investigation | 1. Self-operation (employees) 2. Stakeholders in business-related activities (including suppliers, contractors, local residents) 3. Targets of mergers and acquisitions (no mergers and acquisitions in the past three years) |

Note: Contractor refers to the company that contracts the operations or projects of Longtan Plant. Suppliers refer to the suppliers evaluated in the current year according to the Rotational Evaluation Plans. "Local residents" refers to the residents living at the location of the Longtan Plant. In terms of sites, the process covered Microbio Co Ltd. (3 offices and 1 plant) and Cotton Filed Organic Co., Ltd. (1 office, 1 logistics center and 80 stores)

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• The 12 human rights risk issues of concerns to the Company, those affected by the risks, and risk descriptions

| Human Rights Risk Issues | Parties Affected by the Risk | | | | Risk Description |
|--|------------------------------|---|------------|-----------------|---|
| | Self-Operation | Stakeholders in Business-Related Activities | | | |
| | Employees | Supplier | Contractor | Local Residents | |
| Safe and healthy work environment | ● | ● | ● | | Lack of appropriate labor safety and health measures can lead to accidents, occupational hazards, and occupational diseases. |
| Equal pay for equal work | ● | ● | | | Providing unfair treatment unrelated to their job performance during employee recruitment, promotion, and compensation. |
| Freedom of assembly and speech | ● | ● | | | Behaviors that hinder employees from organizing or participating in collective bargaining, or restricting their freedom of speech, infringing on employees' right to express opinions |
| Prohibiting child labor | ● | ● | | | Hiring underage workers violates local labor laws and regulations and affects children's health, education, and personality development. |
| Reasonable working hours | ● | ● | | | Forced overtime and under-reporting of working hours may infringe on employees' right to rest, and increase the possibility of workplace injuries and even death from overwork. |
| Prohibition of forced labor | ● | ● | | | Using inappropriate means to force or threaten employees to work or impose leave restrictions |
| Prohibition of human trafficking | ● | | | | Hiring workers involved in human trafficking |
| Emphasis on employee physical and mental health and work-life balance. | ● | | | | Employees who are pregnant, breastfeeding, or raising children cannot apply for related benefits according to law. |
| Gender equality and sexual harassment prevention | ● | ● | | | Sexual harassment and gender discrimination, or experiencing unequal treatment in the hiring, evaluation, and promotion of female employees while conducting business operation. |
| Avoidance of discrimination and bullying in the workplace | ● | ● | | | Behaviors, language, and attitudes that result in differential treatment based on race, nationality, religion, disability, age, appearance, etc. |
| Avoid environmental pollution | ● | | | ● | Noise, waste, wastewater, and biodiversity damage, which have an impact on the health or water resource use rights of employees and local residents. |
| Protection of personal data and privacy | ● | | | | Improper use of digital technology to monitor employee work performance, improper use of personal data, or violation of the Personal Data Protection Act |

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Management and Mitigation Measures, Compensation Measures, and Implementation Effectiveness in 2024

| Human Rights Topics | Management Actions and Mitigation Measures | Compensatory Measures | Implementation Effectiveness in 2024 |
|--|--|--|---|
| Safe and healthy work environment | <ul style="list-style-type: none">Introduce the ISO 45001 Occupational Health and Safety Management System.Implement occupational health and safety plans to identify, assess, and mitigate potential health and safety hazards in the workplace.Hold occupational safety and health-related education and training on an annual basis, and provide the necessary insuranceThe factory manages contractors according to the Contractor Management Regulations, and implements hazard notification and occupational safety training. | <ul style="list-style-type: none">Provide adequate medical assistance.Regular health checkups are arranged for employees. If their original jobs cannot be negotiated due to occupational reasons, appropriate measures such as changing the workplace or shortening working hours will be adopted.Leave and salary compensation in case of occupational hazards or occupational injury. | <ul style="list-style-type: none">One employee traffic accident occurred at the Longtan Plant. |
| Equal pay for equal work | <ul style="list-style-type: none">The Remuneration Committee regularly reviews the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers.Establish an evaluation system as the basis for employees' salary, bonus, and promotion. | <ul style="list-style-type: none">Evaluate the salary level of employees with reference to the salary scale established by Willis Towers Watson's pharmaceutical industry salary adjustment. | <ul style="list-style-type: none">100% employee evaluation |
| Freedom of assembly and speech | <ul style="list-style-type: none">All employees have the right to freedom of assembly and association. They may also participate in external labor organizations freely.Establish "Internal Communication and Grievance Channel". hr@microbio.com.tw | <ul style="list-style-type: none">There is no union established, but regular labor-management meetings are held in accordance with the law to respect the employees' freedom of assembly and association. | <ul style="list-style-type: none">No instances of relevant complaintsHeld four labor-management meetings |
| Prohibiting child labor | <ul style="list-style-type: none">The hiring process requires in-person reporting and inspection of identity documents to verify the authenticity of the personnel. | <ul style="list-style-type: none">Once child labors are found, they will immediately leave their jobs and undergo a health checkup to confirm that their physical health are not affected. | <ul style="list-style-type: none">No instances of employing child labor |
| Reasonable working hours | <ul style="list-style-type: none">Review monthly whether departments work overtime and send a reminder.If it is necessary to work overtime, the department head should seek the employee's consent and apply for it in advance. Overtime work is not allowed until the application is approved. The total working hours per month shall not exceed the relevant provisions of the Labor Standards Act. | <ul style="list-style-type: none">Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law. | <ul style="list-style-type: none">No instances of working overtimeNo instances of relevant complaints |
| Prohibition of forced labor | <ul style="list-style-type: none">Manage employee working hours in accordance with regulations, and regularly review whether employees' working hours are reasonable and compliant.Those applying and employing foreign workers in compliance with local laws. | <ul style="list-style-type: none">Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law. | <ul style="list-style-type: none">No instances of forced laborNo instances of relevant complaints |
| Prohibition of human trafficking | <ul style="list-style-type: none">Supervise the employment standards to eliminate the risk of human trafficking. | <ul style="list-style-type: none">Upon discovering, individuals will be immediately removed from their positions and reported to the police authorities for investigation and handling | <ul style="list-style-type: none">No instances of human traffickingNo instances of relevant complaints |
| Emphasis on employee physical and mental health and work-life balance. | <ul style="list-style-type: none">The human resources unit conducts regular dialogues with employees to understand their work conditions and cares for employees.Set up an employee break room to provide a space for employees to relax and relieve stress.Employees are encouraged to set up sports clubs, such as basketball or yoga, and organize healthy activities. | <ul style="list-style-type: none">Provide various welfare measures to care for employees and strengthen the work-rest balance. | <ul style="list-style-type: none">No instances of working overtimeNo instances of relevant complaints |
| Gender equality and sexual harassment prevention | <ul style="list-style-type: none">"Sexual Harassment Prevention Measures, Grievance and Disciplinary Rules" have been established.The human rights policy is implemented in the selection, appointment, education and retention operations, without considering gender.Equal pay for equal work and fair benefits, promotion conditions and unemployment protection, and gender and gender data are regularly disclosed. | <ul style="list-style-type: none">Adjust duties or work areas as needed.Violators will be punished according to the Company's regulations. | <ul style="list-style-type: none">For gender equality-related data, please refer to Section 5.1: Trustworthy Employer, "Gender Equality". |

