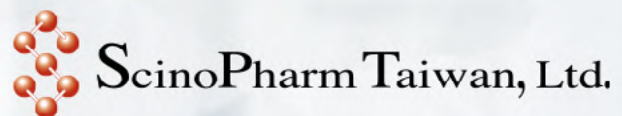


2020 Corporate Sustainability Reports



A background image of laboratory glassware, including several Erlenmeyer flasks and beakers, some containing yellow and blue liquids. The glassware is arranged in a row, with some in sharp focus and others blurred in the background. A horizontal line with a multi-colored gradient (red, blue, green, orange, purple) runs across the middle of the image.

2020 Corporate Sustainability Reports



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About this Report

Editorial Policy

ScinoPharm Taiwan Limited (hereinafter referred to as ScinoPharm) was founded in 1997 with the headquarters located in the Southern Taiwan Science Park. ScinoPharm is a pharmaceutical company that meets the U.S. FDA standards and the international CGMP standards. ScinoPharm has been in the pharmaceutical industry for many years with the focus on the development of proprietary products and patented processes, while strictly complying with the international CGMP manufacturing standards; as such, ScinoPharm has shaped an international image that features high-quality active pharmaceutical ingredients (APIs). In recent years, it has also entered the injectable business field and developed the market of drug preparation by making good use of the method of strategic alliances to enter the market of complex injectable products with partners. Based on the strategy of entering the high value-added product market, ScinoPharm is accelerating the expansion of its influence, intending to enhance the value of the company's industrial chain and long-term competitiveness. This report has disclosed ScinoPharm's goals in sustainable development and operations as

well as positions and responses in the face of key issues while responding to stakeholders' issues of concern.

Scope of this Report

This report has covered the policies and activities and their results in the aspects of the current economy, environmental sustainability, and social development, developed and implemented by ScinoPharm between January 1, 2020 and December 31 of 2020.

Boundaries and Material Aspects

This report has included material issues that ScinoPharm and its stakeholders are concerned about and disclosed its relevant management guidelines, while illustrating that its considerations, actions taken, and performance during the development in the social, environmental, and economic aspects. The disclosure of relevant information is mainly about ScinoPharm, and material issues were selected for this report by considering the views of all stakeholders

through internal discussions as the direction of disclosure of the issues in this report. Relevant information about SciAnda (Changshu) Pharmaceuticals, Ltd., SciAnda Shanghai Biochemical Technology, Ltd., SciAnda (Kunshan) Biomedical Technology Ltd., SPT International, Ltd., and ScinoPharm Singapore Pte Ltd. is not included in this report. There were no significant changes in the size, structure, or ownership of the Company during the Reporting Period. For the detailed organizational structure of ScinoPharm and its subsidiaries, please refer to the 2020 Annual Report.

Report Guidelines

ScinoPharm's relevant strategies and specific measures in this report were identified, implemented, and disclosed in accordance with the "core" options of the GRI standards. In addition, the company identified the stakeholders' issues of concern through questionnaires and systematic data analysis as the basis



for the preparation of the report. A table of all the relevant chapters and sections is included in the appendix of this report for quick retrieval and search.

Since ScinoPharm publishes the CSR Report in accordance with the requirements of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies," this report shall also comply with the relevant provisions of the said Rules.

The statistical data disclosed in this report are the results of calculations and surveys conducted by ScinoPharm. The financial data (in NTD) were based on financial statements certified by PricewaterhouseCoopers (PwC) Taiwan. Limited assurance about the partial information of this report was conducted by PwC Taiwan in accordance with the "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of the SAE1 principles,

published by the Accounting Research and Development Foundation, and the said assurance report can be found in the appendix of this report.

Publication

ScinoPharm publishes a CSR Report on an annual basis. The electronic version of the report can be downloaded from the ScinoPharm's website. Publication date of the last issue of the report: August 2020; current issue: September 2021

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A Message from the Management



Chairman

羅智先

The rapid spread of the COVID-19 pandemic since the beginning of 2020 has had a huge impact on countries around the world.

The World Health Organization officially declared COVID-19 a "global pandemic" in March of the same year. The last time this term was used was during the pandemic of swine influenza in 2009, which caused hundreds of thousands of deaths. However, the impact of the public health crisis of COVID-19 has been more severe. As of December last year, it had caused more than 77 million confirmed cases and more than 1.7 million deaths in 190 countries.

This has not only affected the economic, political, and social situations of various countries but has also strongly driven various industries around the world to rapidly develop corresponding capabilities to respond. This pandemic has prompted human society to rethink, challenge the operational models we have taken for granted in the past, and break the conventional thinking. It may be a crisis or an opportunity for breaking through the current framework for enterprises.

Faced with the high degree of uncertainty in the global market and the pandemic last year, ScinoPharm used strategic planning and stable operations to achieve revenue and profit in alignment with our targets. Although our operations were obstructed to a certain extent by the pandemic prevention policies in various regions, with our meticulous internal control of production schedules and flexible sales and transportation planning, we thus have sufficient resilience to survive the turbulent year of 2020.

The industrial environment is still full of anxiety and the development of the pandemic is uncertain, therefore ScinoPharm will remain cautious and continue to strengthen the foundation for sustainable operation and development. In addition to strengthening drills for epidemic prevention, including flexible work time, remote work, and online meetings,

we had made considerable effort to self-examine the environmental safety in our plants. The phase II construction of a warehouse addition and the renovation of a warehouse for "dangerous when



wet" materials to improve safety are nearing completion. We have also comprehensively planned to replace old wires and pipelines in stages while increasing the monitoring systems and waste treatment equipment. Safety is our top priority at all times. ScinoPharm attaches great importance to safety and never compromises. The implementation of safety regulations is a basic requirement, and the complete elimination of man-made work safety incidents is our highest guiding principle and top goal.

We have established and implemented a friendly workplace culture for many years, while keeping in mind the sense of responsibility and mission that an enterprise should have to society. "People oriented" is the core spirit of ScinoPharm and the group. The Company is committed to establishing a work environment in which employees are willing to give their best, and we have also extended this spirit upwards and downwards to our suppliers and contractors. We care about all our partners and fully leverage the value of the pharmaceutical industry while continuing to strive hard to create a better and healthier quality of life to everyone.

In 2021, as human society is still seeking solutions to the ongoing impact of the global pandemic, from vaccination coverage, to the continuous multiplication of the variant of the virus, and the rapid changes in the global market and industrial trends, we can expect that there are still many challenges to overcome. There will always be challenges, whether we have the ability to respond to crises quickly depends on adequate preparations in our daily life. Emergencies test a company's ability to take risks and whether a company's foundation is solid.

In the coming year, ScinoPharm will continue to overcome difficulties with a positive attitude and lead all employees to stride forward steadily. We believe that with the efforts all our employees and the continuous support of our shareholders and the public, we will continue to reinforce the foundation for stable operations, keep abreast of the opportunities from the global pharmaceutical market, comply with regulations and quality standards in this industry, and increase corporate profitability, thereby giving back to our shareholders, clients, and employees.



General manager

盧麗忠



CSR Performance Highlights in 2020



Gross profit increased by **13%**



Increased the waste treatment capacity of the air strippers to **1,121** metric tons, and reduced the waste liquid with high water content treated by third parties by **66%**



Invested NT\$ **5,985,000** in installing solar panels to promote the development of green energy



The ratio of male senior managers to female ones was **6 to 4**, which was well-aligned with the ratio of male employees to female ones, demonstrating gender equality in our corporate culture



The company employed people with disabilities in a number that was **30%** higher than that required by law





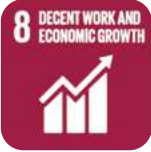
ScinoPharm's Sustainable Development Goals

SDG	ScinoPharm's Relevant Detailed Goal	Corresponding Sections and Chapters	ScinoPharm's Strategy and Approach
 Goal 1. Eliminate all forms of poverty	1.5 Poor and vulnerable groups are enabled to develop the ability to recover from disasters, to reduce the frequency and severity of their exposure to extreme climate events and other socio-economic and environmental disasters by 2030.	5.1 Social Contribution	● "Month of Love" at STSP ● Responded to the group's charitable activities of "Baby Dogs" and "Golden Diamond Wedding"
 Goal 3. Ensure healthy lives and promote well-being for all at all ages	3.3 Eliminate AIDS, tuberculosis, malaria, and neglected tropical diseases by 2030 and fight hepatitis, water-borne diseases, and other infectious diseases. 3.b. Support the research and development (R&D) of vaccines and medicines for infectious and non-infectious diseases that mainly affect developing countries. 3.4. The number of deaths of minors from non-infectious diseases will be reduced by one third through prevention and treatment by 2030, and mental health will be promoted.	1.1 Company Profile 4.2 Employee Benefits and Care 4.3 Implementation of Workplace Promotion and Management	● Collaborate with clients to develop orphan drugs ● Insurance Protection and Health PromotionDiamond Wedding" ● Organize special health examinations for employees
 Goal 4. Ensure education for everyone, fair and high-quality education, and promote lifelong learning	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the socially vulnerable group, including persons with disabilities, indigenous peoples, and children in vulnerable situations. 4.7 By 2030, ensure that all students are able to acquire necessary knowledge and skills, so as to promote sustainable development, including sustainable development education, sustainable lifestyles, human rights, gender equality, peace and non-violence advocacy, global citizenship, appreciation of cultural differences, and cultural contributions to sustainable development.	5.1 Social Contribution	● A series of seminars of the "ScinoPharm Art Forum" ● ScinoPharm's "One Day Workshop" ● ScinoPharm Thesis Scholarship



SDG	ScinoPharm's Relevant Detailed Goal	Corresponding Sections and Chapters	ScinoPharm's Strategy and Approach
 Goal 5. Achieve gender equality and women's empowerment	5.1 Eliminate all forms of discrimination against all women and girls everywhere. 5.5 Ensure women's access and full participation to decision-making in political and economic decisions. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making. 5.C. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.	4.1 Personnel Overview	● Maintenance of Equality and Human Rights ● There are three female directors on the Board of Directors; female supervisors have accounted for 41 percent of all supervisors, this has highlighted ScinoPharm's equal employment policy.
 Goal 6. Ensure availability and sustainable management of water and sanitation for all.	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally by X%. 6.4 Increase the efficiency of water use in various industries substantially, to ensure sustainable supply and recycling of fresh water and solve the problem of water shortage, while greatly reducing the number of people suffering from water projects by 2030.	3.2 Management and Use of Energy and Resources	● ScinoPharm is a chemical-pharmaceutical company; all the wastewater generated during the production process is treated and discharged in accordance with the laws through the on-site wastewater treatment facilities at the park. ● ScinoPharm's water withdrawal is sourced from the Nanhua Reservoir through the Taiwan Water Corporation. ScinoPharm's water withdrawal has no major impact on the water sources. ScinoPharm is committed to the recycling of air conditioning condensate and RO-concentrated wastewater, which is used in air conditioning cooling towers.



SDG	ScinoPharm's Relevant Detailed Goal	Corresponding Sections and Chapters	ScinoPharm's Strategy and Approach
 Goal 8. Promote tolerant and sustainable economic growth, achieve comprehensive and productive employment, so everyone has a good job	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	4.1 Personnel Overview 4.2 Employee Benefits and Care	● In addition to the establishment of the Employee Welfare Committee (Welfare Committee) in accordance with the Employee Welfare Fund Act to provide all employees with various welfare measures, it organizes diverse activities to promote employee relations and provides benefits and systems to reward employees. ● ScinoPharm provides equal employment opportunities to people with physical and mental disabilities to fulfill its corporate social responsibilities. As of December 31, 2020, we had nine formal employees with physical and mental disabilities, which was higher than the number required by law. ● Our corporate culture attaches importance to mutual respect and equal rights for men and women, and we have formulated a program to prevent illegal harm suffered at work, thereby actively promoting harmonious relations in the workplace.
 Goal 10. Reduce inequality in the country and between countries productive employment, so everyone has a good job	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	4.1 Personnel Overview	● Our labor contract is in compliance with relevant local laws and regulations, and we prohibit child labor and prohibit differential treatment or any forms of discrimination during the appointment, evaluation, and promotion of employees due to factors, such as gender, race, marital status, religion, party affiliation, gender orientation, job rankings, nationality, and age.



SDG	ScinoPharm's Relevant Detailed Goal	Corresponding Sections and Chapters	ScinoPharm's Strategy and Approach
 Goal 12. Ensure sustainable consumption and production patterns	12.4 Properly manage chemicals and waste in an environmental manner and significantly reduce their release into air, water, and soil in their life cycles in accordance with the agreed international framework by 2020, so as to reduce their adverse effects on human health and the environment. 12.5 Substantially reduce the generation of waste through prevention, reduction, recycling, and reuse by 2030. 12.6 Encourage companies to adopt sustainable industrial and commercial practices, particularly large and multinational companies, and incorporate sustainability information into their report cycle.	About this Report	● ScinoPharm is able to treat or clean all the waste generated within the plants, including biodegradable wastewater, waste solvents, solid waste, and air pollutants. Both hazardous or general solid waste is transported to the Resource Recycling Center at the park for incineration; there has been no case of waste transported overseas for disposal. ● All air pollutants emitted by production plants, such as particulate pollutants, acidic gases, alkaline pollutants, or organic vapors, will be removed through condensers and scrubbers. ScinoPharm is committed to improving the efficiency of air strippers. The strippers can be used to separate liquid from organic compounds in the waste solvents with high water content. The liquid can be directly discharged to a sewage treatment plant for treatment, and the organic compounds becomes waste solvents; as such, the goal of reducing the amount of waste solvents can be achieved. ● Publish the CSR Report every year.
 Goal 13. Take urgent measures to respond to climate change and its impact	13.1 Strengthen post-disaster resilience and adaptability of all countries in the face of natural disasters and climate-related risks. 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	1.7 Risk Management	● In order to ensure the maintenance and enhancement of stakeholders' rights and interest, ScinoPharm strives to effectively control all possible risks and minimize the loss or harm of any uncertainty by assessing and managing the risks of operations, finance, and laws and regulations. ● As for the risk management and control mechanism, in addition to appropriate strategies and responses established by relevant responsible units through evaluations and analyses, the Audit Office formulates its audit plans based on the risk assessment status and conduct audits thoroughly, so as to implement risk control and supervising work as planned.

ScinoPharm Overview and Major Events

ScinoPharm Taiwan Limited (hereinafter referred to as ScinoPharm) was established with the initial capital in the amount of NT\$675 million.

1997
Nov

Successfully passed the first comprehensive plant inspection conducted by US FDA

Successfully passed the second plant inspection conducted by US FDA

2005
Aug

Invested in the establishment of SciAnda (Changshu)

2009
Aug

Successfully listed on the Taiwan Stock Exchange Corporation (TWSE) with the stock code as 1789



2011
Sept

2008
Jun

Successfully passed the plant inspection conducted by the Hungarian National Institute of Pharmacy (NIP)

2008
Oct

Successfully passed the third plant inspection conducted by US FDA

2010
Oct

Successfully listed as an Emerging Stock on the Taipei Exchange with the stock code as 1789

2012
Aug

Successfully passed the fourth plant inspection conducted by US FDA



1999
Oct

Relocated to the current site in the Southern Taiwan Science Park and the laboratories and offices started operating



2002
Nov

The production building was completed and went into operation



The second phase of construction of SciAnda (Changshu) was completed and the inauguration ceremony was officially held

2013
Dec



SciAnda (Changshu) successfully passed the plant inspection conducted by the Mexican Federal Commission for Protection against Sanitary Risk (COFEPRIS)

2014
Aug

Successfully passed the fifth plant inspection conducted by US FDA

2015
Jun

Successfully passed the plant inspection conducted by the European Directorate for the Quality of Medicines & HealthCare (EDQM)

2016
Oct

Successfully passed the seventh plant inspection conducted by US FDA

2019
May



2013
Jul

Vertically integrated and branched out into the downstream services in the pharmaceutical preparation field; invested in building a new injectable plant and held a groundbreaking ceremony

Successfully passed the plant inspection conducted by the European Medicines Agency (EMA)

2014
Aug



2015
Oct

SciAnda (Changshu) successfully passed the first plant inspection conducted by the US FDA.

Successfully passed the sixth plant inspection conducted by US FDA

2017
Feb

Successfully passed the second plant inspection conducted by the Japanese Pharmaceuticals and Medical Devices Agency (PMDA)

2018
May

SciAnda (Changshu) received the on-site inspection for registration and the GMP compliance on-site inspection for the first time by the National Medical Products Administration (NMPA) of China

2020
Sept

Chapter 1

Corporate Governance

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Experienced Senior Pharmaceutical Business Management Team

A Focus on the Development of High-tech APIs

Founded in 1997, ScinoPharm Taiwan Limited (hereinafter referred to as ScinoPharm) is an active pharmaceutical ingredients (API) company in compliance with the U.S. FDA and international CGMP standards. ScinoPharm focuses on the development of high-tech APIs. Its technological capabilities include small-molecule organic synthesis and peptide compounds, and its R&D capabilities are quite complete. In recent years, in response to the market demand for injectable manufacturing, a vertical integration strategy starting from APIs has been planned to build injectable plants so as to provide one-stop services from R&D of APIs all the way to injectable production.



1.1 Company Profile

Founded in 1997, ScinoPharm Taiwan Limited (hereinafter referred to as ScinoPharm) is an active pharmaceutical ingredients (API) company that complies with the U.S. FDA and international CGMP standards. ScinoPharm's chemical synthesis plants with multiple functions can mass-produce a variety of products. The plants are equipped with an advanced process monitoring system to carry out highly automated production processes in line with CGMP standards. As one of the world's leading suppliers of APIs used for anti-cancer generic drugs, ScinoPharm supplies a variety of APIs for generic drugs and thus occupies a leading position in this regard.

In terms of product development, ScinoPharm focuses on the development of high-tech APIs. Its technological capabilities include small-molecule organic synthesis and peptide compounds, and its R&D capabilities are quite complete. In addition to relevant anti-cancer products, we have developed APIs for the central nervous system and gastrointestinal drugs. We join hands with international partners to invest in a number of development projects for a wide variety of orphan drug

products. In the aspect of the development and manufacturing of new drugs for clients, ScinoPharm provides the services for the development of the processes for APIs for international pharmaceutical companies and biotech companies as well as the production of the drugs used clinically.

