ESG Policy

Preface

The ESG policy of the Morimatsu LifeSciences business segment (hereinafter referred to as "Morimatsu" or "we") aims to regulate all personnel within the Morimatsu LifeSciences segment (hereinafter referred to as "all personnel"), including but not limited to Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd., Shanghai Morimatsu Biotechnology Co., Ltd., Shanghai Senzhong Biotechnology Co., Ltd., Morimatsu (Suzhou) LifeSciences Technology Co., Ltd., Shanghai Senhong Technology Co., Ltd., Pharmadule Engineering India Private Limited, and Morimatsu LifeSciences (Singapore) Pte. Ltd., Morimatsu Pharmadule (Singapore) Pte. Ltd, Pharmadule Morimatsu AB, Pharmadule Morimatsu INC, Morimatsu Italy S.r.l., Pharmadule T&S Co., Ltd., and their related affiliates' s actual controllers, senior executives, formal employees and dispatched employees. This policy is guided by Morimatsu International Holdings Company Limited's Code of Conduct and fully complies with all applicable laws and regulations in the jurisdictions where it operates. We also encourage suppliers and partners to comply with our ESG Policy.

Environmental Protection

Environmental Management

We comply with all applicable environmental laws and regulations in the jurisdictions where we operate, timely obtain, maintain, and update all necessary licenses, permits, and restrictions, and manage our environment in accordance with the requirements of the ISO 14001 environmental management system.

We strive to implement waste reduction measures by improving production techniques and selecting clean raw materials to minimize or prevent the generation of exhaust gases, wastewater, and hazardous waste. We adopt efficient operational methods to enhance energy efficiency and utilize renewable energy(including but not limited to actively applying photovoltaic energy, procuring clean energy, green certificates, and green electricity) to reduce greenhouse gas (GHG) emissions, thereby minimizing the impact of our business operations on the environment.

We are committed to protecting biodiversity, ensuring our operations stay clear of ecological red lines and sensitive areas, thereby reducing and avoiding the impact of Morimatsu's production and operations on the surrounding ecological environment.

Addressing Climate Change

Morimatsu strictly complies with environmental protection policies in the locations where it operates, while proactively identifying climate change risks and opportunities in its operations. We actively established a climate change management system within the Company. We have conducted carbon inventories for Scope 1, Scope 2, and Scope 3 GHG (greenhouse gases), joined the Science Based Targets Initiative (SBTi),

established long-term emission reduction targets, and continue to track and reduce carbon emissions.

Product Quality and Safety

Quality Management

Product quality is the cornerstone for enterprises to sustain high-quality development over the long term. Morimatsu commits to continuously enhancing its product quality assurance capabilities. We have established multiple internal quality management system, dedicated to continuously improving the enterprise's quality management standards. In strict accordance with quality management system certifications such as ISO 9001:2015 and ASME 'U' American pressure vessel manufacturing certification, as well as production qualification requirements, we implement rigorous management of product quality. We ensure that the quality of products provided meets recognized or contractually agreed quality requirements to guarantee that the products and services delivered to customers consistently satisfy customer needs. Through scientific design, rigorous risk assessment, and effective management measures, we provide customers with safe and reliable products and services.

Employment Standards and Labor Rights

Labor Standards

Comprehensive labor standards of the enterprise is the foundation of protecting employees' rights and interests. We safeguard employees' rights and interests through comprehensive policies, continuously optimized hiring processes, and effective measures. We commit to not employing child labor, strictly complying with all applicable laws and regulations in the jurisdictions where we operate, and adhering to the principles of the UN Global Compact. We prohibit the employment of children below the local legal working age in our operations. We refuse to participate in any acts involving human trafficking, forced labor, coercion, involuntary servitude, slavery, debt bondage, or discrimination.

We encourage diverse employee development and maintain a transparent, collaborative, and equal work environment. We respect employees of all races and nationalities, female employees and employees with disabilities. We oppose discrimination and harassment, and promote equality and equity to ensure that recruitment, onboarding, and promotion processes are free from influence by factors such as age, gender, marital and family status, race, skin color, region, nationality, religious belief, and political affiliation.

Employee Rights and Career Development

Employees are a critical support for enterprise development, and we provide equal career development opportunities for every employee. Morimatsu continues to optimize its human resource management platform and foster a positive professional atmosphere, growing together with its employees. We strictly comply with all laws and regulations

applicable in the jurisdictions where we operate. We value the personal worth and contributions of every employee, conduct employee satisfaction surveys on an irregular basis, and provide employees with feedback channels regarding working conditions.

Safeguarding Human Rights

Morimatsu strictly complies with laws and regulations on human rights protection in its operating locations, commits to respecting internationally recognized human rights principles, refrains from or participating in any acts that infringe upon human rights, and ensures in particular that the human rights of vulnerable individuals and groups (such as women, children, and migrant workers) are respected. At the same time, we also fully consider suppliers' human rights management performance during the supplier selection process and urge them to build an equitable, safe, and healthy working environment for their employees.

We treat every employee fairly and maintain a zero-tolerance policy towards harassment (including sexual harassment and other forms of harassment), intimidation, or bullying, striving to establish and uphold an equitable workplace. An equitable workplace refers to one free from abusive or inhumane conduct, any form of sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion, or verbal violations, as well as verbal threats involving any of the aforementioned behaviors.