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|---------------------------------------|--|--|---|
| Workplace discrimination and bullying | <ul style="list-style-type: none">Advocacy to Avoid Any Form of Discrimination and Bullying.Establishment of "Internal Communication and Complaint Channel" hr@microbio.com.tw | <ul style="list-style-type: none">Adjust duties or work areas as needed.Violators will be punished according to the Company's regulations. | <ul style="list-style-type: none">No instances of relevant complaints |
| Avoid environmental pollution | <ul style="list-style-type: none">Establishment of ISO 14001 Environmental Management System.The wastewater is treated in compliance with the requirements of environmental laws and regulations, and the effluent quality is monitored regularly.Strictly review the qualifications of waste disposal providers, reduce waste at the source, and actively promote waste classification and reuse.Create a stakeholder contact email for grievances or improvement suggestions. | <ul style="list-style-type: none">Establish an emergency response plan. If a pollution incident occurs, contingency measures will be implemented in the shortest time to reduce the scope of pollution.Immediately report to the relevant units for improvement if there is any violation of residents' rights. | <ul style="list-style-type: none">No relevant penalties imposedNo instances of relevant complaints |
| Personal data protection and privacy | <ul style="list-style-type: none">The "Personal Data Protection Management Regulations" are formulated to prevent infringement of individual rights and privacy. Regular holding of education and training.Employee personal data is kept confidential and managed by dedicated personnel. When applying cross-function review, approval from personnel with authority must be obtained. | <ul style="list-style-type: none">Notify the general management unit (human resources unit), notify the parties as soon as possible, and take improvement measures.Continuous education and training to strengthen employees' awareness of information security and privacy protection. | <ul style="list-style-type: none">No instances of relevant complaintsHold personal data protection education and training. |

• Prevention, Grievance and Disciplinary Methods for Sexual Harassment

To ensure gender equality and other work rights for both genders in order to create an occupational environment free from sexual harassment, we have established the "Sexual Harassment Prevention Measures, Grievance and Disciplinary Rules", as well as the following grievance channels to ensure that prevention, correction, disciplinary action and improvement can be taken as quickly as possible. No incidents of discrimination or sexual harassment occurred in 2024

Grievance hotline: 02-2703-1098 #178

Grievance mailbox: hr@microbio.com.tw

• Communication and Complaint Channels

At Microbio, we value the views and opinions of everyone and provide open and transparent communication channels. In addition, we have also established an employee complaint hotline and e-mail for employees to give feedback. We hold quarterly labor-management meetings, which are carried out based on the principle of honesty to protect the rights of both parties while enhancing labor-management relations. Communication between employees and managers can be carried out via face-to-face communication, meetings, emails, and phone calls from time to time. The HR department also conducts interviews with employees during the probationary period and interviews with resigned employees to understand employees' problems with the organizational system and work environment. Microbio and its subsidiary Cotton Field conduct an annual employee satisfaction survey. The anonymous questionnaires were completed by employees to provide improvement recommendations to the operating process and overall system, for the continual optimizations of process and system by the related units. In 2024, the Company did not receive any complaints.

• Internal Communication and Complaint Channels

Microbio
E-mailbox: hr@microbio.com.tw

Cotton Field
Grievance Hotline: +886-2-2755-5268 ext. 788
E-mailbox: hr01@cottonfield.tw