In recent years, in response to the market demand for injectable manufacturing, a vertical integration strategy starting from APIs has been planned to build injectable plants so as to provide one-stop services from R&D of APIs all the way to injectable production. As for R&D of drugs, the company so far has obtained approvals for three injectables: one is an anti-blood cancer generic drug and another one is a high-tech anticoagulant—fondaparinux sodium; in addition, the company has formed a strategic alliance with Baxter, an international pharmaceutical company, to jointly develop, manufacture, and mass-produce fosaprepitant dimeglumine, an antiemetic drug for cancer chemotherapy. The former two were successfully launched in the US market through a cooperative model, and ScinoPharm will focus on emerging markets in the pharmaceutical industry, including South America, the Middle East, and ASEAN countries, to further expand the sales network of its business.



1.2 Shareholding Structure and Main Shareholders

As of April 30, 2021, the total number of shares issued by ScinoPharm was 790,739,222, and the total number of its shareholders was 33,497, of which the majority were corporate institutions; the company's shareholder structure and the top ten shareholders are detailed in the table below:

ScinoPharm Shareholder Structure

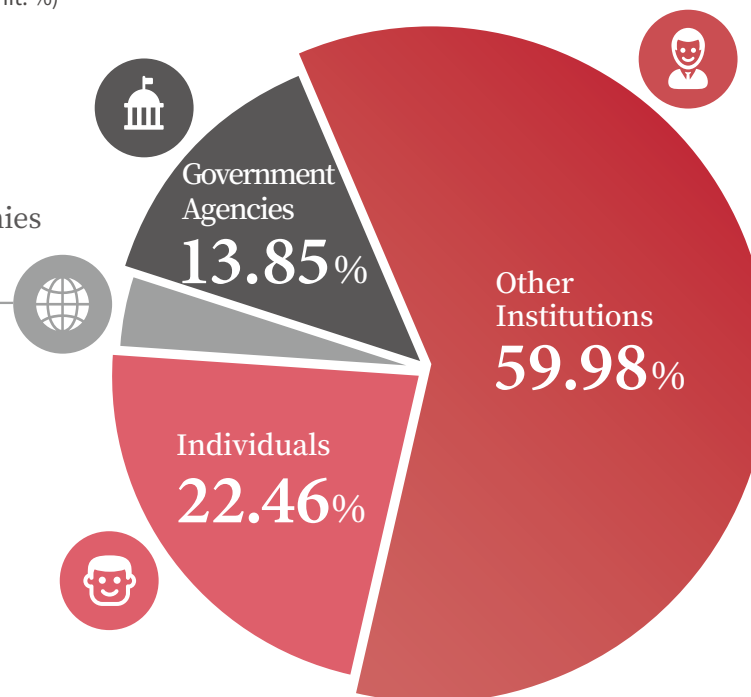
As of April 30, 2021 (Unit: %)

Financial
Institutions

0%

Foreign Companies
or Foreigners

3.71%



ScinoPharm Shareholder Structure



ScinoPharm's Top Ten Shareholders

Shares Name of Major Shareholder	Number of Shares Held	Percentage (%)
Uni-President Enterprises Corporation	299,968,639	37.94
Management Committee of National Development Fund, Executive Yuan	109,539,014	13.85
Taiwan Sugar Corporation	32,581,963	4.12
President International Development Corporation	28,673,421	3.63
Tainan Spinning Co., Ltd.	23,605,921	2.99
Prince Housing Development Corp.	23,605,921	2.99
Kao Chyuan Investment Co., Ltd.	14,832,733	1.88
Kai Yu Investment Co., Ltd.	14,763,165	1.87
Tung Yu Investment Co., Ltd.	14,299,166	1.81
Kai Nan Investment Co., Ltd.	13,950,061	1.76

April 30, 2021



Aim to Invest in Product Development Through a Strategic Alliance Consolidate the R&D Strengths of Upstream and Downstream Sections in APIs and Drug Preparations

1.3 Overview of Operations

At the beginning of the establishment of ScinoPharm, its main services were to supply APIs to global generic drug companies. However, with the maturity of our analysis and organic synthesis technology and capabilities and adoption of special synthesis technologies for different medical treatments, we can now provide a full range of customized R&D and OEM services for the synthesis, process development, and commercial mass production of simple molecules, complex natural molecules and their derivatives, peptides, and other important chemical compounds, as well as injectable-related services.

In recent years, in response to the market demand for manufacturing of injectables, ScinoPharm has launched the vertical integration strategy based on the market survey of global clients and decided to build an injectable plant, to provide one-stop services from R&D of APIs to the production of injectables. Our strategic alliance with Baxter Healthcare Ltd. (Baxter), an international pharmaceutical company, continues to carry out other curative products dedicated mainly to lung cancer, multiple myeloma, and breast cancer. After our injectable plant operates officially in the future, we can

provide customized R&D and OEM services for injectables in addition to the production of injectable products. In addition to achieving the company's active transformation into an all-round pharmaceutical company, the full range of generic drug injectables will further facilitate the company's future operations.



Financial Performance

The annual individual revenue for the entire year of 2020 was NT\$3.046 billion; the net income after tax is NT\$282 million, and the after-tax earnings per share is NT\$0.36. For detailed financial information, please refer to ScinoPharm's Annual Report and website.

Unit: NT\$ thousand

	2018	2019	2020
Total assets	11,174,822	11,421,338	11,776,921
Total liabilities	635,790	1,161,394	1,247,518
Shareholders' equity	10,539,032	10,259,944	10,529,403
Paid-in capital	7,907,392	7,907,392	7,907,392
Operating revenue	3,470,109	2,813,047	3,046,220
Gross profit	1,661,639	1,135,660	1,287,748
Operating Profit	765,170	322,297	450,854
Net income before tax	467,651	246,514	352,882
Net income after tax (NIAT)	442,978	216,656	282,067
Earnings per share (NT\$)	0.56	0.27	0.36

Note: The information above is individual financial information and was prepared in accordance with the International Financial Reporting Standards (IFRS).



Direct compensation provided to ScinoPharm's stakeholders is shown in the table below :

Unit: NT\$ thousand

	2018	2019	2020
Uni-President Enterprises Corporation	1,808,470	1,677,387	1,758,472
Employee benefit expenses	675,260	656,386	702,861
Financial contributions to the government (Note 2)	125,497	138,971	5,776
Cash dividends	387,462	213,500	395,370
	0.49 (NTD/share)	0.27 (NTD/share)	0.50 (NTD/share)(Note 3)
Stock dividends	0	0	0
	0 (NTD/share)	0 (NTD/share)	0 (NTD/share)

Note 1: All the information above is based on the annual individual financial statements and were prepared in accordance with IFRS.

Note 2: Total of business income tax, stamp duty, and house tax

Note 3: With the 2020 net income after tax plus the various earnings adjustments, the distributable earnings were approximately NT\$0.55 per share. According to the company's Articles of Association that "Shareholders' dividends shall be 50% to 100% of the company's cumulative distributable earnings", the cash dividend per share to be distributed is NT\$0.50, which is in line with the prior year's dividend distribution policy



The company implements tax governance, and all our production and operation sites operate in compliance with local tax regulations. Our accounting units develop tax planning in compliance with tax regulations, tax incentives, and tax treaties, and disclose relevant tax information in our financial reports. The company's income tax information is as follows:

Unit: NT\$ thousand	2018	2019	2020
Taiwan	24,673	29,858	70,815
Others	22,890	18,540	5,623
Total income tax	47,563	48,398	76,438
Proportion of income tax to operating revenue (%)	1.35%	1.67%	2.48%

In terms of tax credits and government subsidies, the details are listed in the following table :

Unit: NT\$ thousand

	Laws and Regulations	Item	2018	2019	2020
Tax credits (Note 1)	Article 10 of the Statute for Industrial Innovation	Research and development expenses	1,680	4,888	5,041
Government Subsidies (Note 2)	Parental allowances, childcare subsidies, importer and exporter subsidies for participation in exhibitions, subsidies for the 2019 pharmaceutical industry transformation and upgrading program, etc.		249	9,282	160

Note 1: Tax credits for 2019 and 2020 have not been approved by the National Taxation Bureau yet.

Note 2: Subsidies received throughout the year.



1.4 Scope of Business

Scope of business

At the beginning of the establishment of ScinoPharm, its main services and business were to supply APIs to global generic drug companies. However, with the maturity of its analysis and organic synthesis technology and capabilities and adoption of special synthesis technologies for different medical treatments, ScinoPharm can now provide a full range of customized R&D and OEM services for the synthesis, process development, and commercial mass production of simple molecules, complex natural molecules and their derivatives, peptides, as well as other important chemical compounds. In addition, it has included injectable-related services in the business scope to further expand its business. A brief description of its services are as follows:



1. The APIs that have been developed by ScinoPharm are distinguished by functions

- (1) A total of 38 products for anti-cancer drugs.
- (2) A total of 12 products for the central nervous system.
- (3) A total of 6 products for cardiovascular drugs.
- (4) A total of 6 products for anti-infection drugs.
- (5) A total of 3 products for ophthalmology.
- (6) A total of 2 products for the urinary system.
- (7) A total of 2 products for metabolic disorders.
- (8) A total of 2 products for metabolic disorders.
- (9) A total of 2 products for respiratory disorders.
- (10) A total of 1 products for the immune system.

2. Customized R&D and OEM API products.

- (1) A total of 7 API products approved to be launched (5 of which are new new APIs).
- (2) A total of 8 API products for the three phases of clinical trials.

3. Development and manufacturing of injectables

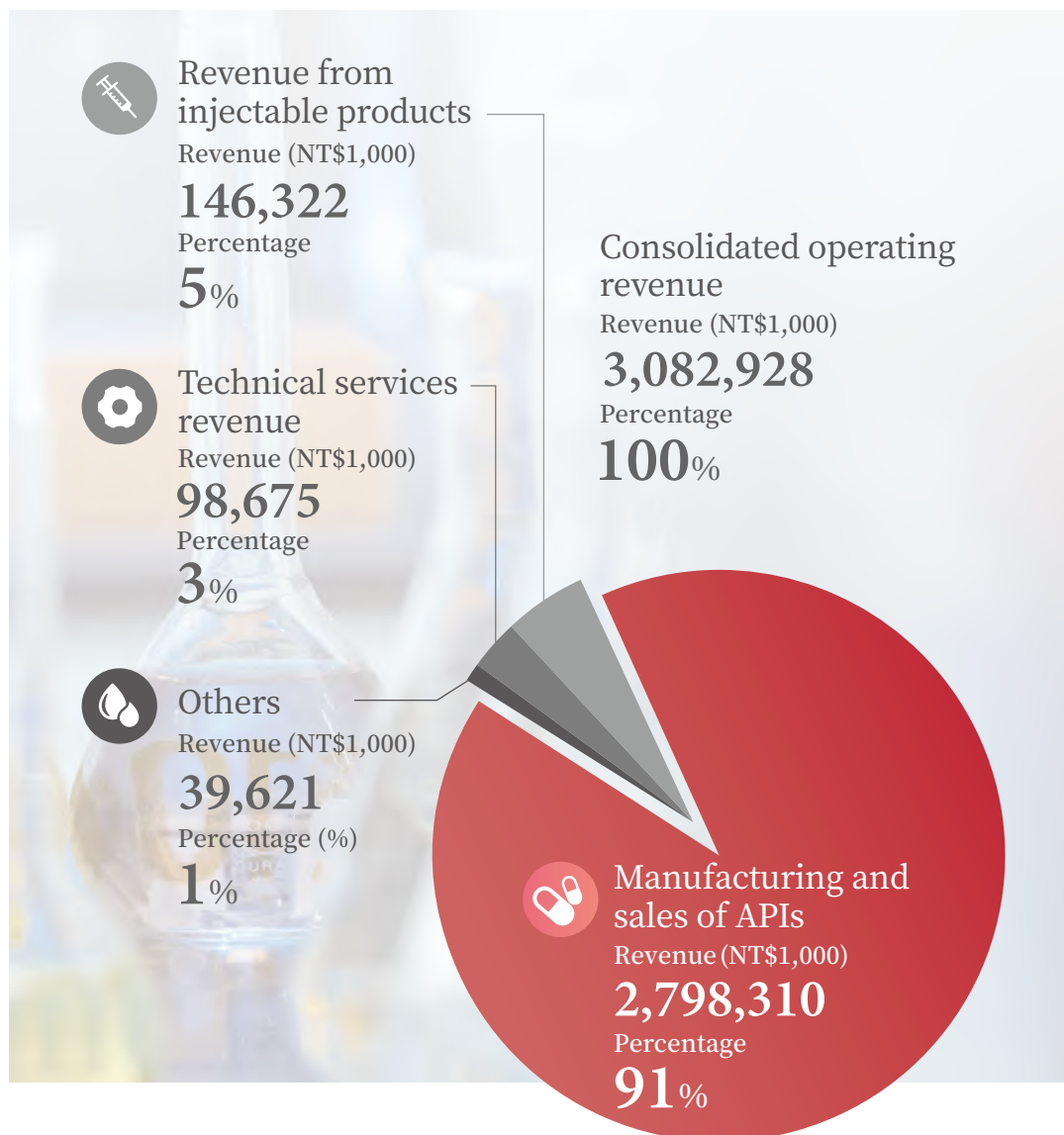
- (1) The company is building an injectable plant at the current site of our plant in Tainan to provide one-stop services from R&D of APIs all the way to production of injectables.
- (2) At present, the company has obtained approvals for three injectables: one is an anti-blood cancer generic drug and another one is a high-tech anticoagulant—fondaparinux sodium; in addition, we have formed a strategic alliance with Baxter to jointly develop, manufacture,

and mass-produce fosaprepitant dimeglumine, an antiemetic drug for cancer chemotherapy.

- (3) We have successfully promoted the launch of injectable products in the US market through the strategic alliance collaboration model, and the company will focus on the emerging markets of the pharmaceutical industry. In the future, after our injectable plant operates officially, we can provide customized R&D and OEM services for injectables in addition to the production of injectable products.



Percentage of major products in sales in 2020



New products to be developed

Planned product development	Purpose of use
SPT1461	Targeted cancer drug
SPT1462	Targeted cancer drug
SPT1466	Cancer drug
SPT1468	Targeted cancer drug
SPT1469	Cancer drug



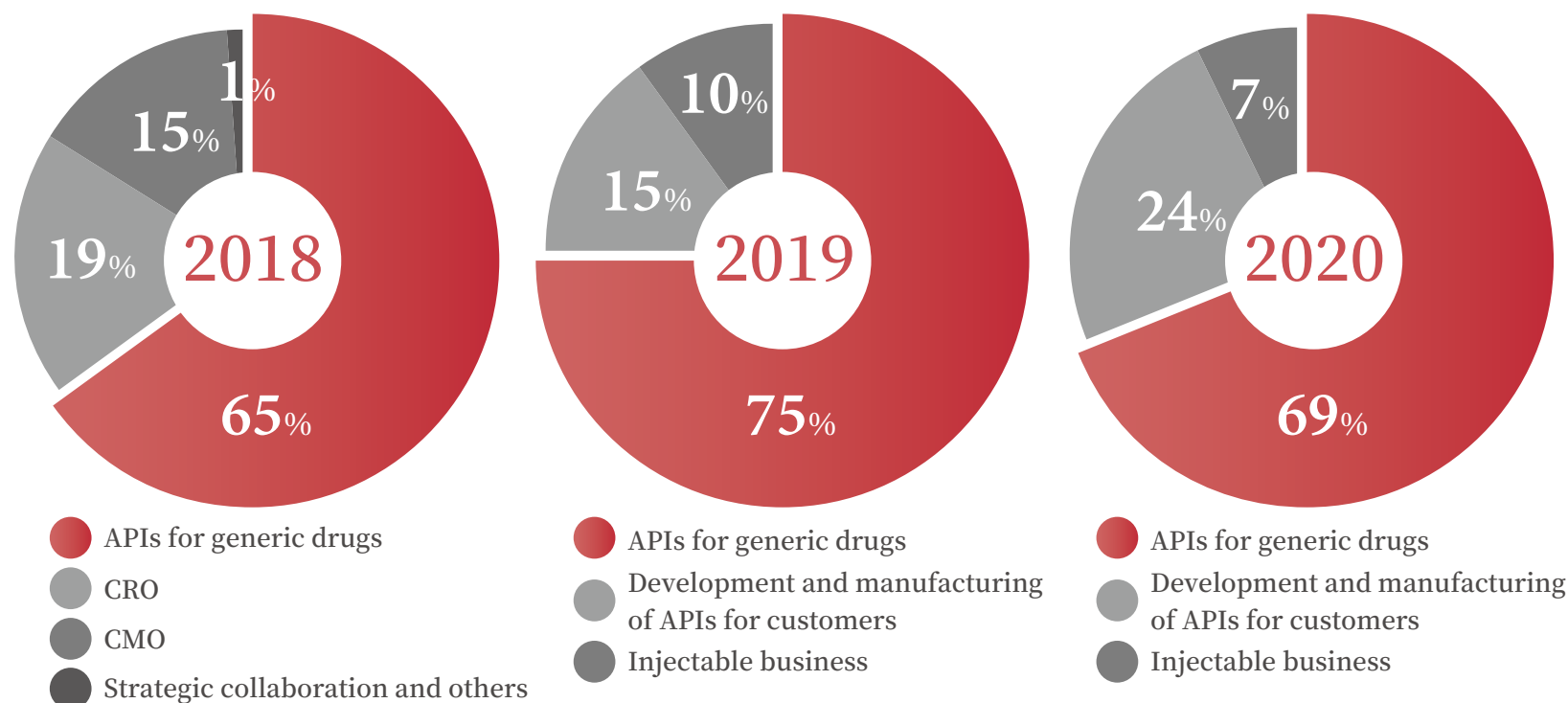


Overview of the distribution of revenues from major business activities over the past three years

A. Percentage of revenue by business type

Although the world was impacted by COVID-19 in 2020, the customers' demand for APIs did not decrease. As we have coped with the pandemic well in terms of production and preparation, production scheduling, sales, and transportation planning, our production and sales have not been affected significantly by the anti-pandemic and border control measures adopted by various countries, and our operations have remained as usual. The company's main source of the

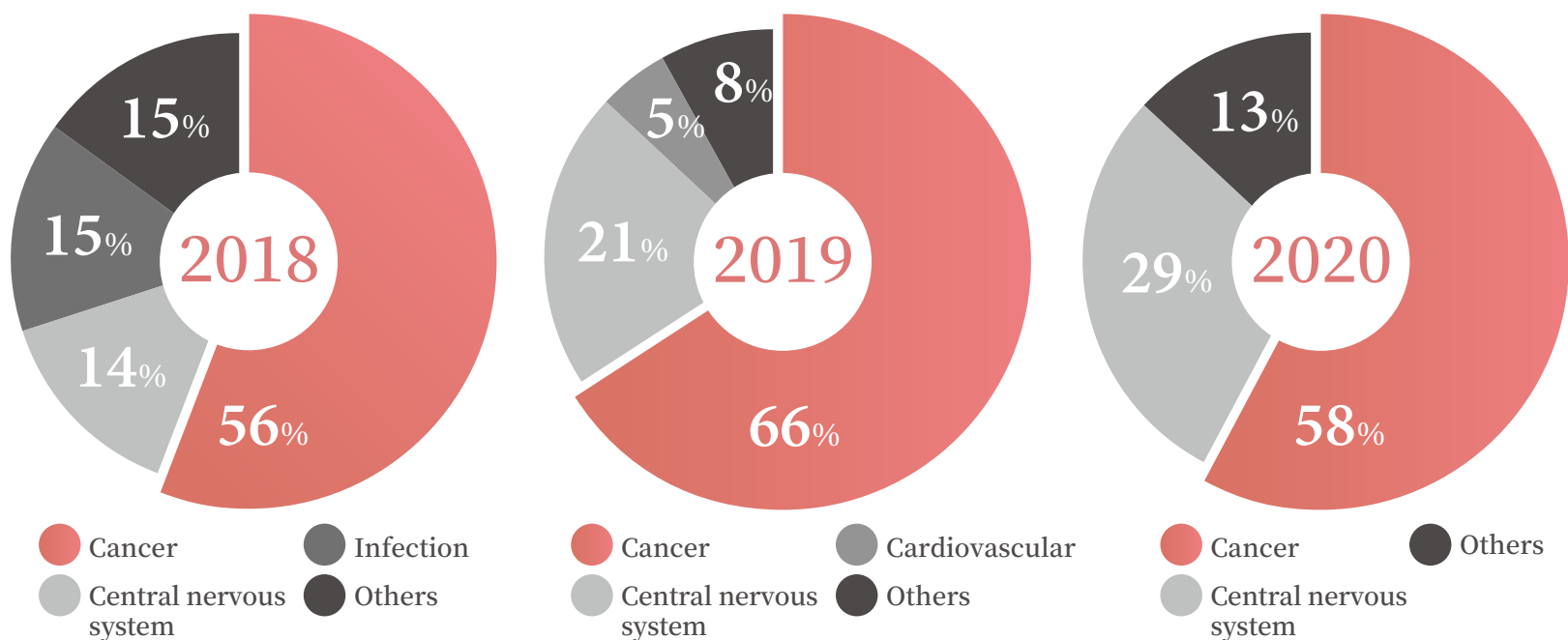
consolidated revenue in 2020 was still from the development, production, and sales of APIs for generic drugs, accounting for approximately 69% of the overall revenue, while the shipments of antidepressant products increased in response to our customers' cyclical restocking. The proportion of the development and manufacturing of APIs for customers to the overall revenue rose to 24%, and the proportion of the injectable business to the overall revenue fell to 7%.