Employee Communication

Morimatsu encourages employees to build relationships characterized by candor, mutual trust, and mutual respect. We encourage equal dialogue among employees and between superiors and subordinates to foster a positive communication atmosphere. We uphold employees' rights to freedom of association and collective bargaining, do not interfere with their voluntary right to join trade unions, and build diversified communication platforms. We encourage employees to participate in corporate governance by listening to their voices and collecting their suggestions and opinions through mechanisms such as the workers' congress.

Production Safety

As a large-scale manufacturing enterprise, employee occupational safety is closely linked to the Company's development. We attach great importance to the safety of employees' working environment. Through a series of policies, we effectively safeguard employees' labor safety and improve the quality of their working environment. We established assessment regulations to link comprehensive safety responsibility implementation with performance appraisal and continuously improve existing workplace safety management measures, ensuring the effectiveness and timeliness of safety management.

Occupational Health and Safety

Morimatsu strictly complies with the laws and regulations of its operating locations and strengthens occupational health and safety management in accordance with the

requirements of the ISO 45001 occupational health and safety management system. During operations, we provide necessary safety facilities and equipment, appropriate control measures, safe working procedures, preventive maintenance, and essential technical protection measures to ensure and mitigate health and safety risks for employees and visitors in the workplace. We have implemented specific measures to ensure the occupational health and safety of our employees. These measures include, but are not limited to: conducting regular occupational health assessments and examinations; implementing an employee occupational health monitoring program; developing emergency response plans related to occupational health and safety and conducting regular drills; and providing necessary occupational health and safety training for employees. We also require all stakeholders entering the Morimatsu facility to strictly comply with our various institutional management systems and regulations related to occupational health and safety.

Employee Training

Morimatsu places high importance on employees' career development, actively invests resources to optimize the work environment, and provides necessary safety training. At the same time, we will organize professional skills training for employees based on different positions. Through a rich array of training programs and internal and external resources, we continuously promote the enhancement of employees' professional skills, provide training related to career development, support employees in pursuing further education, and foster a mindset of lifelong learning.

Data Security and Privacy Protection

Personal Information and Privacy

Morimatsu strictly complies with data security laws and regulations in its operating locations while adhering to international privacy protection regulations to safeguard the privacy rights of global customers. We adhere to the = ISO/IEC 27001:2013 information security management system requirement to safeguard information security and customer privacy.

Supply Chain Management

Sustainable Supply Chain

We expect suppliers to implement measures to reduce GHG (greenhouse gases) emissions, provide green raw materials, and collaborate to build a green, sustainable supply chain. Morimatsu prioritizes energy-saving, environmentally friendly, long-life, low-pollution, or recyclable products and services in supplier selection. We encourage and support suppliers in continuously improving their sustainability performance, such as reducing waste generation and minimizing unnecessary packaging. For suppliers willing and able to make positive changes, we commit to providing necessary assistance and support, including but not limited to technical guidance and information sharing.

Corporate Governance and Business Ethics

Morimatsu strictly complies with all laws and regulations, upholds excellent professional ethics, maintains high transparency, and implements a rigorous accountability system. Senior management of Morimatsu makes decisions with a prudent attitude and is subject to extensive supervision.

Corporate Governance

We attach great importance to corporate governance and have established a clear governance structure with defined responsibilities and authorities to reduce operational risks, thereby efficiently advancing sustainable enterprise development. The head of the ESG department at Morimatsu, together with senior management, constitutes the ESG Management Team to implement annual ESG-related work and ensure standardized management of ESG activities.

Anti-corruption and Anti-bribery

We require all employees to uphold the principles of honesty and integrity in business relationships and to eliminate any form of corruption or bribery. We maintain zero tolerance for fraud, bribery, corruption, and any improper transfer of benefits. Morimatsu will continuously improve its anti-corruption management Institution and update it in real time according to actual conditions.

External Communication

We are committed to open, clear, and accurate communication with all stakeholders. Regarding the content and methods of communication, we will ensure compliance with all applicable laws and regulations to protect the rights and interests of Morimatsu and all stakeholders. Unless prior approval is obtained or published content is used, any personal opinions expressed by Morimatsu employees at any event, in public settings, or on the Internet (including social media) shall not represent the views of Morimatsu. When our employees express personal views, we will supervise that these views are clearly marked as personal views, particularly in any situation where they might be perceived as representing Morimatsu's views.

Fair Competition

We adhere to the principles of equity in conducting our business. We are committed to strictly complying with all applicable laws and regulations in the jurisdictions where we operate, including but not limited to those relating to competition, anti-monopoly, and the collection of competitive information. We believe that fair and standardized competition will enhance our market transparency, benefiting our ability to better provide products and services to our clients.

Whistleblower Protection Policy

We encourage all forms of reporting, whether made in the name or anonymously. We strictly protect whistleblowers, ensure the independence of personnel receiving and

managing whistleblower information, and strictly regulate access permissions for reception staff to such information. Personnel responsible for receiving, recording, and handling whistleblower reports, as well as those with access to such information, must strictly fulfill confidentiality obligations. The retrieval of relevant whistleblower information and files requires management approval.

Confidentiality and Intellectual Property

Morimatsu strictly complies with China's laws and regulations on intellectual property rights and has established multiple internal intellectual property and confidentiality policies. We require all personnel to protect and properly use confidential information received, ensuring that the trade secrets and valid intellectual property rights of all personnel and business partners are safeguarded. We prohibit all personnel from infringing any valid intellectual property rights and encourage them to protect such known valid intellectual property rights from improper use.

Continuous Improvement

We will continuously review and improve this policy to ensure its alignment with currently applicable laws, ethics, and business practices.