

Forced Labour and Child Labour Report 2023 Bora Pharmaceutical Services Inc.



This Forced Labour and Child Labour Report (the “**Report**”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”). This Report is made on behalf of Bora Pharmaceutical Services Inc. (“**BPSI**”, “**we**”, “**us**” or “**our**”).

1. Introduction

BPSI is committed to ensuring that our operations are undertaken ethically, in keeping with our guiding principles, including the requirement to: “Do the right thing, not the easy thing.” This Report sets out the steps we have taken during Fiscal Year 2023 to reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by BPSI or of goods imported into Canada by BPSI.

2. Our Business

BPSI is a pharmaceutical company incorporated under the Ontario *Business Corporations Act* and headquartered in Mississauga, Ontario, focused on developing and manufacturing branded, generic and over-the-counter healthcare and pharmaceutical products for patients around the globe. BPSI is a subsidiary of Taiwan-based Bora Pharmaceuticals Co., Ltd. (“**BPCL**”) and Taiwan-based Bora Pharmaceutical Laboratories Inc. Bora Pharmaceutical Laboratories Inc. is itself a subsidiary of BPCL.

Since 2020, BPSI has carried out development, manufacturing, packaging, and commercialization services for oral solid dose, liquid, and semi-solid therapeutics, i.e. gels, creams and ointments. BPSI’s facility in Mississauga processes and manufactures a variety of prescription and over-the-counter pharmaceutical products. In addition, BPSI’s facilities offer packaging capabilities for tablets, capsules, liquids, and semi-solids.

BPSI’s supply chain includes businesses that supply goods and services to our organization, including various chemicals and packaging materials. In total, we procure goods and services from approximately 160 suppliers and contractors, although this number does fluctuate, mostly located across North America, Europe, and Asia.

BPSI procures materials directly from manufacturers or distributors, with the majority of purchases from distributors. Where there are two tiers of suppliers, we do not engage with the second tier. In terms of mapping the supply chain, BPSI maintains records containing certain information regarding its supply chain, including information on the material, manufacturer, supplier, warehouse, and trucking conditions.

3. Our Policies

Through our organizational and governance policies, we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our selling partners. We do not tolerate any forms of forced labour or child labour in our operations or by suppliers or contractors working for us. We are committed to complying with laws and to consistently evolving and improving our approach. As a member of the Bora group of companies, we are committed to conducting our business in a lawful and ethical manner.

In 2022, our parent company, BPCL, established a Sustainability Development Committee, which focuses on five major topics in alignment with the United Nations Sustainable Development Goals. This committee is responsible for corporate sustainability goals, strategies, and plans. As a subsidiary of BPCL, we share in BPCL's commitment to sustainable development and social responsibility as a long-term operational goal. An overview of our relevant policies is set out below.

Respect in the Workplace Policy

We adhere to a Respect in the Workplace Policy, which outlines our commitment to provide a safe environment for all employees, contractors, suppliers, customers, and visitors. All Bora employees have the right to be free from discrimination, harassment, violence or threats of violence in their workplaces. In addition to prohibiting workplace harassment and discrimination, the policy confirms that BPSI's employees must respect the human rights of all individuals with whom they interact in the course of their work. The policy confirms that employees may enforce their rights under the policy without fear of retaliation.

Environment Health & Safety Policy

Our Environment Health & Safety Policy confirms that BPSI is committed to meeting or exceeding all environment, health, and safety legal requirements. In particular, BPSI is committed to setting measurable objectives and monitoring progress through KPIs, and to being responsible stewards of our environment and contributing positively to the communities in which we operate.

Human Rights Policy

As a member of the Bora group, we adhere to the Bora Human Rights Policy. We comply with the principles enshrined in the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization Conventions, including the elimination of all forms of forced labour.

The Bora Human Rights Policy promotes social responsibility and the human rights of employees. This policy affirms our commitment to the highest standard of ethical conduct. We adhere to labour-related laws and regulations in Canada, and require the formulation of labour

policies to ensure a working environment with fair opportunities, dignity, safety, equality, and freedom from discrimination and harassment.

Sustainable Development Best Practices Principles

We adhere to the Sustainable Development Best Practices Principles, which underscore our commitment to corporate social responsibility, as well as economic, environmental, and social progress. Article 18 provides that we will comply with relevant laws and regulations, as well as international standards including the International Bill of Human Rights.

The principles advise to establish supplier management policies and request suppliers to comply with rules governing issues such as labour rights. We are encouraged to include a contractual term requiring mutual compliance with the corporate social responsibility policy in contracts with major suppliers. Prior to engaging with a supplier, we are advised to avoid working with those whose actions do not align with our social responsibility goals.

Ethical Corporate Management Best Practices Principles

We adhere to the Ethical Corporate Management Best Practices Principles, which provide that we shall avoid dealings with agents, suppliers, clients or other trading counterparties who are engaged in unethical conduct.

When contracting with third parties, BPSI strives to include terms mandating compliance with ethical corporate management policies, as well as terms that allow for termination of the contract in the event a party is involved in unethical conduct.

Code of Conduct

BPSI maintains a Code of Conduct, which applies to our employees, leaders, and contractors. It demonstrates BPSI's mission to contribute to better health globally. Among other things, the Code promotes respect for every individual in the workplace and a culture of open and honest communication. All parties must comply with laws, rules, and regulations where BPSI does business, and all parties must understand BPSI's applicable policies, laws, rules, and regulations.

Contractor Policies

With regard to contractors, we adhere to the Contractor Safety and Health Regulations and the Contractor Safety Management Standard Operating Procedures. These policies require contractors to adhere to occupational safety and health regulations to ensure the safety of company employees, assets, and contractor personnel.