B. Percentage of revenue by product indications

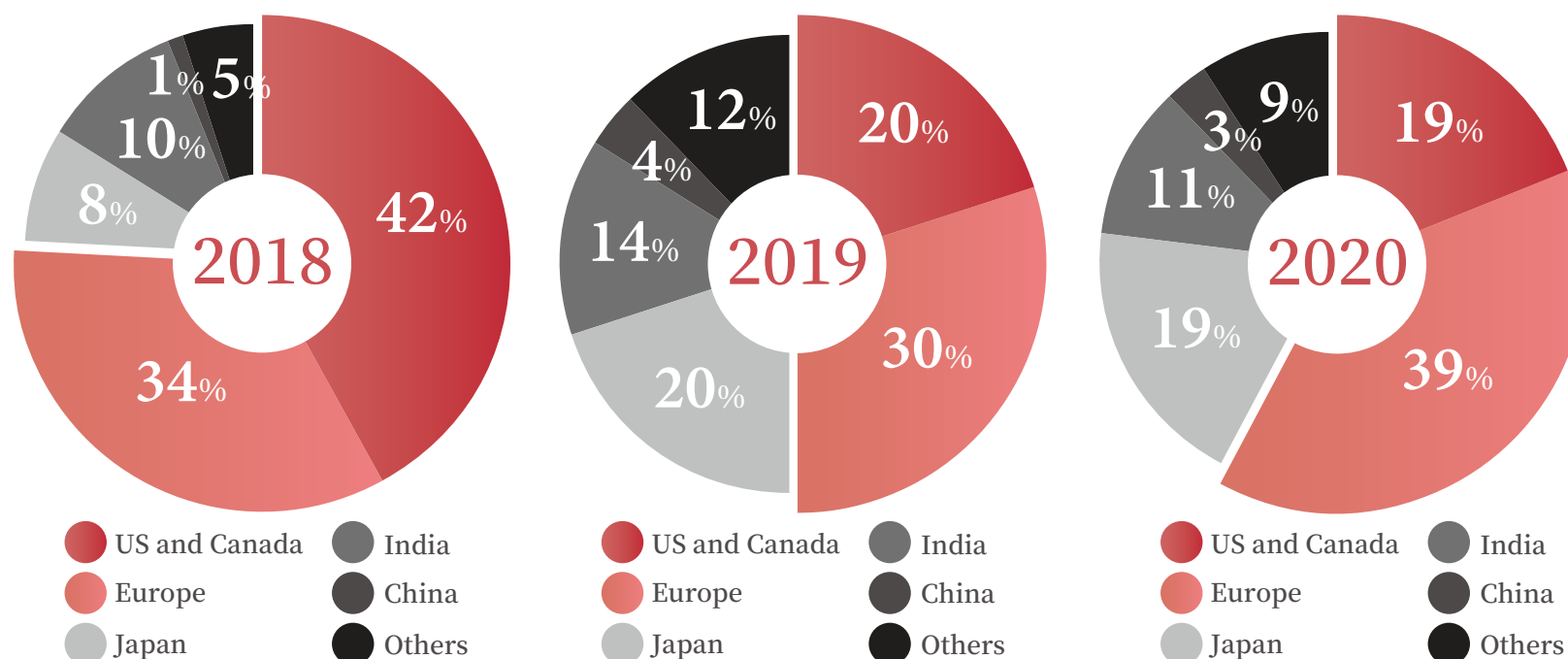
In terms of product indications, in 2020, the anti-cancer-related drugs accounted for around 58% of the total revenue, the highest percentage in 2020, followed by central nervous system drugs, which accounted for about 29%, and others, including cardiovascular and anti-viral drugs, accounting for around 13%.





C. Percentage of revenue contributed by sales area

In 2020, the U.S., Canada, and Europe were still our main markets, which accounted for around 58% of the revenue. Our years of efforts in developing the Japanese market have begun to pay off, with the proportion to the overall revenue standing at 19%. In addition, India, which served as a sales channel toward the European and US markets, also accounted for approximately 11% of the total revenue.





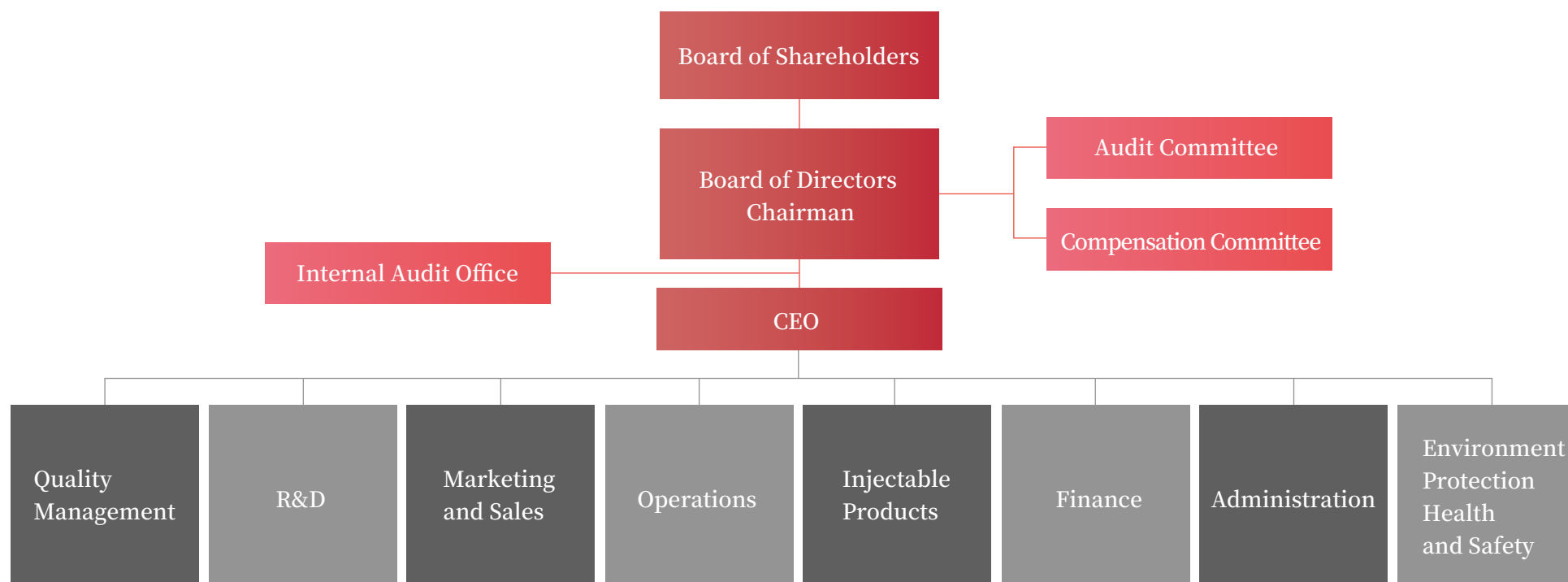
1.5 Corporate Governance

ScinoPharm adheres to the concept of ethical management, actively promotes transparency of operations, and aims to safeguard its stakeholders' rights and interests. To establish a corporate culture centered on ethical management, ScinoPharm has established "Ethical Corporate Management Best Practice Principles;" employees are required to comply with the Principles and the relevant provisions of the "Procedures for Ethical Management and Guidelines for Conduct" in the work rules. In addition, relevant internal operational regulations and an internal control system have been established; regular audits of each operation are conducted, and the results are reported to the Board of Directors as the basis for the implementation of ethical management, thus revealing the policy and practices of ethical management as well as active actions taken by the Board of Directors and the management to fulfill the commitment to the ethical management policy. In addition, the company publicly discloses the "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," and its relevant regulations on the Market Observatory Post System (MOPS) and the company's website.



The Board of Directors is the overall decision-making body of ScinoPharm, under which are the Compensation Committee and the Audit Committee. The chairman is the chairperson of the Board of Directors and the shareholders' meeting; the CEO is responsible for implementing the resolutions of the Board of Directors,

comprehensively managing the company's operations, and supervising relevant business units managed by senior supervisors the senior management. The organizational structure of the company is as shown in the figure below; for more details on our management team, please refer to our annual reports or our website.





Board of Directors

The Board of Directors is composed of 15 directors (including three independent directors) for a three-year term. Directors are elected through a candidate nomination system at the shareholders' meeting from the list of candidates. The directors of the Board of Directors at the shareholders' meeting this time were elected on June 27, 2018; the current Board of Directors is composed of 12 male directors and three female directors; the number of female directors accounts for 20% of the total, and the average age of all directors is about 61. The members of Board of Directors are detailed in the table below; the members' education and experience as well as background information have been disclosed in the Annual Report; the important resolutions

of the Board of Directors are disclosed in annual reports and the company's website.

The Board of Directors' Meeting shall be convened at least once a quarter to exercises its functional authority as well as provide opinions and counseling in the areas of operational guidelines, financial planning, and professional technological development in accordance with the laws and regulations, Articles of Association, as well as the resolutions of the shareholders' meeting. A total of six board meetings were held in 2020, and the average attendance rate was 97.78%. Please refer to the Annual Report for the attendance of each director.

In 2020, there was no case of incompliance with the recusal from the discussion and

voting of a proposal with a director's interest involved as required, and there has been no resolution adopted by the Board of Directors damaging ScinoPharm's rights and interests due to conflicts of interest since it was established. ScinoPharm encourages the directors to continue to enhance the knowledge related to corporate governance. In 2020, all the directors attended relevant training course in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". For the details on the training courses and hours of courses attended by the directors and managers, please refer to ScinoPharm's 2020 Annual Report.

Title	Name	Title	Name	Title	Name	Title	Name
Chairman of the Board	Uni-President Enterprises Corporation Representative: Chih-Hsien Lo	Director	Uni-President Enterprises Corporation Representative: Jia-Horng Guo	Director	Management Committee of National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	Independent Director	Wei-Te Ho
Director	Uni-President Enterprises Corporation Representative: Tsung-Ming Su	Director	Uni-President Enterprises Corporation Representative: Fu-Jung Lai	Director	Management Committee of National Development Fund, Executive Yuan Representative: Ya-Po Yang	Independent Director	Wen-Chang Chang
Director	Uni-President Enterprises Corporation Representative: Kun-Shun Tsai	Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Houi	Director	President International Development Corporation Representative: Chiou-Ru Shih	Independent Director	Li-Tzong Chen
Director	Uni-President Enterprises Corporation Representative: Tsung-Pin Wu	Director	Kao Chyuan Investment Co., Ltd. Representative: Shioh-Ling Kao	Director	Taiwan Sugar Corporation Representative: Kuo-Hsi Wang		



Audit Committee

The Board of Directors has established the "Rules Governing the Scope of Powers of Independent Directors" on April 27, 2011 as the basis for independent directors to exercise their authority, and on April 26, 2012, the Board of Directors established the "Audit Committee Charter" for the Audit Committee that was later established to follow. On June 13, 2012, a resolution was adopted by the Shareholders' Meeting to replace the supervisor system with the Audit Committee.

The Audit Committee is composed of all the independent directors; in line with the re-election of directors by the Shareholders' Meeting in 2018, the incumbent members of the Audit Committee are Wei-Te Ho, Wen-Chang Chang, and Li-Tzong Chen, the average age of the three independent directors is around 62, and they all possess qualifications related to the position of lecturer in public and private colleges and universities in the fields of business, laws, finance, or accounting or fields relating corporate business.

The Audit Committee shall meet at least once every quarter and is responsible for the fair presentation of financial statements, appointing or dismissing accountants and auditing their independence status or performance,

implementing the company's internal control, overseeing the compliance with relevant laws and regulations and managing existing or potential corporate risks.

In 2020, the Audit Committee met five times and the average attendance rate of the independent directors was 100%.

Compensation Committee

ScinoPharm's "Compensation Committee Charter" was established by the Board of Directors on April 27, 2011, and a resolution was approved to establish the Compensation Committee, which would be composed of all three incumbent independent directors. In line with the re-election of directors by the Shareholders' Meeting in 2018, the incumbent members of the Compensation Committee are Wei-Te Ho, Wen-Chang Chang, and Li-Tzong Chen, the average age of the three independent directors is around 62.

The Compensation Committee exercise its functional authority in compliance with the following principles:

(1) The performance evaluation and remuneration of directors and managers shall be given with reference to the prevailing standards of the same industry and in consideration of the reasonableness of the correlation between the company's business performance and future risks.

(2) There shall be no incentive for directors or managerial officers to pursue remuneration by engaging in activities that exceed the tolerable risk level of the company.

(3) For directors and senior managers, the percentage of bonuses to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the company's business.

In 2020, the Compensation Committee met four times and the average attendance rate of the independent directors was 100%.



Audit Office

ScinoPharm has established an internal audit unit under the Board of Directors to handle internal audit matters, and positions for an internal audit supervisor and auditors have been set up based on the company's scale, business conditions, management needs, and related laws and regulations. The internal audit unit shall uphold the spirit of independence and perform its duties in a fair and objective manner as required; in addition to reporting the auditing business to the Audit Committee on a regular basis, the internal supervisor shall attend and report to the Board of Directors in a non-voting capacity.

The internal audit unit prepares an annual audit plan based on the results of the risk assessment, determines the monthly/quarterly items to be audited, so as to check the effectiveness of the company's internal control system, while preparing audit reports

with working paper and relevant materials included. Establishing, implementing, and maintaining the internal control system is the responsibility of the company's Board of Directors and managers, with the aim of ensuring operational efficiency and positive outcome (including profit, performance, and asset security), compliance with relevant laws and regulations in terms of corporate operations, as well as reliable, timely, transparent financial reporting. Our internal audit unit has established a complete system as per the aim, and duly operates and executes the system in accordance with the regulations of the internal control and internal audit system.





1.6 Ethical Management

Code of Conduct and Regulations

The company has established the "Corporate Governance Best Practice Principles," "Rules Governing Shareholders' Meetings," "Rules Governing the Meeting of the Board of Directors," "Audit Committee Charter," "Compensation Committee Charter," and "Rules Governing the Scope of Powers of Independent Directors," as well as internal control and audit policies. To help the company's senior managers and all employees understand the laws and regulations they shall comply with at work, the moral obligations they shall fulfill, and the company's expectations of how employees

shall interact with business partners and suppliers, ScinoPharm has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethics Conduct," and "ScinoPharm Code of Conduct" to provide guidance to all senior managers and employees to comply with and enhance their morality, so as to ensure the company's sustainable management and development. In addition, to increase the employees' correct understanding of corporate governance and to prevent potential insider

trading, ScinoPharm established the "Procedures for Handling Material Internal Information" and has assigned directors and managers to participate in corporate governance training programs offered by external institutions. When the above-mentioned laws and regulations are promulgated and amended afterwards, the company will update and publish them on the official website.



Appropriate Communication Channels and Mechanisms

Appropriate communication channels and mechanisms have been established between ScinoPharm's internal employees and external shareholders and investors. The company has motivated its employees and the management team to maintain smooth communication channels; in addition to direct dialogues with employees through labor-management meetings and quarterly meetings, an employee communication mailbox and relevant protection measures have been in place. For relevant details, please refer to the company's website at www.scinopharm.com.tw → Investor Relations → Corporate Governance → "ScinoPharm Code of Conduct" and "Code of Ethics and Conduct" in our Regulations for Moral Conduct.

Since going public, ScinoPharm has commissioned a transfer agent to handle relevant stock affairs and has also appointed a spokesperson, set up a public affairs department, engaged personnel dedicated to stock affairs, as well as set up a point of contact for investors to handle matters concerning shareholders.

In addition to communication with its shareholders through the annual general meetings as required, it holds the investor conference periodically, and the company is invited to participate in investment forums organized by external investment institutions from time to time to continue to explain and update the company's operating status to the investing public. Relevant annual reports, financial reports, and investor conference presentation materials are uploaded to MOPS as required, which can also be found in the section of Investor Relations on the company's website.

The company's self-organized or participation in the investor conferences in 2020

Date	Investor Conference
Jan 2020	Invited to participate in the Biotechnology Investment Forum held by J.P. Morgan Securities (Taiwan)
Mar 2020	The company organized an online investor conference for 2019
Aug 2020	The company organized an online investor conference for the first half of 2020
Sept 2020	Invited to participate in the forum "The Glory of Listed Stocks and the 18th Term of the Yizai Association" held by the Taiwan Stock Exchange
Dec 2020	Invited to participate in the investor conference "Taiwanese Stock Enterprise Day in December 2020" held by MasterLink Securities Corp.



ScinoPharm has set up the "Stakeholders" section on the company's website and established a "reporting system for violation of ethical behavior" to provide appropriate communication and reporting channels for stakeholders. Relevant reports received are properly handled by designated personnel, and the reports serve as a reference for improving corporate governance.

Principles for Participation in Public Affairs

ScinoPharm has always maintained a neutral stance on public policy and has never taken part in any lobbying activities or provided political contributions. Charitable contributions shall be made to charitable organizations and shall not be used as bribery in disguise; all sorts of sponsorships shall not be provided to business partners or persons having conflicting interests with the company's personnel. Relevant regulations are set forth in the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct."





1.7 Risk Management

In order to ensure the maintenance and enhancement of stakeholders' value, ScinoPharm strives to effectively control all possible risks and minimize the loss or harm of any uncertainty by assessing and managing various aspects of operations, strategy, market, finance, regulations, quality control, and environmental safety. As for the risk management mechanisms, relevant responsible departments conduct assessments and analyses and then formulate appropriate strategies to respond; significant proposals concerning critical operational policies, investment projects, bank financing, acquisition or disposal of assets, endorsements and guarantees, and loans to others shall only be implemented after approved by the Board of Directors. The audit office shall formulate its audit plans and self-assessment procedures and methods depending on the situation of risk assessments, and conduct audits and self-assessment operations, to duly manage, control, and monitor risks, and to submit the results to the Board of Directors on a regular basis.

The following is a description of the current potential risks that are identifiable, the relevant risk management departments, and the implementation of risk management:

Type of Risk	Department	Assessment and Implementation
Strategic and operational risks	Planning, business development, and relevant units	Conduct assessments of strategic and operational risks based on changes in laws, policies, and market trends and track performance afterwards; make revisions in accordance with market changes when necessary to ensure that they are aligned with the company's development direction and achieve the operational goals
Market risk	Business development and relevant units	Formulate and implement various strategies by the business and functional units in accordance with their responsibilities while analyzing and evaluating various response measures based on changes in laws, policies, and markets. Put forth market risk crises that may occur at regular management meetings for management, control, and response when necessary.
Legal risk	Legal unit	Analyze and evaluate the lawsuits faced by the company and the customers based on changes in laws, policies, and markets, and take appropriate countermeasures.
Product quality risk	Quality management unit	Ensure that the production processes, product quality, and external audits are all in compliance with the relevant laws and regulations through education and training and internal CGMP audits



Type of Risk	Department	Assessment and Implementation
Financial, liquidity, credit risks	Financial and accounting units	1. Analyze and evaluate changes in the financial market in real time based on the risk management principles, and take appropriate countermeasures to maintain the company's financial stability. 2. Integrate and plan for the group's funding requirements, consider the impact of changes in interest and exchange rates and laws and regulations comprehensively, improve the efficiency of the group's capital utilization through appropriate financing channels, to respond to potential interest rate risks. 3. Adopt appropriate hedging tools, a natural hedge to match revenue and expenditure, and do not engage in risky acts, such as arbitrage or investment, for the exchange rate risk arising from accounts receivable and accounts payable. 4. Please refer to "Others" in the notes to each annual financial report for the description of risk management and other information on the management policy related to the financial, liquidity, and credit risks, risk assessment, response strategies, and quantified exposure.
Procurement risk	Procurement, sales, and production units	1. Track price trends of key raw materials and market supply and demand conditions, plan in advance and adjust a safe inventory of raw materials in a timely manner, and reflect the price trends on the sales prices appropriately. 2. Actively explore multiple supply channels for key raw materials, and maintain positive business relationships to avoid shortages of materials.



Type of Risk	Department	Assessment and Implementation
Safety, health, and environmental risks, as well as climate change risks	Functional teams under the Sustainable Management Committee	1. Integrate and implement the company's environmental protection, safety and health, energy conservation, water conservation, greenhouse gas management, and other relevant tasks, put forth a sustainable management plan every year, and review the implementation effectiveness as the basis for internal implementation and review. 2. Cooperate with the government's regulations and advocacy, install various exhaust gas and wastewater discharge and environmental protection maintenance facilities properly, and study and implement various energy saving and waste reduction measures actively. 3. Collect relevant domestic and overseas information and feedback from various departments from time to time, continue to observe and identify potential risks and corresponding opportunities and benefits from climate change issues to ScinoPharm, such as increased raw material prices due to extreme weather events, planning and establishment of diverse supply channels beforehand, increased greenhouse gas emission costs, construction of carbon reduction facilities to improve emissions, production impacted by unstable water and power supply, improvement to resource utilization efficiency, as well as increased short-term electricity costs and potential future benefits due to energy transition, while formulating corresponding risk management measures and countermeasures to enhance our ability to manage and adapt to relevant issues, such as climate change and use of energy resources.





1.8 Communication and Negotiations with Stakeholders

In accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, we have adopted the GRI Standards for ScinoPharm's 2020 CSR report as the reference for main topics and referred to the five main principles of AA1000 Stakeholder Engagement Standard (SES): dependence, responsibility, influence, multiple viewpoints, and tensions for stakeholder identification meetings. Based on the evaluation of the correlation between stakeholders and ScinoPharm and their levels of impact on the company, we have identified our major stakeholders, including shareholders/investors, employees, clients, governmental institutions, community residents, trade associations, suppliers/contractors, and the media; we will continue to establish sound communication and response channels for all stakeholders and the sustainability topics they are concerned about, and to listen to their opinions and respond appropriately and proactively.

ScinoPharm has set up a task-oriented CSR preparation task force, with the CEO as the convener, established the Sustainable Development Committee, chaired by the Deputy General Manager of the Production and Manufacturing Center, and set up teams on waste reduction, energy conservation, safety, health, distribution, and health to be in charge of relevant projects on implementation of sustainable development measures.

Communication Channels and Issues of Concern for Stakeholders

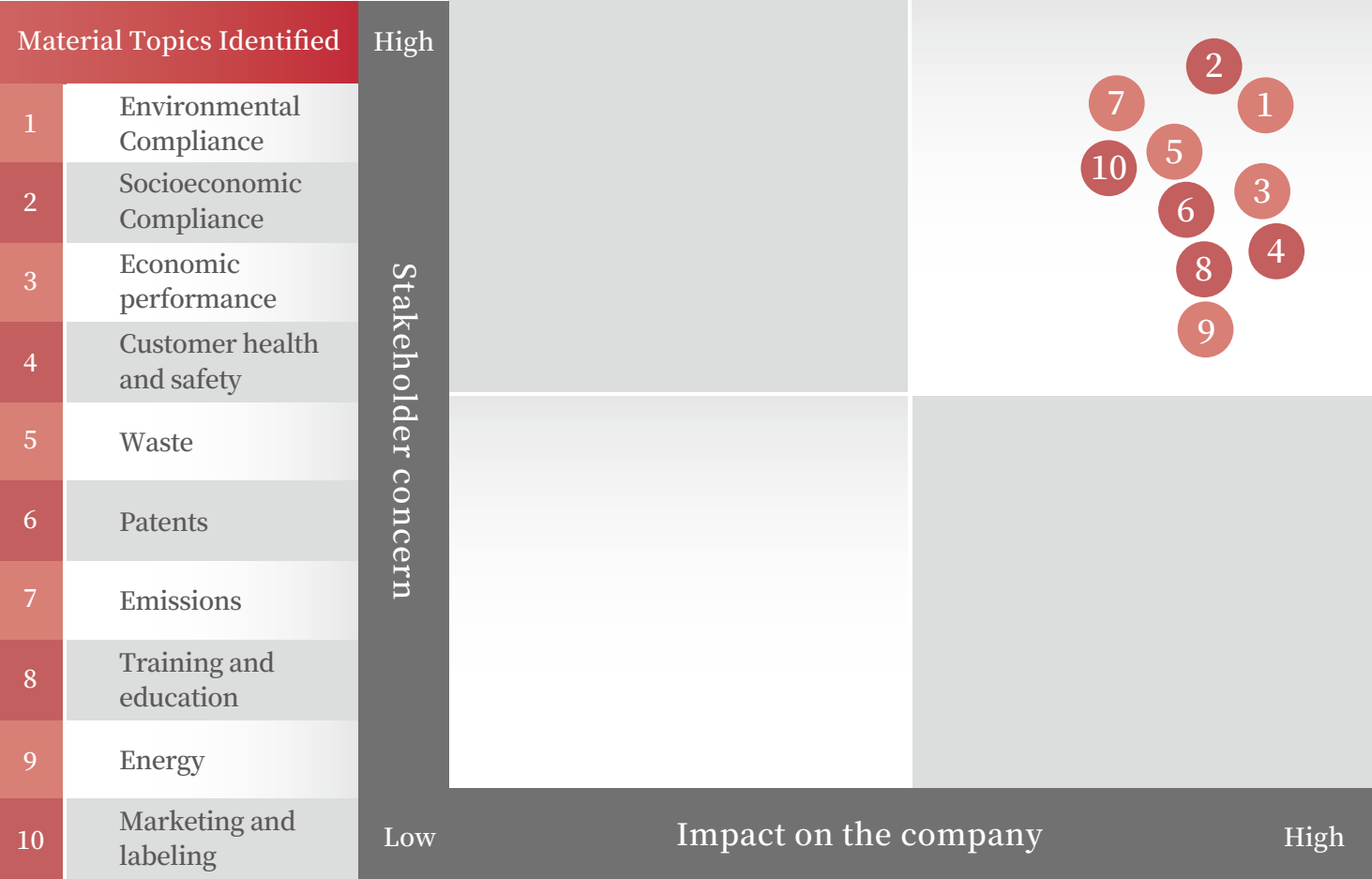
In order to achieve effective communication with stakeholders, establishing sound communication channels and response mechanisms for stakeholders is the most important task for us to achieve corporate sustainable development. Through diverse channels, we listen to opinions from all sides, enabling us to truly understand stakeholders' needs and views in the communication process and

early identify the potential risks and blind spots in management that the company may encounter, as an important reference for adjusting operational strategies and promoting sustainable development, while implementing stakeholders' opinions gradually and responding to their needs through the internal process of promoting corporate sustainability.

The definitions of material topics in this report have been reviewed and inspected through internal discussions by departments that correspond to different types of stakeholders before re-marking the boundaries of this report. To enable the information disclosed in the sustainability report to meet stakeholders' needs, four major steps have been taken: "identification of topics," "prioritization," "confirmation of content," and "review and audits" to determine the material topics.



Materiality Matrix





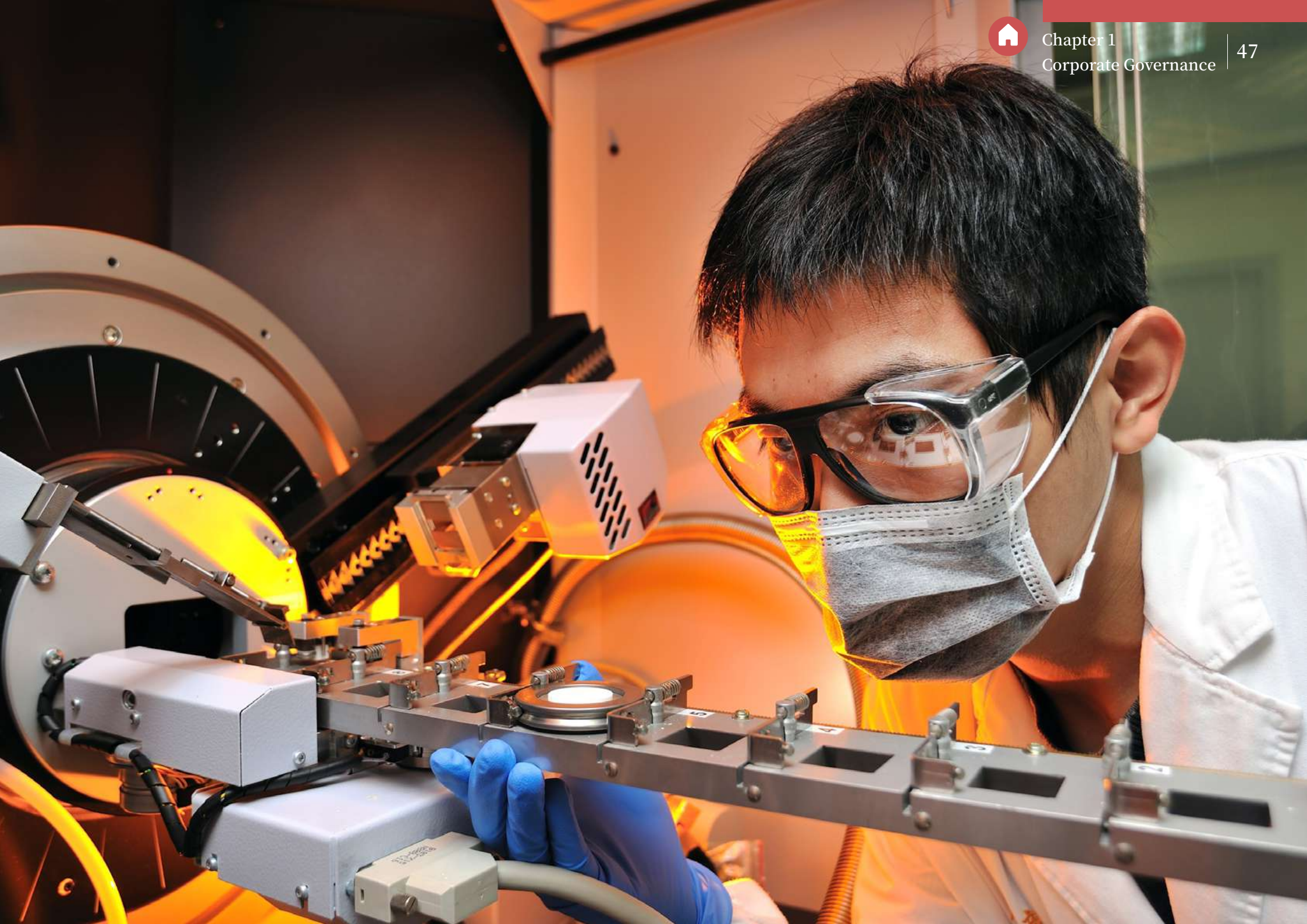
The stakeholders identified and the issues of concern are described in the table below:

Stakeholder	ScinoPharm's Main Responsibility	Issues of Concern	Communication channels and frequency
Shareholders Investors	Information transparency	● Patents ● Economic performance ● Socioeconomic Compliance	● Annual shareholders' meetings ● Important information announced in accordance with the regulations of the competent authority ● Periodic disclosure of financial reports and annual reports ● Investor conferences ● Information disclosed on the company website
Employees	Healthy workplace, equal treatment, and respect for human rights	● Training and education ● Socioeconomic Compliance	● Periodic labor-management communication meetings ● Quarterly employee meetings ● Internal website and publications ● Department-based safety meetings and CGMP education and training ● Internal recruitment/employee rotation
Clients	Safe and high-quality products	● Patents ● Customer health and safety ● Socioeconomic Compliance	● Phone calls and e-mails ● Client visits or on-site audits at short notice ● Annual CPhI Worldwide Exhibition Trade Shows ● Information disclosed on the company website
Government organizations	Legal compliance	● Environmental Compliance	● Periodic review of regulations ● Assist in the formulation of relevant regulations ● Promotion of regulations ● Response to social welfare events



The stakeholders identified and the issues of concern are described in the table below:

Stakeholder	ScinoPharm's Main Responsibility	Issues of Concern	Communication channels and frequency
Community residents	Social participation and maintenance of surrounding environments	● Socioeconomic Compliance ● Environmental Compliance ● Waste ● Emissions	● Participation in annual social welfare events every year ● ScinoPharm annual art and cultural events ● Publication of the annual CSR report
Suppliers Contractors	Fair procurement	● Waste ● Environmental Compliance ● Socioeconomic Compliance	● Visits to and on-site audits of suppliers' plants at short notice ● Periodic safety meetings with contractors ● Phone calls and e-mails
News media	Information transparency	● Socioeconomic Compliance ● Environmental Compliance ● Patents	● News releases ● Press conferences when necessary ● Visits to the plants and gathering ● Annual investor conferences
Trade associations	Community maintenance and social participation	● Waste ● Emissions	● Events for exchange of ideas ● Periodic publications ● Relevant meetings with other companies in the same industry regularly





Chapter 2

Product Responsibility

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A Focus on Product Safety and Customer Satisfaction Strict Compliance with Product Regulations and Management of Suppliers

All ScinoPharm's plants comply with the most rigorous international CGMP standards; all equipment and manufacturing processes are in compliance with U.S. FDA regulations. We have thoroughly applied the CGMP standards and conducted the CGMP operations to ensure the integrity, authenticity, correctness, traceability, clarity, and timely availability of relevant data, to faithfully demonstrate the actual operations in the plants, which has won customers' trust and obtained their satisfaction for many years. In order to evaluate or screen suppliers, distributors, clients, or other direct recipients of our products that can meet the company's product management requirements, to ensure that suppliers can supply and handle goods safely. ScinoPharm has established the Supplier Audit Procedures and the operating procedures for the "Management of Consultants and Contractors" to regulate relevant matters.



2.1 Product Laws and Regulations

More than 95% of ScinoPharm's products are mainly sold in foreign countries. Drug safety and efficacy are directly related to users' life and safety, which has received a great deal of attention from each government. As an important API supplier internationally, compliance with the regulations of the pharmaceutical competent authority in each country is a necessary condition. Any violation of drug laws and regulations in any country will put ScinoPharm at great operational risk. ScinoPharm's APIs have been exported to Europe, the US, and other regulated markets for many years. It has extensive experience in the compilation of product information documents, drug inspection and registration (DMF registration for API drugs), communication with regulatory agencies, and responses to product-related questions, while being able to offer drug registration services for customers worldwide. In 2020, ScinoPharm did not violate any regulations of the pharmaceutical competent authority in export countries.

In terms of the files for drug inspection and registration required in Europe, the US, and other highly regulated markets, ScinoPharm has filed 63 drug master files (DMFs) to the US Food and Drug Administration (FDA) as of the end of December 2020, while filing 28 European DMFs (EDMF) in nearly 30 countries in Europe, 20 of which were granted Certificates of Suitability (CEP or COS) and are available throughout the European Union (EU). We have completed the registration of a total of 864 DMFs globally. With the increase in the number of the company's product development projects and customers' demand for the launch of drugs, the number of DMFs will increase year by year in the future.