Supplier Selection and Contracting Procedure

BPSI's Supplier Selection and Contracting procedure confirms that BPSI strives to meet ethical, socially responsible, and sustainable guidelines. The procedure states that BPSI will only partner with suppliers who are reputable, reliable, and able to comply with BPSI's own standards.

4. Our Due Diligence Processes

We acknowledge that employees in our supply chain are at potential risk of forced labour or child labour. We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

Given the nature of pharmaceutical production, BPSI and its suppliers are heavily regulated. As the quality and safety of pharmaceuticals are directly related to BPSI's suppliers, we take supply chain evaluation and management seriously. Suppliers must meet rigorous standards. Most suppliers are FDA-regulated (or are regulated by European or Japanese standards), which requires them not to engage in activities involving forced or child labour.

BPSI requires suppliers to uphold ethical values and integrity in all their operational activities. They must comply with applicable local laws and regulations. We also enter into Master Services Agreements with certain suppliers. Our standard Master Services Agreement requires suppliers to warrant explicitly that they do not use forced labour or child labour where it could cause physical or emotional impairment to the child.

We also require new suppliers to fill out a new supplier risk assessment questionnaire to evaluate the supplier's suitability. Suppliers and vendors are asked for various documents and details regarding how they make their products. If a vendor or supplier deviates from BPSI's guidelines, BPSI generally ceases working with them. These requirements apply to activity covered by the Good Management Practices ("GMP") framework applicable to medicinal products.

Supplier quality reviews for GMP suppliers are conducted annually to ensure compliance with GMP standards, in addition to periodic re-evaluations of quality documents or on-site audits. This ensures a supplier's product quality, delivery punctuality, cooperation, safety management, and business terms, in order to safeguard supply chain stability and quality. We also have regular meetings, i.e. generally monthly or quarterly, with key suppliers to review performance and orderbooks.

5. Assessing Our Risk

BPSI engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we refer to external data sources. As a member of the Bora group, we benefit from a human rights risk assessment process conducted by BPCL.

BPCL's Sustainability Development Committee identifies and analyzes potential risks, in addition to communicating with stakeholders and integrating data from various departments and subsidiaries.

In 2023, BPCL conducted an internal employee human rights risk assessment, which assessed the severity and probability of occurrence for various human rights risks. According to the survey, the risk of forced labour is low. BPCL will continue to conduct human rights risk assessments, including assessments in relation to forced labour.

BPSI operates in a heavily regulated industry, which requires high standards and regulatory oversight. We abide by all regulations and laws applicable to the pharmaceutical industry in the countries in which we operate.

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as manufacturing and importing raw materials. However, this risk is mitigated by the regulatory oversight present in the pharmaceutical industry, in addition to our own policies and procedures. We also source most of our goods and services from suppliers in Europe, the United States, and Canada, in which the majority of countries have a low prevalence of modern slavery according to the Global Slavery Index.

Accordingly, we assess the risk of exposure to forced and child labour in our business and supply chain as low.

6. Our Commitments

Activities to Prevent and Reduce Risks of Forced and Child Labour

As further detailed in the Report, our parent company has developed and implemented procedures to track the risk of forced labour and other human rights issues.

In addition, we require that our suppliers and contractors comply with all applicable laws. To date, we have received no complaints regarding possible forced labour or child labour in connection with a supplier or contractor. Should we receive such a complaint, we are committed to tackling the issue directly with the supplier, striving to minimize any risk of forced and/or child labour while mitigating the impact on our operations.

Training

Every year, BPSI employees are required to complete mandatory training in our Learning Management System to ensure that they understand and adhere to BPSI's policies. In addition, every new employee of BPSI must complete mandatory training that covers Bora's mission, vision, and values and a variety of policies, including those relating to health and safety training, the Code of Conduct, harassment and discrimination, and diversity and inclusion. Although BPSI's employee training does not currently include separate training on forced and child labour, the mandatory training covers our values and policies, including our human rights policies and the other policies outlined above which all seek to foster an inclusive workplace that respects the

dignity of the individual. We provide employees with ongoing and periodic training opportunities to ensure that all employees have up-to-date knowledge.

Goal of Risk Assessments for Suppliers

BPSI and its parent, BPCL, are committed to implementing a human rights management system and conduct human rights risk assessments for suppliers.

Remediation Procedures

Following the end of fiscal year 2023, in October 2024, BPSI rolled out a third-party reporting platform called Conduct Watch. Stakeholders are encouraged to report any violations of domestic or international laws or internal company policies. The system protects the anonymity of reporters, and it is secure and confidential.

No forced or child labour remediation measures were required to be taken in 2023, as there were no identified instances of forced or child labour in our operations during the reporting period.

7. Our Progress and Effectiveness

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through employee feedback. To date, no significant concerns or complaints have been identified.

As part of the Bora group, we benefit from the actions of the Sustainability Development Committee, which is tasked with tracking, reviewing, and revising the implementation and effectiveness of sustainability actions.

In 2023, neither we nor BPCL received any government penalties for human rights violations.

We are committed to the prevention and reduction of the risk of forced or child labour in our supply chain, and we strive to be accountable to our customers and community. While we have not yet established formal policies for evaluating the effectiveness of measures intended to mitigate this risk in all aspects of our operations, BPSI aims to keep our policies and procedures under review and to explore additional steps for assessing their effectiveness.

Approval and Signature

This Report was approved by BPSI's Board of Directors on January 20, 2025, pursuant to paragraph 11(4)(a) of the Act and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.bora-corp.com.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Chairman and CEO, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.



[Bobby Sheng \(Feb 3, 2025 23:18 PST\)](#)

Pao-Shi Bobby Sheng

Chairman & CEO

I have the authority to bind Bora Pharmaceuticals Services Inc.