A total of **864** drug registrations

Registration of DMFs	797
US DMF	63
Canada DMF	18
Taiwan DMF	27/50 (for export)
Australia DMF	13
Japan MF	15
Korea DMF	9
China DMF	17
India DMF	7
CEP	22
ASMF	550
EMA	6
Registration of other non-drug master files	67





2.2 Product Safety and Consumer Satisfaction

"Product quality" and "employee safety" are ScinoPharm's top priorities. As the end products of the pharmaceutical industry are used directly on humans, it is necessary for drug products to undergo a lengthy R&D process, and the safety and efficacy of APIs shall also be subject to the strict scrutiny by health competent authorities. Only final products that have been certified can be launched to the market.

All ScinoPharm's plants comply with the most rigorous international CGMP standards; all equipment and manufacturing processes comply with U.S. FDA regulations and are capable of producing kilogram- to ton-level batches. Our production lines have the capability to produce highly reactive APIs for injectable products, and our production facilities are equipped with negative-pressure rooms and advanced glove boxes to completely isolate contact between raw materials and operating personnel, thus ensuring product quality and personnel safety. Our products are in compliance with the strict CGMP standards. All employees shall participate formal periodic CGMP training after being recruited.

In recent years, many Chinese and Indian pharmaceutical companies have received warning letters from the U.S. FDA, particularly because of the lack of data integrity during the experimental processes, which is mostly due to poor implementation processes or deliberate false evidence. This has had a great impact on the manufacturing quality of drug products and patients' medication safety. ScinoPharm has thoroughly applied the CGMP standards and conducted the CGMP operations to ensure the integrity, authenticity, correctness, traceability, clarity, and timely availability of relevant data, to faithfully demonstrate the actual operations in the plants, which has won customers' trust and obtained their satisfaction for many years.

ScinoPharm has set up an internal "client complaint handling procedure," based on which all complaints from clients received regarding quality, either orally or in writing, shall be recorded and investigated, and the dedicated unit shall issue a formal notice within 24 hours and complete the investigation within one week while putting forward a complete and detailed report within 45 days. The annual product

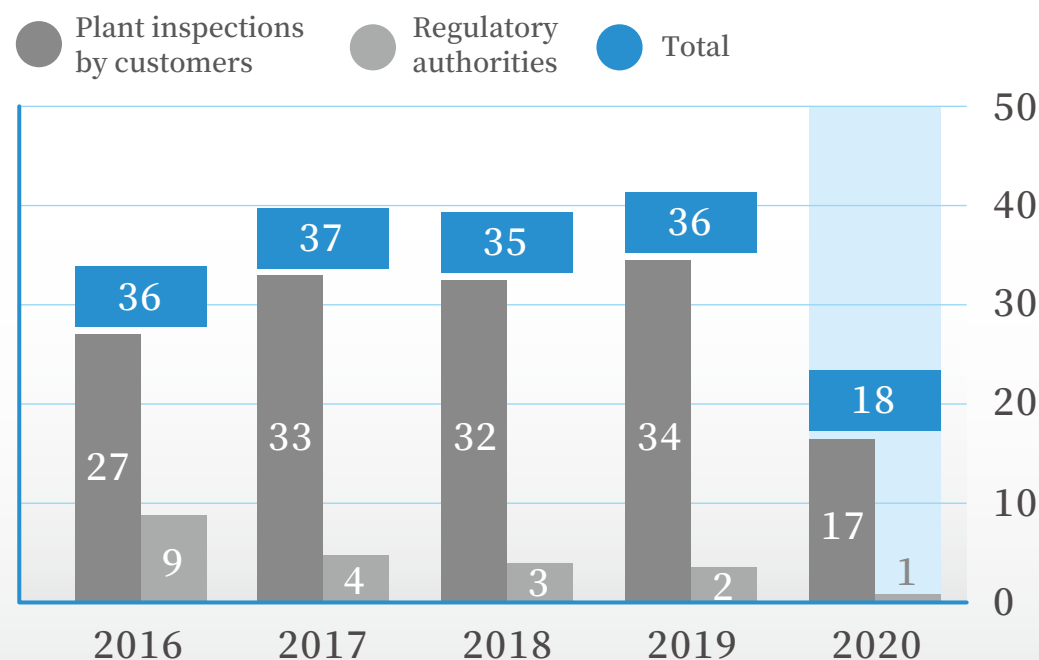


review mechanism is conducted every year, the customers' complaints for the year or other product quality-related issues will be reviewed in accordance with the "ICH Q7 Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients" and EU Annual Product Quality Regulations. The Company's products are 100% compliant with the rigorous review by the government and health authorities, the U.S. FDA regulations, and the current international CGMP.

ScinoPharm has passed official CGMP audits by many countries and more than 400 customer inspections and strictly enforced labor safety and health measures and protection of intellectual property rights, which has won the customers' unanimous trust and support. ScinoPharm's customer service email is (info@scinopharm.com), which is also available on the company website; there are designated personnel receiving emails. If the Marketing and Sales Department receives an email from a client about products or other relevant issues, it will respond to the email within 24 hours at the latest to maintain our clients' rights and enhance their satisfaction.

Statistics on plant inspections by external entities

2016-2020 Plant Inspections by External Entities



From 2001 to 2020, the number of plant inspections by customers and regulatory authorities was 450 and 85, respectively, for a total of 535.



2.3 Supplier and Contractor Management

In order to evaluate or screen suppliers, distributors, clients, or other direct recipients of our products that can meet the company's product management requirements, to ensure that suppliers can supply and handle goods safely. ScinoPharm has established the Supplier Audit Procedures and the operating procedures for the "Management of Consultants and Contractors" to regulate relevant matters.

ScinoPharm's main suppliers are divided into raw material suppliers and non-raw-material suppliers, including logistics companies and contractors that carry out

relevant tasks at the plants. ScinoPharm conducts written and on-site audits of existing suppliers in accordance with the internal Supplier Audit Procedures. We submit an audit report within 30 days after each audit. The deficiencies observed are divided into major, minor, and suggestions. If the company continues to have business dealings with a given supplier, our auditors will continue to track all relevant deficiencies and guide it to complete the improvement. We adopt the audits as a reference for evaluating or screening manufacturing contractors that meet the company's product management requirements.

For the pharmaceutical industry, stable quality and supply capacity are very of paramount importance. Once API suppliers are selected, the company intends to establish a long-term partnership with it and will not change suppliers easily considering quality and demand. Meanwhile, to ensure that the long-term steady supply of raw materials, ScinoPharm also continues to seek alternative suppliers to respond to urgent and special circumstances.

Type	Responsible Unit	Relevant Procedures
Key raw material suppliers	Quality Assurance Department	Periodic audits
New raw material suppliers	Quality Assurance Department, Procurement Department, and Production and Material Management Department	Determination of collaboration on a trial basis Price negotiations



Stage 1 Supplier Selection and Database Establishment

- Collection of information and selection of suppliers
- Establishment of basic supplier profile
- Addition of suppliers to the supplier team

Stage 2 Supplier Management

- Supplier safety self-assessment
- Supplier qualification approval
- Establishment of a roster of suppliers

Stage 3 Business Partner Audit

- Supplier audits
 - On-site audits
 - Audits in writing





Legal Management of Suppliers and Contractors

ScinoPharm requires suppliers to provide guarantees for raw materials and analyzes the materials needed to ensure the quality of the raw materials so as to protect customers' and patients' rights. Formal contracts specifying rights and obligations of parties concerned as well as requirements for management of material and service quality are signed with suppliers and contractors for all large procurement and contracting projects. In the event of a dispute regarding raw materials, service quality, or other relevant matters with any supplier or contractor, the Legal Affairs Department will provide assistance in dispute clarification and assist relevant departments, suppliers, contractors, or external attorneys in resolving disputes or carrying out remedies.

Contractors who Implement Relevant Tasks

ScinoPharm is committed to employees' safety and health at the plants and endeavors to establish higher environmental, safety, and health standards for the entire industry with its business partners. It has also established the "Contractor Health and Safety Management Procedures" and the "Contractor EHS Management Handbook," with which its collaborating companies are required to get familiarized before entering the plants. ScinoPharm has designed a necessary appraisal and inspection procedure that is in place prior to, during, and after all contractors' operations, as illustrated in the figure below:



Contractor— Prior to Entry into Plant	Prior to Processing	Construction Phase	Completion of Construction
● Undergo plant training seminar to receive Green Training Seminar Certificate, and register plant entry information ● Requisite application for vehicle entry/exit permit ● Contact the operating unit to the security office to confirm and lead contractor to the designated work areas	● Informed of hazards by the Environmental Health and Safety Department and sign the safety and health workshop affidavit ● Take a safety, health, and environmental protection test before receiving an Orange Training Seminar Certificate ● The operating unit applies for a safety and health operations permit ● Accept hazard notifications from and on-site supervision by authorities in the jurisdiction ● Requisite exchange for a Blue Card on-site security identification in plant areas	● On-site alert and isolation + safe operations permit ● Contractor must designate safety and health personnel for on-site supervision ● Compliance with environmental safety and health regulations ● Accept management by and opinions from the operating units and authorities in the jurisdiction ● Accept immediate corrections from safety, health, and environmental protection personnel and proceed to make corrections immediately	● After environmental cleanup, return the construction consent order and safe operations permit form and the third copy of the safe operations permit ● Accept inspection by authorities in the jurisdiction ● Confirm if there is flame one hour after completion of hot work ● Accept inspection by security personnel and exchange for identity documents when in and out of the gate

ScinoPharm's Procedures for Business Partner and Supply Chain Safety Management are to regulate planning, negotiation, operations, management, and optimization of its supply chain, with the aim of delivering its products to customers at the right time and place, in a correct quantity as well as appropriate

quality and status. It takes necessary precautions against any threats and security-related incidents, and reduce the probability of supply chain risks through continuous maintenance and improvement of policies, procedures, and application of technology.



2.4 Patent issues

ScinoPharm has established an internal patent filing, patent application, and patent infringement analysis system to ensure that the company's invention can be properly assessed by the Legal Affairs Department, and based on technology and market characteristics, patent application and patent infringement analysis strategies are decided, to increase the quality of the patent application, patent specifications patent, and patent infringement analysis reports and to maximize the company's benefits.

Internal mechanisms

STechnology evaluation meetings are set up inside the company to decide on patent application matters and has a main contact person to coordinate the meeting results. Each patent application or patent infringement analysis case is assigned to a patent engineer who coordinates relevant personnel and departments, based on the attribute of the case, to carry out the subsequent application and analysis work that may last for several years.

External mechanisms

Following the aforementioned internal discussions, the patent management team may be able to determine which countries are appropriate for patent applications; applying for foreign patents usually takes three to five years. In terms of intellectual property, excluding the patents that are irrelevant to our long-term development and no longer maintained, ScinoPharm holds 52 invention patents as of the end of 2020, as well as 254 patents worldwide.

As a Taiwan's representative API supplier, ScinoPharm shall ensure that the products provided to customers do not infringe upon others' patents. Therefore, it has established an internal Procedures for Patent Infringement Analysis:

1

If a customer requests to see the patent infringement analysis report for a product during the sales process, the company is obliged to provide relevant legal documents to prove that the said product does not infringe upon any patents. Thus, the Legal Affairs Department will assist the Marketing and Sales Department in the patent search and updating the patent search and analysis report to confirm the patent status of the said product.

2

After completing the aforementioned patent search and updating the patent search and analysis report, the Legal Affairs Department and the Marketing and Sales Department shall discuss which country or region where relevant supporting documents shall be applied for the case.

3

After confirming the country or region for application for patent infringement analysis, external law firms in the said country or region shall be contacted for consultation on conflicts of interest and estimated legal fees. External law firms are selected based on their area of expertise, absence of conflicts of interest, estimated fees, time needed to complete reports, and other factors.

In addition, ScinoPharm works closely with generic drug companies to analyze possible patent terms for new drug from the perspective of patent litigation, adopts a model that can avoid disputes, and selects mutually approved products with great potential, to provide R&D and manufacturing services through various types of strategies based on customers' needs.



Patent documents from various countries

Chapter 3

Environmental Protection

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Safety, Health, and Environmental Protection as the Basic Requirements Establishment of a Comfortable Work Environment that Enhances the Well-being of Employees

ScinoPharm takes safety, health, and environmental protection as its basic requirements, and insists on establishing a comfortable work environment that can improve employees' health. Facing the issue of climate change, we aim to meet the government's and the market's current expectations for low-carbon economy and use of green energy by managing various pollution emission indicators properly while we are committed to continuing to improve safety, health, and environmental protection, avoiding unsafe environments, behavior, and equipment, and assuming the responsibility for preventing occupational injuries, thereby ensuring our employees' safety.



3.1 Health, Safety, and Environmental Protection Policy

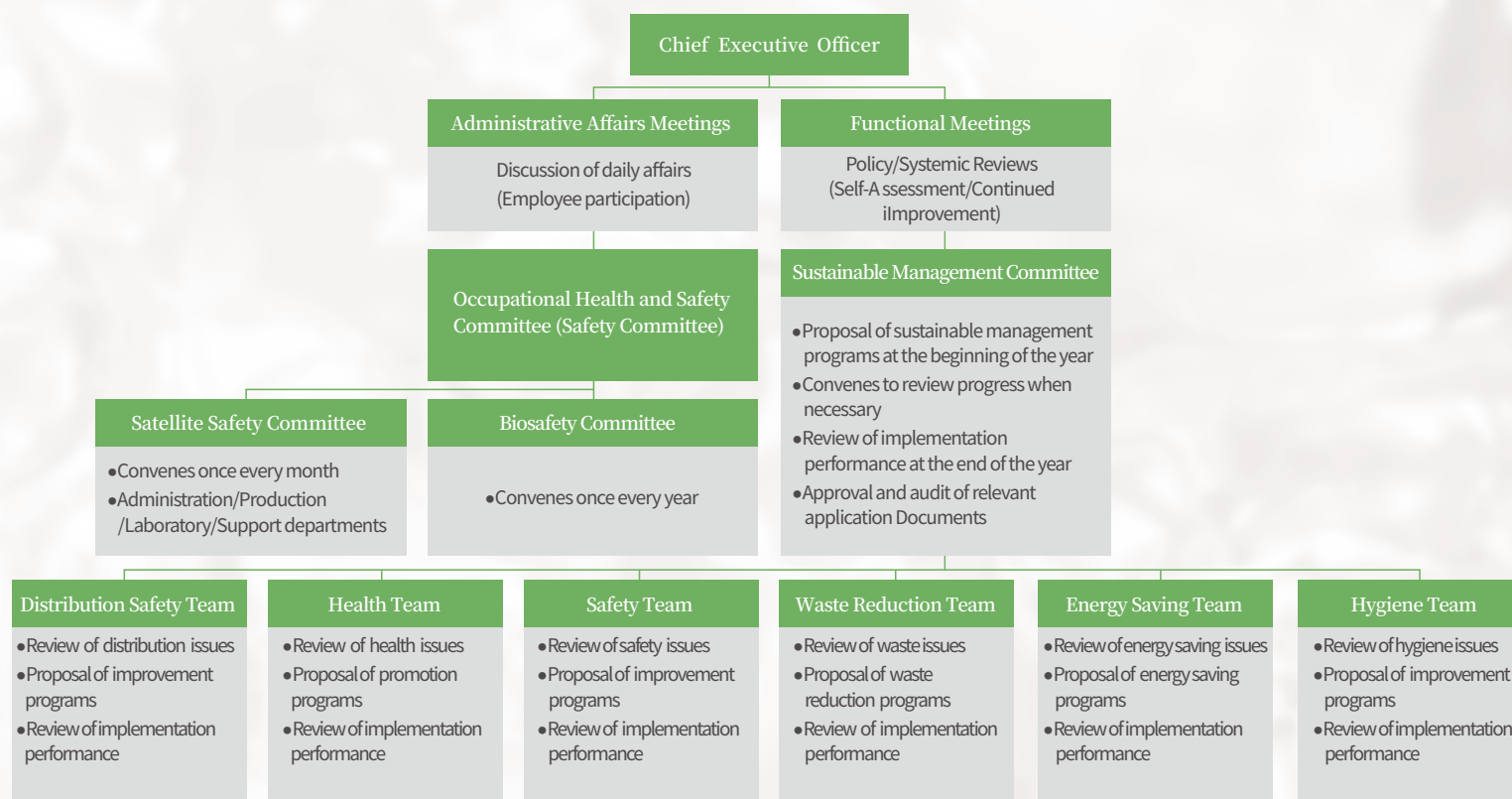
ScinoPharm takes safety, health, and environmental protection as its basic requirements, and insists on establishing a comfortable work environment that can improve employees' health. Facing the issue of climate change, we aim to meet the government's and the market's current expectations for low-carbon economy and use of green energy by managing various pollution emission indicators properly while we are committed to continuing to improve safety, health, and environmental protection, avoiding unsafe environments, behavior, and equipment, and assuming the responsibility for preventing occupational injuries, thereby ensuring our employees' safety.

The company has established the interdepartmental "Occupational Safety and Health Committee" and the "Sustainable Management Committee". The former is the highest EHS decision-making unit in accordance with the Regulations Governing the Occupational Safety and Health Management. The CEO serves as the convener to have all sales personnel and level-A supervisors from the plants as well as supervisors and employee representatives from each department gather every quarter, to conduct a review of the company's EHS operations and to propose the main future improvement direction. The latter is to integrate and implement the relevant work in environmental protection, safety and health, energy conservation, water conservation, and greenhouse gas management,

with the aim of enhancing the company's sustainable competitiveness. The Vice President of Production serves as the convener of the committee, which is tasked with managing ScinoPharm's internal energy and resource usage and greenhouse gas emissions through a hierarchical management approach. The Sustainable Management Committee puts forth a sustainable management project every year and reviews the effectiveness of the implementation of the project as the basis for internal review. Regarding the management and identification of climate change issues, we have included them in the scope of the overall risk assessment and management. The Sustainable Management Committee collects relevant domestic and foreign information and feedback from various departments from time to time to identify potential risks to ScinoPharm caused by climate change, such as increase in raw material prices due to extreme weather events or increase in electricity costs due to energy transitions; meanwhile, it formulates corresponding risk management measures to enhance its own ability to adapt to the management of relevant climate change and energy resource use issues. Meanwhile, the committee, internally, draws up its audit plan and self-assessment procedures and methods based on the risk assessment status in cooperation with the Audit Office, and conducts the audit and self-assessment operations to duly implement the risk control and monitoring mechanism while submitting the results to the Board of Directors on a regular basis.



ScinoPharm Sustainable Development Committee





Establishment of Sustainable Development Committee to Face the Climate Change Issue

Continuous Observation and Identification of the Impacts and Benefits of Climate Change

The company has established the "Sustainable Management Committee" to collect relevant domestic and foreign information and feedback from various departments on climate change issues from time to time, to continuously observe and identify potential risks and corresponding opportunities and benefits arising from climate change issues to ScinoPharm, such as rising prices of raw materials due to extreme weather, pre-planning and establishment of multiple supply sources, rising costs of greenhouse gas emissions, and the establishment of carbon reduction devices to reduce emissions, the impact of instability of water and electricity supply on production, improvement to resource utilization efficiency, as well as increase in short-term electricity costs and potential future advantages due to energy transition. Meanwhile, it devises corresponding risk management approaches and

countermeasures to enhance our ability to manage and adapt to relevant issues, such as climate change and energy resource use. In addition, the company has established a business continuity plan to evaluate and analyze various risks that may disrupt operations, and drawn up relevant countermeasures.

The "Sustainable Management Committee", composed of six functional teams of distribution, health, safety, hygiene, waste reduction, and energy saving, integrates and implements the company's tasks related to environmental protection, safety, and health, energy conservation, water conservation, and greenhouse gas management while putting forth a sustainable management plan every year and reviewing the effectiveness of the implementation as a reference for internal implementation and review. The Energy

Saving Team under the committee is responsible for conducting greenhouse gas inventory, devising the company's energy-saving and carbon reduction as well as greenhouse gas reduction strategies, and reviewing the effectiveness of the implementation at the quarterly meeting of the Sustainable Management Committee for the purpose of energy conservation and carbon reduction. Furthermore, it has properly installed various exhaust gas and wastewater discharge and environmental protection maintenance equipment, and developed and implemented various energy-saving and waste reduction measures proactively in cooperation with the government's regulations and advocacy. The current reduction strategies include the replacement of the original oil-fired boilers with gas fired boilers for steam supply, improvement to the energy utilization and the reasonableness of the



air-conditioning system, the adoption of the energy-saving equipment that consumes less water, power, and heat, the implementation of employee carpooling subsidies, and the provision of shuttle bus services, thereby reducing the consumption of gasoline and minimizing the impact of our operations on the environment and climate.

In line with the international pharmaceutical company Novartis' environmental protection strategy goals for its supply chain, the company manages to reach its production goals in line with the international demand for environmental protection, and continues to promote various water-saving, energy-saving, carbon-reduction, and waste-reduction measures to reduce water consumption and greenhouse gas emissions by around 1 percent to two percent, while reducing

the production of waste by about 3 percent to 5 percent with 2018 as the base year. ScinoPharm does not adopt the ISO14001 certification as, in addition to our aforementioned well-established environment management system in line with the characteristics of the biotechnology pharmaceutical industry, we have also passed more than 10 plant inspections by pharmaceutical competent authorities in the US, Europe, and Japan (e.g., FDA, EMA, EDQM, and PMDA) as well as EHS audits by international pharmaceutical companies, including Pfizer, GSK, and Aventis. Even without the ISO14001 certification, these authorities and companies have recognized our environment management system and did not consider it inadequate.

In 2020, the ScinoPharm did not have any material violations of environmental

laws and regulations and was subject to administrative fines by the competent authorities. The above-mentioned material violations were defined in accordance with Article 4, Paragraph 1, Subparagraph 26(3) of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities"



3.2 Management and Use of Energy and Resources

Water Resources

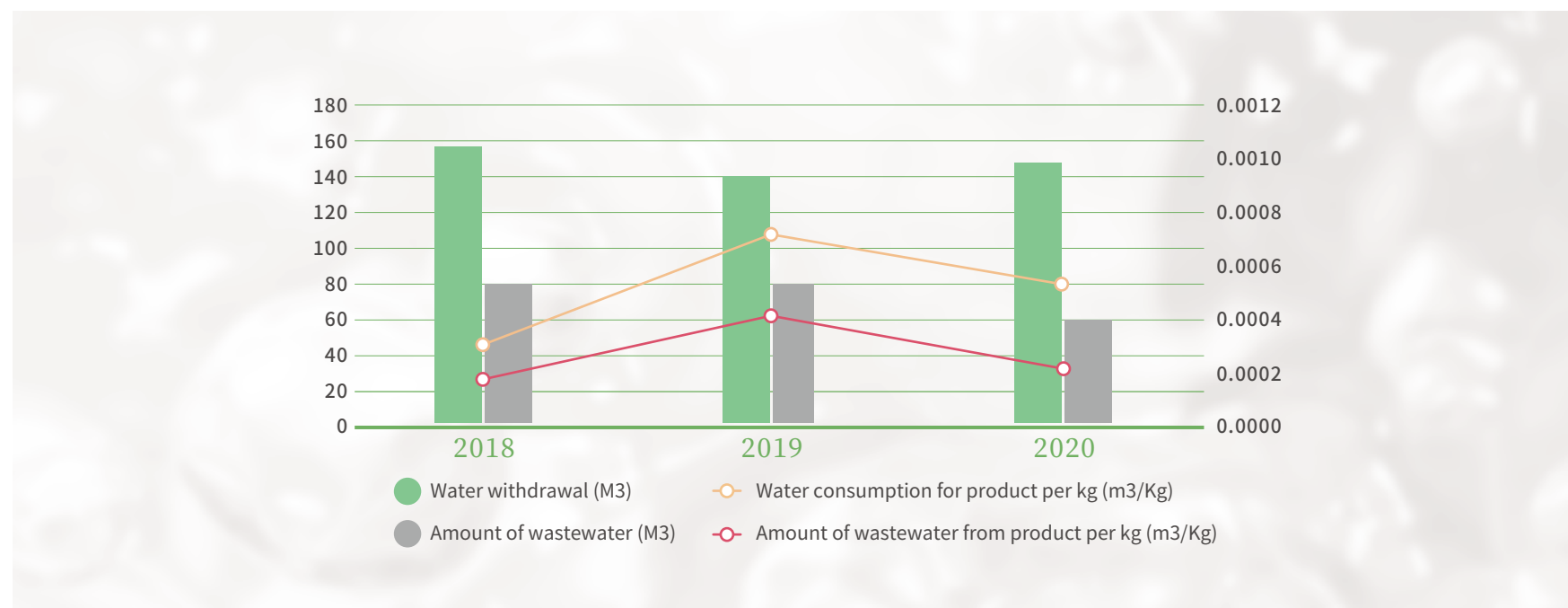
ScinoPharm is a chemical-pharmaceutical company; all the wastewater generated during the production process is treated and discharged in accordance with the laws through the on-site wastewater treatment facilities at the park. ScinoPharm’s water withdrawal is sourced from the Nanhua Reservoir through the Taiwan Water Corporation. Based on the examination by Water Risk Atlas, the company’s site is located in an area with low-medium water stress (1-2), which is not a water-stressed area; thus, our water withdrawal has no material impact on the water source.

Overview of Annual Water Withdrawal at ScinoPharm

Year	Water Withdrawal (million liters)	Water discharge (million liters)	Water consumption (million liters)	Reported annual output (kg)	Water withdrawal per kg of product (million liters/kg)	Water discharge per kg of product (million liters/kg)
2018	157.07	81.63	75.44	49,557	0.0032	0.0016
2019	140.57	80.11	60.46	19,300	0.0073	0.0042
2020	147.25	59.92	87.33	27,700	0.0053	0.0022



Relationship between ScinoPharm's water withdrawal, water discharge, and products per kg

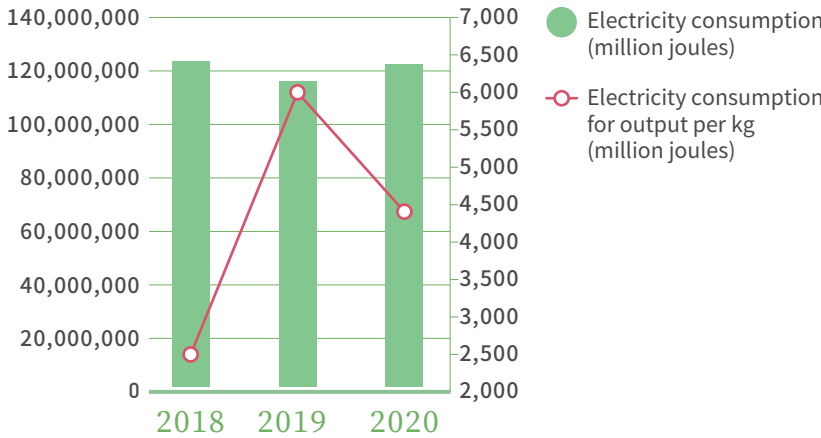




Electricity consumption

Year	Electricity consumption (million liters)	Electricity consumption (MWh)	Annual output (kg)	Electricity consumption per kg of output (million liters)
2018	121,894,715	33,860	49,557	2,460
2019	115,437,600	32,066	19,300	5,981
2020	121,435,200	33,732	27,700	4,384

Total electricity consumption and electricity consumption per kg of output

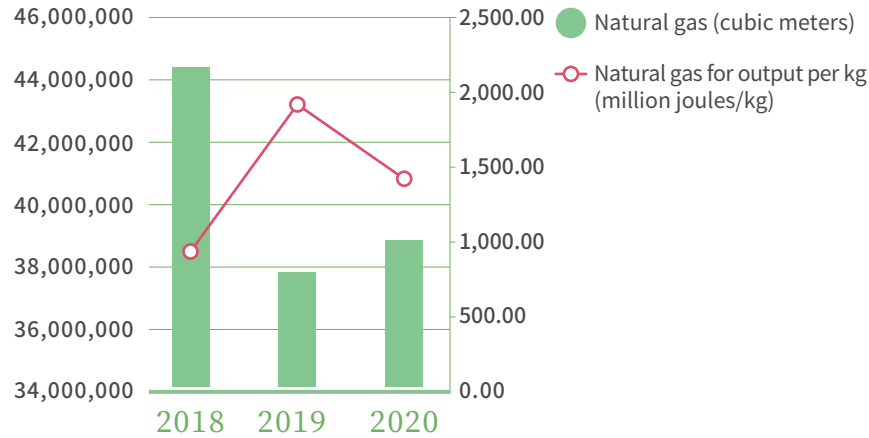


Natural gas consumption

Year	Direct energy		Output (kg)	Natural gas consumption per kg of output (million joules/kg)
	Natural gas (cubic meters)	Natural gas (million joules)		
2018	1,181,349	44,484,878	49,557	897.65
2019	1,004,221	37,814,946	19,300	1959.32
2020	1,033,694	38,924,781	27,700	1405.23

*2013 Energy Statistics Handbook - Heat Content of Energy Products: 9000 kcal/m3

Natural gas consumption and natural gas consumption for output per kg

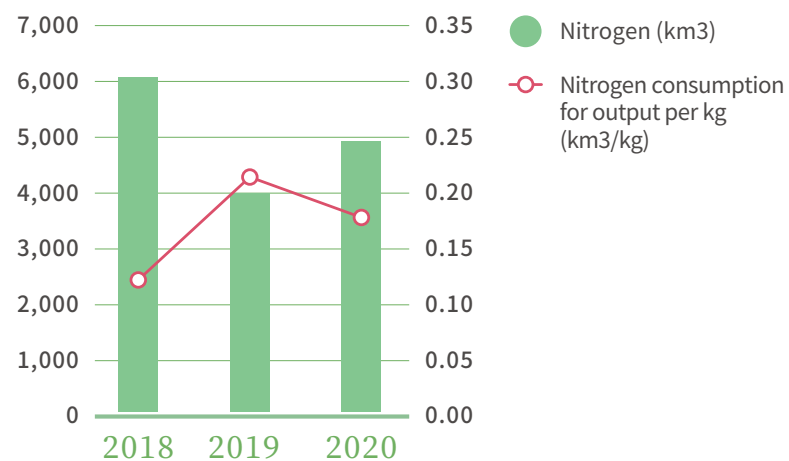




Nitrogen consumption

Year	Nitrogen (ton)	Output (kg)	Nitrogen consumption for output per kg (km ³ /kg)
2018	6,065	49,557	0.12
2019	4,019	19,300	0.21
2020	4,953	27,700	0.18

Total nitrogen consumption and nitrogen consumption per kg of output





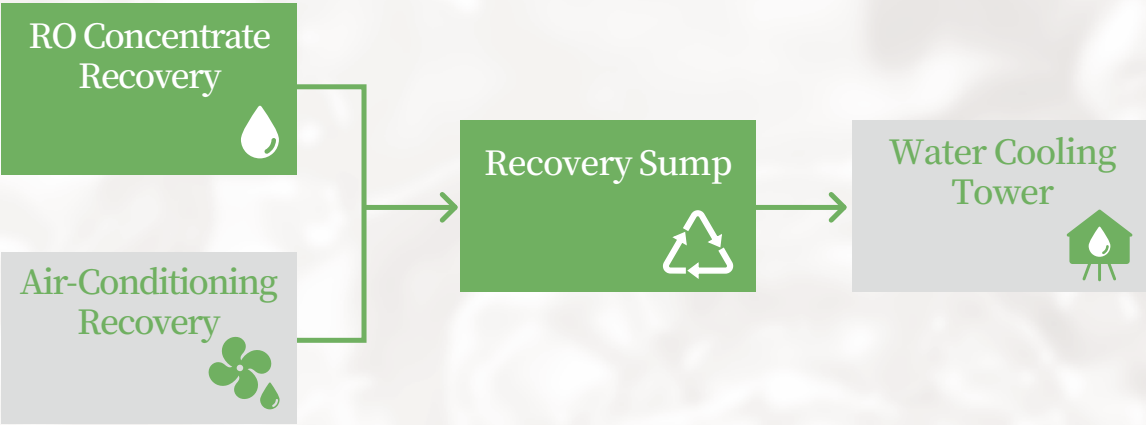
Electricity consumption

ScinoPharm is a chemical-pharmaceutical company; all the wastewater generated during the production process is treated and discharged in accordance with the laws through the on-site wastewater treatment facilities at the park. The company's sources of water withdrawal are from the Nanhua Reservoir, Zengwun Reservoir, and Wusanto Reservoir through the Water Resources Agency and the Taiwan Water Corporation. ScinoPharm's water withdrawal has no major impact on the water sources. ScinoPharm is committed to the recycling of air-conditioning condensate and reverse osmosis (RO) concentrate wastewater and reusing the said wastewater for air-conditioning cooling towers. Specific measures taken are as follows:

1. In accordance with investigations carried out by the Southern Taiwan Science Park (STSP) Administration annually regarding the overall water recycling situation, ScinoPharm has filled out the "Questionnaire about Water Recycling by Companies at the Park" to calculate the recycling rate for wastewater.

$$\text{Return rate (R2)} = \frac{\text{Total water circulated} + \text{Total cooling water circulated} - \text{Total cooling water circulated}}{\text{Total water circulated} - \text{Total cooling water circulated}} \times 100\%$$

2. Air conditioning condensate and wastewater from the water purification system are recycled to the cooling towers to save water.



3. The concentration of water in the cooling towers is increased to reduce the amount of cooling water to be discharged.
4. The cooling towers are fitted with a drift eliminator to reduce dispersion and evaporation loss.
5. Toilet faucets are replaced with water-saving ones.
6. After the washing water used in the sludge dewatering equipment is treated and filtered in the wastewater system, the water will be used in the sludge dewatering equipment again, which also helps to save water resources every year.



Energy and electricity conservation measures

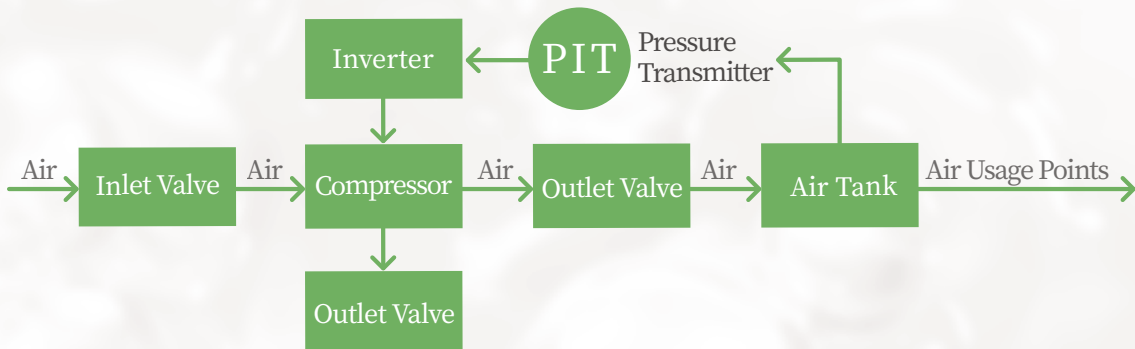
For the purpose of energy conservation and carbon reduction, ScinoPharm's energy conservation team, formed under the "Sustainable Management Committee," is responsible for implementing greenhouse gas inventory, formulating energy conservation and carbon reduction and greenhouse gas reduction strategies, and reviewing the implementation effectiveness with the "Sustainable Management Committee" as a reference for internal inspection. The currently implemented reduction strategies include the installation of differential pressure gauge on the evaporator fins of the air-conditioning units for monitoring and cleaning, recycling of wastewater from RO water machines and air-conditioning condensate for the cooling towers, adoption of water-saving faucets, conservation of domestic water, replacement of oil boilers with steam boilers for steam production, enhancement of energy efficiency and reasonableness of the air-conditioning system, adoption of water-saving, energy-efficient, and low-energy consumption devices and equipment, an employee carpooling subsidy, as well as provision of shuttle services to employees, to reduce gasoline consumption.

Further details are as follows :

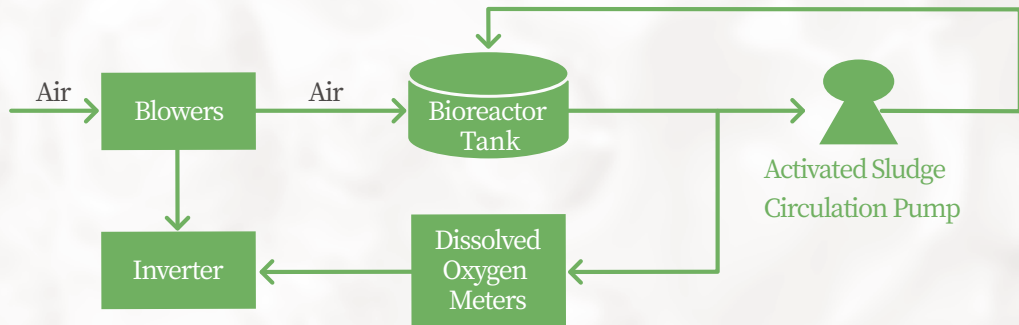
1. During 2020, our research and development laboratories had saved 362,000 kWh of electricity through controlling the air-conditioning system during non-working hours (equivalent to 1,303,200 million joules).
2. The company conducted voluntary maintenance of the air-conditioning units continuously, installed the differential pressure gauge on the evaporator/condenser fins of the air-conditioning units to monitor if the fins were clogged, repaired three evaporator partitions, and cleansed seven fins to reduce energy consumption of fans and to improve the cooling efficiency of the air-conditioning units.
3. We established a notification platform to adjust the temperature of the heat tank according to the process requirements based on the notification from the plants, to optimize temperature control and reduce waste of electricity and steam.
4. To achieve energy efficiency, we took pressure drop tests and developed methods to solve the problem of waste water polluted by coolants, and the wastewater with chemical oxygen demand (COD) treated by the wastewater plant decreased by 34,000 kg.
5. We regulated and optimized the volume of the process cooling water consumption by using only one cooling water pump with 75 horsepower throughout the year while meeting the process requirements, thereby saving 402,960 kWh of electricity (equivalent to 1,450,656 million joules).



- 6. We fitted 15 air-conditioning motors with inverters to lower the fan speed (reduce the output power) to achieve energy-saving effect.
- 7. The operations of air compressors are controlled by inverters.



- 8. The temperature of central air-conditioning in the offices and areas other than processing areas has been increased from 22°C to 25°C .
- 9. Blowers at the wastewater treatment facilities have been replaced with inverters for dissolved oxygen control.



- 10. We established a platform between the air-conditioning ventilators and the air-conditioning system management department for instant notifications of turning on or off the ventilators at a given plant to reduce unnecessary electricity consumption from equipment operations.
- 11. The air exchange rate in each processing area has been adjusted to reasonable ranges to decrease the air conditioning load, which can reduce one to two percent of electricity consumption annually.
- 12. A time-based control model has been adopted in the injectable plant, which has reduced energy consumption from 497-512 kWh to 451-487 kWh (average reduction of 40 kWh).
- 13. Steam supply has been monitored, which has reduced 5 percent of natural gas consumption.



3.3 Management of Greenhouse Gases

2018 The greenhouse gas emissions were 25,999 tCO₂e From direct sources 4,092 tCO₂e From indirect sources 21,907 tCO₂e	2019 The greenhouse gas emissions were 23,132 tCO₂e From direct sources 3,506 tCO₂e From indirect sources 19,626 tCO₂e	2019 The greenhouse gas emissions were 23,302 tCO₂e From direct sources 2,658 tCO₂e From indirect sources 20,644 tCO₂e
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Since the greenhouse gas emissions from ScinoPharm's plants have not yet reached the Environmental Protection Administration standard amount that needs to be disclosed and registered; therefore, we need to keep our own records of relevant information about emissions for future reference in accordance with the current laws and regulations.

Greenhouse gas emission inventory records Unit: (tCO₂e/year)

Item	2018	2019	2020
Total emissions	25,999	23,132	23,302
Direct Emissions (Scope 1)	4,092	3,506	2,658
Indirect Emission (Scope 2)	21,907	19,626	20,644
Output Value (NT\$ million)	3,470	2,813	3,046
tCO ₂ e/Output value per million (NTD)	7.5	8.2	7.7

Note 1: The amounts of greenhouse gases are compiled through the operational control method.

Note 2: The calculation included seven greenhouse gases as defined in the ISO 14064 standards, namely carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

In 2020, the solar panels on the rooftop of the administration building of ScinoPharm generated a total of 38,684 kWh, and the revenue from the sale of the green electricity was NT\$248,310, which was equivalent of a reduction of greenhouse gas emissions by 19,690.15kg CO₂e. Based on the electricity emission factor in 2019 announced by the Bureau of Energy, Ministry of Economic Affairs, the electricity greenhouse gas emission factor was 0.509 kg CO₂e/kWh. In addition, the company and its affiliated companies have launched employee carpooling subsidies and provide shuttle services to reduce gasoline consumption and achieve the goal of energy conservation and carbon reduction proactively. As the sunshine duration in 2020 was longer than that in 2019, the overall power generation of solar panels was higher than that in 2019. In 2020, we invested NT\$5,985,000 in installing solar panels. It is estimated that the annual power generation can reach 185,000 kWh and reduce greenhouse gas emissions by 94,285kg CO₂e.

2020 annual amount of electricity generated by the photoelectric system on the administration building

Month	Generation Consumption (kWh)	Unit Price	Amount	Carbon Reduction	
				Amount of Reduction (kg)	Afforestation Benefits (hectares)
2020/1	3,032	6.419	19,462	1,543.29	0.16
2020/2	3,076	6.419	19,745	1,565.68	0.16
2020/3	3,540	6.419	22,723	1,801.86	0.18
2020/4	3,612	6.419	23,185	1,838.51	0.19
2020/5	3,488	6.419	22,389	1,775.39	0.18
2020/6	3,812	6.419	24,469	1,940.31	0.20
2020/7	3,680	6.419	23,622	1,873.12	0.19
2020/8	3,220	6.419	20,669	1,638.98	0.17
2020/9	3,488	6.419	22,389	1,775.39	0.18
2020/10	2,948	6.419	18,923	1,500.53	0.15
2020/11	2,428	6.419	15,585	1,235.85	0.12
2020/12	2,360	6.419	15,149	1,201.24	0.12
Total of the Year	38,684	-	248,310	19,690.15	2

Note 1: According to the annual electricity emission factor announced by Bureau of Energy in 2019, the electricity greenhouse gas emission factor was 0.509kg CO₂e/kWh.

Note 2: As for afforestation benefits, according to the research commissioned by the Forestry Bureau of the Council of Agriculture, the annual amount of carbon assimilated per hectare of forest land in 2010 was estimated to be 9.9 metric tons.



3.4 Pollution Prevention

Waste Disposal

ScinoPharm is able to treat or clean all the waste generated within the plants, including biodegradable wastewater, waste solvents, solid waste, and air pollutants. Both hazardous and general solid waste are transported to the Resource Recycling Center at the park or a qualified treatment plant outside the park for incineration; there has been no case of waste transported overseas for disposal. All air pollutants emitted by production plants, such as particulate pollutants, acidic gases, alkaline pollutants, or organic vapors, will be removed through condensers and scrubbers. ScinoPharm's wastewater is treated biologically where the organic matter in the wastewater is decomposed by highly concentrated, suspended-solid activated sludge and filtered through a membrane bioreactor. The organic sludge is separated and dehydrated before treated by a qualified treatment entity; then, the treated wastewater is sent, along with the domestic sewage, for sewage treatment at the Southern Taiwan Science Park through pipelines.

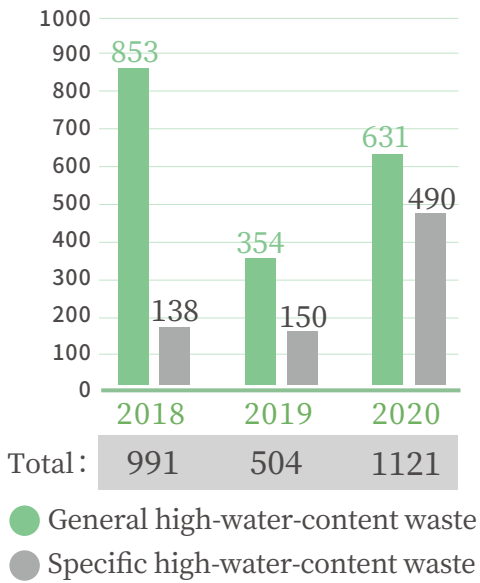
In recent years, ScinoPharm is committed to improving the efficiency of air strippers. The strippers can be used to separate liquid from organic compounds in the waste solvents

with high water content. The liquid can be directly discharged to a sewage treatment plant for treatment, and the organic compounds becomes waste solvents; as such, the goal of reducing the amount of waste solvents can be achieved. Since the air strippers were adopted, the reduction of waste solvents has increased year by year. In 2017, with the addition of three air stripper basins, the capacity of the air strippers to treat waste solvents increased with 1148 tons of waste solvents treated. In 2018, the volume of waste solvent treated by the air strippers was 911 tons. In 2019, because of production capacity and different product process characteristics, the possibility of solvent recovery and reuse was included in the planning of the production schedule; as such, the total volume of waste liquid with water content treated by air strippers was reduced to 504 tons. In 2020, we strengthened the waste reduction process by increasing the air strippers' capacity of treating waste liquid with high water content. The capacity of the air strippers was raised to 1121 tons. As a result, the volume of waste liquid with high water content treated by external suppliers was reduced from 282 metric tons in 2019 to 94 metric tons in 2020.





Capacity of air strippers
(unit: metric tons)



Volume of waste generated (unit: metric tons)

Type \ Year	2018	2019	2020	Treatment Method
General waste solvent	2,965	2,008	3,075	Reuse or incineration
Waste liquid with high water content	545	282	94	Incineration
Halogen waste solvent	5	32	92	Incineration
Domestic garbage	45	44	46	Incineration
Organic sludge	358	265	147	Reuse
Powdery solid waste	106	109	92	Incineration
Waste drugs	12	23	30	Incineration
Total	4,036	2,763	3,576	



Capacity of air strippers (unit: metric tons)

In order to ensure that the operation of the plants will not cause soil and groundwater pollution in the adjacent areas, since the completion of the plants in 1999, ScinoPharm has actively set up five groundwater wells near the plants and regularly monitors the quality of groundwater samples to ensure that no soil or groundwater pollution will occur.

Toxic Chemical Substance Management

In addition to designating personnel to manage toxic chemical management in accordance with the laws and regulations, ScinoPharm has designated specialized management personnel based on the departments involved, who shall record the amount used in the operations in accordance with the rules; the storage location is clearly marked, and the location will be locked after the personnel leave work.

Recalling Rates of Sold Products and Packaging Materials

cinoPharm's products are highly reactive APIs that are mostly exported overseas; thus, the process from production to sales shall be in compliance with the CGMP drug regulations. In order to prevent cross-contamination between products after the products come into contact with packaging materials, it is not appropriate to recycle and reuse the packaging materials.



Chapter 4

Friendly Work Environment

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- 4.3 Health Promotion
and Activities 92
- 4.4 Safe Working Environment 98





Development of a Diverse, Equal, and Friendly Workplace Diversified Communication Channels to Promote Labor-Management Co-Prosperity

ScinoPharm's business is all across the globe, and it is the company's policy to create a diverse and equal international work environment for employees. We do not discriminate against employees based on factors, such as gender, age, race, religion, nationality, or other legal protections. ScinoPharm's achievements today are the result of all employees' joint efforts, so we have spared no effort to promote and maintain the relations with employees. Through various internal communication channels, we have striven to increase the opportunities for our team members to participate in and discuss the company's operations and various affairs.





4.1 Personnel Overview

ScinoPharm has been involved in the pharmaceutical industry for more than 20 years; based on the industrial characteristics, knowledge and technology intensiveness are its competitive advantages, and it has high-quality human resources. As of the end of 2020, ScinoPharm has a total of 679 employees, with more than 90 percent of its employees with a university degree or above and almost 40 percent with a master's or doctorate degree. This professional team has ensured steady growth momentum for the company. ScinoPharm has worked to recruit outstanding youths in the country to join its team for many years and has been deeply involved in the local community. Nearly 60 percent of its employees' registered household is located in Tainan City, and over 80 percent from southern Taiwan (Tainan, Kaohsiung, and Pingtung). In 2020, the manpower allocation was based on the number of business orders and career development needs, and more than 100 employees were promoted; the overall turnover rate was 10.28%.

Development of a Diverse, Equal, and Friendly Workplace

ScinoPharm's business is all across the globe, and it is the company's policy to create a diverse and equal international work environment for employees. We provide fair

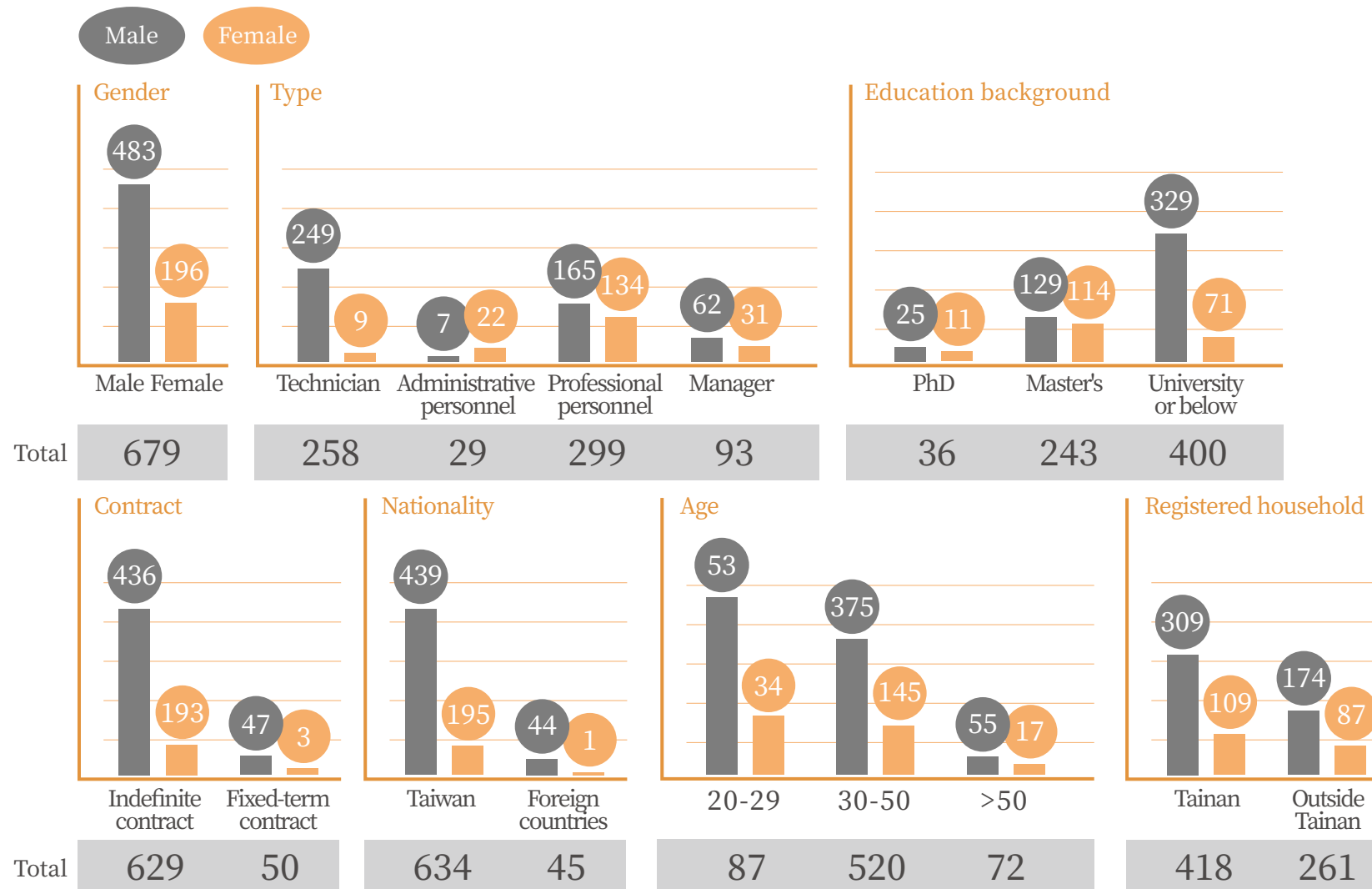
opportunities in recruitment, appointment, and development, and employee and cultivate talents based on job content and required competencies. We do not discriminate against employees based on factors, such as gender, age, race, religion, nationality, or other legal protections. Female senior supervisors account for 41 percent of all senior supervisors, and the ratio of ScinoPharm's male to female employees is around 6 to 4, which has highlighted our equal employment policy.

In addition, ScinoPharm provides equal employment opportunities to people with physical and mental disabilities to fulfill its corporate social responsibilities. As of December 31, 2020, we had nine formal employees with physical and mental disabilities, which was higher than the number required by law, and assigned suitable tasks to them according to the principle of "suitable personnel for suitable positions."

Under the diversified employment policy, ScinoPharm is a big family composed of people from different backgrounds. In addition to the Taiwanese employees, there are 45 employees from three countries, namely Japan, Malaysia, and Indonesia, accounting for 6.6 percent of the total number of employees.



Classification of employees by gender in the aspects of age, employment type, job type, and education in 2020



Note: Professional personnel include personnel with professional skills in the legal, procurement, as well as research and development fields, who are recognized by the company.



Competitive Remuneration and Reward System Linked to Overall Performance

As employees are the company's most valuable asset, we attach great importance to employees' treatment and benefits while providing protection superior to what is stipulated in relevant laws and regulations. ScinoPharm upholds the principle of equal pay for equal work and abides by the local labor laws and regulations where each business site is located. We measure the market salary levels and overall economic indicators while considering the responsibilities of each position and the professional knowledge, experience, and professional capabilities required to determine individual salaries according

to the market value of each profession and each employees' responsibilities. The salary does not differ due to differences in region, race, religion, gender, marital status, party affiliation, or trade unions or associations. Take the salary data for the year of 2020 as an example, the salary ratio of males to females is 1 to 1.11. The average annual number of full-time employees who are not in managerial positions was 632. The average annual salary was NT\$845,000; the median salary was NT\$762,000, demonstrating the fairness of ScinoPharm's salary structure and the salary competitiveness in the market.

ScinoPharm also upholds the spirit of profit sharing with employees. According to its Articles of Association, if there is a profit at the end of the year, no less than two percent of the profit shall be allocated to employees. We have linked the operating profit to employees' individual performance intricately through the performance management system to motivate outstanding employees and to improve employees' performance through performance improvement plans while striving to develop individual employees' and teams' capabilities, thereby further improving the overall work performance.

Information on full-time non-managerial employees

Year	Average annual number of full-time non- Employees (persons)	Average salary of full-time non-managerial employees (NT\$1,000)	Median salary of full-time non-managerial employees (NT\$1,000)
2020	632	845	762
2019	596	818	724
Difference	+36	+27	+38



Diversified Communication Channels to Promote Labor-Management Co-Prosperity

We are deeply aware that ScinoPharm's achievements today are the result of all employees' joint efforts, so we have spared no effort to promote and maintain the relations with employees. Through various internal communication channels, we have striven to increase the opportunities for our team members to participate in and discuss the company's operations and various affairs.

In addition to adopting e-mail, the company's intranet, and the corporate electronic publications to send internal messages and conduct surveys, we have set up a suggestion box in the employee lounge area. For measures concerning employees, they can participate in decision-making discussions through the Employee Welfare Committee and labor-management meetings; meanwhile, we hold meetings with managers at all levels and departmental meetings regularly for all employees to have a better understanding of the company's current situation and business development, while providing channels for them to participate and express their opinions. The company has always strictly complied with and implemented the government's relevant laws and regulations, is committed to improving the system to protect employees' rights and

interest while attaching importance to two-way communication with employees. The labor-management relationship has always been harmonious. Since the company's establishment, no loss has been incurred due to labor-management disputes.

ScinoPharm pays attention to not only employees' opinions and exchanges views with them but has also set up a dedicated email account for external opinions. Anyone who has an opinion or relevant complaints about the company's governance can file a case through the "Whistleblowing System for Violation of Ethical Behavior" publicly available on the company's website; the case accepted will be investigated and handled in accordance with the regulations and procedures related to corporate ethical management, corporate social responsibility, or the Code of Ethical Conduct, which serve as a reference for the dedicated personnel to follow, thereby safeguarding the company's and other stakeholders' maximum rights and interest.



Periodic employee meeting



ScinoPharm's internal publications



Maintenance of Equality and Human Rights

In ScinoPharm's corporate culture, every employee is respected; on the basis of equal opportunities, they are provided with a stage to demonstrate their abilities, experience, and grow, which has enabled them to align their career development with corporate goals, so as to grow together, create a win-win situation, as well as build a diverse and equal workplace culture that trusts and respects each other.

In addition to emphasizing humanized management, the company has established the human resources system in compliance with the Constitution, the Act of Gender Equality in Employment, and the relevant principles of the International Bill of Human Rights to ensure gender equality in employment. Our labor contract is also formulated in compliance with the relevant local laws and regulations. We prohibit the employment of child labor, and also prohibit any form of discrimination against employees in the appointment, evaluation, and promotion due to gender, race, marital status, religion, party affiliation, sexual orientation, job rankings, nationality, age, and other factors. We not only protect employees' freedom of association but also encourage them to participate in the company's or company clubs' activities actively. Our corporate culture advocates mutual respect and gender equality, and we have devised plans to prevent employees from suffering illegal harms at work, indicating that we are promoting harmony in the workplace actively.





4.2 Employee Benefits and Care

In order to create a harmonious and motivating work environment, ScinoPharm takes into account the principles of legitimacy and competitiveness when planning the employee benefit system, so as to attract and retain talents, while improving their satisfaction and enhancing their work efficiency.

New hire retention rate (by age and gender)

2020	Number of new employees			Number of employees at the end of the year			New entry rate		
Age/Gender	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
21-30	52	19	71	66	40	106	78.8%	47.5%	67.0%
31-40	21	8	29	194	84	278	10.8%	9.5%	10.4%
41-50	9	3	12	168	55	223	5.4%	5.5%	5.4%
51-60	1	1	2	50	17	67	2.0%	5.9%	3.0%
Above 60	0	0	0	5	0	5	0%	0%	0%
Total	83	31	114	483	196	679	17.2%	15.8%	16.8%

Turnover rate

2020	Number of employees who resigned			Number of employees at the end of the year			Turnover rate		
Age/Gender	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
21-30	25	2	27	66	40	106	37.9%	5.0%	25.5%
31-40	15	8	23	194	84	278	7.7%	9.5%	8.3%
41-50	6	3	9	168	55	223	3.6%	5.5%	4.0%
51-60	0	0	0	50	17	67	0%	0%	0%
Above 60	0	0	0	5	0	5	0%	0%	0%
Total	46	13	59	483	196	679	9.5%	6.6%	8.7%



Workplace Environment with a Focus on Work-Life Balance

Employees are granted with flexibility for family care; thus, a flex time policy is implemented to allow different starting and departure times; employees may arrive at work between 8:00-9:00 and leave work between 17:00-18:00, so long as they work for eight hours a day; they may adjust the arrival or departure time depending on the daily situation. For those who have to work overtime outside the normal working hours due to busy seasons or shift preparation, the company also applies for extension of the working hours in accordance with the laws after obtaining the consent at the labor-management conference. The calculation of wages of extended working hours or dismissal is carried out in accordance with the government’s labor regulations. There were no labor-related violations in 2020.

Furthermore, as for other measures to promote work-life balance, we provide an annual paid leave policy that is better than what is provided in the Labor Standards Act. For example, employees can enjoy annual paid leave in the first year of employment, so that new employees can have spare time to relax physically and psychologically. Meanwhile, the provision of general sick leave is also superior to what is provided in the laws; employees also enjoy other types of paid leaves in accordance with the laws, including marriage leave, prenatal check-up leave, maternity leave, paternity leave, menstrual leave, personal leave, family care leave, funeral leave, and official leave.

The company implements the unpaid parental leave policy to help employees balance their family and career. In 2020, a total of four employees applied for unpaid parental leave. The reinstatement rate was 50% for the year, and they all returned to their original positions.

2020	Total	Male	Female
Number of Applicants for Unpaid Parental Leave	4	1	3
Number of Employees to be Reinstated Work After Unpaid Parental Leave	2	0	2
Actual Number of Employees Who were Reinstated After Unpaid Parenta	1	0	1
Reinstatement Rate	50 %	0 %	50 %

*Reinstatement Rate of Unpaid Parental Leave in 2020 = Actual Number of Employees Who were Reinstated After Unpaid Parental Leave in 2020 / Number of Employees to be Reinstated After Unpaid Parental Leave

* Retention rate = (Number of employees reinstated and continuing to stay for more than one year after unpaid parental leave in 2019)/(Number of employees reinstated after unpaid parental leave in 2019). The company's retention rate in 2020 was 60%

*The company's number of eligible employees to apply for unpaid parental leave in 2020 was a total of 40 based on the number of employees applying for maternity leave and paternity leave from 2018 to 2020

Pension Fund in Accordance with Laws

The employee pension fund is set up in accordance with laws For employees who began the work on or before June 30, 2005, where they have chosen the old pension system based on their own wishes, the company contributes a pension reserve fund monthly, that is, at least two percent of the monthly salary will be contributed to the labor pension reserve account based on their years of service. The Pension Reserve Supervisory Committee has been established in accordance with the laws to manage the said matters, and the relevant pension reserve is sufficient to cover the pension funds to which eligible employees are entitled in 2020. For employees who joined ScinoPharm after July 1, 2005, the company appropriates not less than six percent of the monthly salary in accordance with the laws, while the employees can also choose to appropriate zero percent to six percent of the salary based on their own wishes to their individual pension accounts.



Insurance Protection and Health Promotion

The company purchases labor insurance and national health insurance for all employees in accordance with the laws and purchases accident insurance, life insurance, medical insurance, and business travel insurance as well, while enabling employees to increase the insured amount with lower premiums, and they can also choose to include their dependents in their insurance plans to extend the protection to the entire family.

In addition to assisting employees in paying attention to and maintaining their health, the company cooperates with the Hope-Light Counseling Clinic in Tainan to implement the employee life service program by providing professional psychological counseling services and a confidential and comfortable counseling environment to provide additional resources for employees to relieve the pressure of work or life through different

channels. Moreover, the company subsidizes employee club activities to motivate employees to develop hobbies in their spare time, engage in leisure and fitness activities, and develop social networks so as to enrich life in their spare time.



Badminton Club



Table Tennis Club



Camping Club



Mountaineering Club



Other benefits

The company is committed to creating a happy workplace environment and establishing a variety of employee welfare measures. In addition to the establishment of the Employee Welfare Committee (Welfare Committee) in accordance with the Employee Welfare Fund Act to provide all employees with various welfare measures, we organize diverse activities to promote employee relations and provides benefits and systems to reward employees as follows:

Cash gifts and consolation money Bonuses for the Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year, childbirth cash gifts, wedding cash gifts, injury or illness consolation money, and funeral consolation money \$	Food and beverage benefits Staff restaurant, light meal station, vending machines, and fully automatic coffee machines	Transportation benefits Free employee parking spaces, shuttle buses for daily commutes and the trip to Taiwan High Speed Rail	Rest facilities in the plants Employee lounge, KTV room, and library	Recreational activities Employee travel, Family Day, the ScinoPharm Forum, online lectures, online photo upload lucky draw, pop-up event on Chinese Valentine's Day, healthy drinks, and club activities (Note)
Grants/Subsidies Subsidies for employee travel subsidies, domestic / international continuing education, childcare, childbirth, and carpooling, as well as scholarships for employees' children and senior employee bonuses \$	Discounts at Cooperating Businesses ScinoPharm has contracted with many businesses to provide employees with goods and services at discount, including 38 stores in food, 88 in accommodation, and 49 in pre-education, 24 in others (healthcare), 10 in recreation, and 13 in transportation.	On-site services Banking, insurance, and many other on-site services		

Note : There are a variety of subsidized clubs, including the table tennis club, badminton club, camping club, cycling club, board game club, and softball club.



Complete Training System and Diverse Career Development

Based on the talent management principles of "equal responsibility, transparent communication, and suitable personnel for suitable jobs, ScinoPharm believes that "targets and performance, work behavior, and employee development" are equally important, and it conducts annual performance appraisals of all employees, and new employees are also subject to performance appraisals and are entitled to the distribution of employee remuneration. To help employees at all levels enhance work efficiency and behave in accordance

with its corporate culture and values, ScinoPharm provides a variety of education and training courses, while further providing occupational guidance and education and training as well as practical opportunities for personal career development based on the appraisal results. This diverse learning channels and development resources include professional training regarding jobs, general skills training, online learning related to CGMP and laws and regulations, personal work guidance, etc.





ScinoPharm's Philosophy of Talents

In order to train business management trainees, the company has established professional management training (PMT) courses to help improve the management and leadership of supervisors at all levels in the organizational operations. Meanwhile, on the basis of the competence system, it has planned a personnel learning and development map in terms of the requirements for regular personnel's core competencies to enhance their abilities needed at work and their performance, while assisting them in expanding the scope of their work and providing them with diverse career opportunities.

In addition to integrating ScinoPharm's core values and organizational development strategy into the courses, the curriculum design particularly strengthens the performance of all employees' competencies, while focusing on professional functions, along with performance appraisal results. ScinoPharm has customized an individual development plan (Individual Development Plan) for employees: practical training at work, along with guidance by existing employees and interactive learning, as well as complete training courses to cultivate employees for suitable development and successful career development.





ScinoPharm's Employee Competency Model



In addition, the company provides a complete reward system and career development blueprint to motivate our employees to strive for excellence and pursue diverse development. As of December 31, 2020, more than 80 percent of the managerial supervisors in the organization were internal employees who got promoted; ScinoPharm's efforts in training of talents are obvious to all because employees' development is important momentum driving ScinoPharm forward.

In addition, in view of strategic human resources management and the long-term development of the organization, the company makes improvement of individual efficiency and provides a series of workshops and guidance by coaches to strengthen individual learning effectiveness. Other training courses are also offered in the fields of expertise and skills, compliance, and self-efficacy : (Next page)

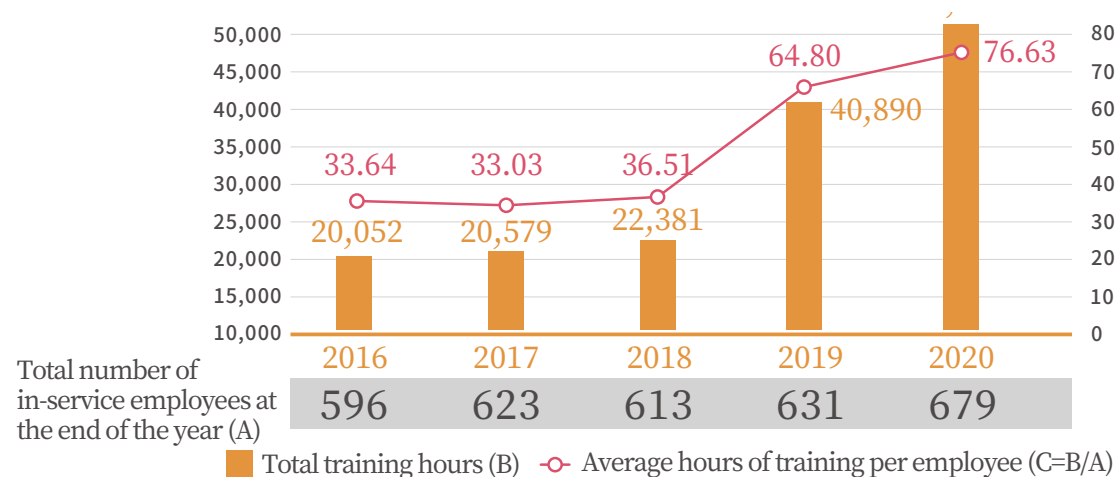


The company provides a complete reward system and a career development blueprint to motivate our employees to strive for excellence and pursue diverse development

Type	Course
Professional management training	Basic concepts and techniques of leadership, basic concepts and techniques of management, labor-related laws for supervisors, organizational management, performance and goal management, problem analysis and solving, conflict management, time management, presentation skills, creative thinking, budgeting and control, business secrets and patent protection, etc.
GMP training	Annual CGMP quality training
Health, safety, and environmental protection training	Industrial health, safety, and environmental protection training, fire-fighting training, CPR training, and annual industrial safety meeting
Professional technical training	Prevention of asphyxiation in the workplace, forklift operator training, specified high-pressure equipment and chemical engineering unit operations training, and training in operating various testing and analysis equipment
Human rights policy concerning business operations	Employee code of conduct, financial and corporate governance, sexual harassment prevention promotion, and promotion of labor-related laws
Language and other training	New employee training, language courses, in-house lecturer training, communication skills, target setting, health seminars, compliance with the government's relevant laws, and industry-related lectures



At ScinoPharm, all of our employees participate in the training activities based on their jobs, individual capabilities, and career development, as well as areas of interest. Our records showed that 17,149 of our employees participated in a total of 52,035 hours of training in 2020. The training on CGMP and health, safety, and environmental protection reached 34,150 hours.



Year	2020			
Type	Total number of employees	Male	Female	Total hours
Business management	801	555	246	1,112
CGMP training	6,901	2,901	967	31,778
Health, safety, and environmental protection training	1,600	1,143	457	2,372
Professional technical training	5,357	4,170	1,187	11,454
Others	2,490	1,942	548	5,319
Total	17,149	10,711	3,405	52,035





4.3 Health Promotion and Activities

Health Promotion Plan and Management

In 1948, the World Health Organization defined health as not only the elimination of diseases or weakness but the state of complete health physically, psychologically, and socially. In order to have a healthier life, it is more important to educate or call for people to improve their own health. The process of pursuing health includes health education promotion, promoting healthy behavior, paying attention to psychological health, maintaining proper healthy and recreational activities, and building a healthy living environment. ScinoPharm attaches great importance to its employees' health; in addition to the Occupational Safety and Health Act and the Labor Health Protection Regulations, it has established the Procedures for Health Management and the Employee Health Management Practices to establish reasonable employee health management regulations.

ScinoPharm has established a health team under the Sustainable Management Committee in accordance with our Responsible Care Framework. The team members host health promotional events and activities from time to time, help employees develop a habit of regular exercise through organizational encouragement and motivation, while developing health promotion plans that meet employees' needs based on the data of their annual health checkups and adjusting the direction of the plans according to the effectiveness of the plans every year. The

efforts have also been recognized with a Badge of Accredited Healthy Workplace granted by the Health Promotion Administration of the Ministry of Health and Welfare.

In response to the outbreak of COVID-19 at the end of December 2019 around the world, the company established a pandemic prevention team immediately as the emergency response coordinator on January 30, 2020. In addition, according to the Guidelines on Business Continuity in Response to the Severe Pneumonia with Novel Pathogens (COVID-19) provided by the Central Epidemic Command Center, we established an internal information communication webpage and disseminated knowledge of infectious disease prevention and control and other health knowledge through e-mail, to enable our employees to have a better understanding of the disease and to re-examine their living habits. Meanwhile, we motivated each employee to implement the Epidemic New Life Movement in cooperation with the government's and the company's pandemic prevention policies. During the pandemic period, we implemented personnel temperature measurement before entry into the plants, and had masks that were available by all employees in the plants for at least 30 days and anti-pandemic alcohol and other relevant cleaning and sanitizing supplies available for one year in our inventories.



Annual Employee Health Checkups

In response to the COVID-19 pandemic in 2020, ScinoPharm only arranged health checkups for personnel involved in special operations in compliance with laws and regulations. The eligible employees were divided into six groups for the checkups held on the morning of two days from November 17 to November 18 in accordance with the provisions of the Labor Health Protection Rules at the hospital. There were 20 to 25 people in each group. An employee was designated as a leader of each group, to assist the colleagues of the group in receiving health checkup at the hospital and returning to the plant. During the period, the colleagues reminded each other of abiding by the relevant anti-pandemic regulations.

For personnel involved in special operations with abnormal health checkup results, the company will follow up and assist them in arranging medical consultation and providing personal health guidance on a regular basis for the results at level 2 management or above, including adjustment of daily routine, balanced diet, proper exercise, and weight loss, and adjust the nature of the work temporarily when necessary. They shall also follow the medical advice offered by the physicians to track their health conditions, and the supervisors and occupational health physicians and

nurses will check upon them regularly and arrange secondary checkups for them. In addition, special operations health checkups are arranged for specific personnel in public utilities, R&D, quality control, and production lines in accordance with laws and regulations. (The special health checkups in 2020 were for noise, ionizing radiation, dimethylformamide (DMF), n-Hexane, and formaldehyde.)

In order to enable employers to pay attention to the work arrangements and health management of long-term graveyard shift workers, while collecting local data as a reference for work-related disease prevention policies, the Ministry of Labor announced the "Designated long-term graveyard shift workers are the specific group to whom employers shall provide specific health checkup items" on January 5, 2018. In accordance with this policy, the company arranged special health checkups and conducted health management on a case-by-case basis as per the checkup results for long-term graveyard shift workers in 2019 and 2020, who worked in the graveyard shift (from 10 p.m. to 6 a.m.) with 700 hours of graveyard shift throughout a year or who work at night for up to three hours in half of the business days per month for six months or more throughout a year.

2020 Employee Health Checkup Results

Health checkup Type	Total number of employees receiving checkups
Number of participating employees	132
Regular health checkup	0
Special health checkup 02 Noise	13
Special health checkup 03 Ionizing radiation	14
Special health checkup 11 DMF	60
Special health checkup 12 n-Hexane	27
Special health checkup 30 Formaldehyde	11
Specific long-term graveyard shift	66

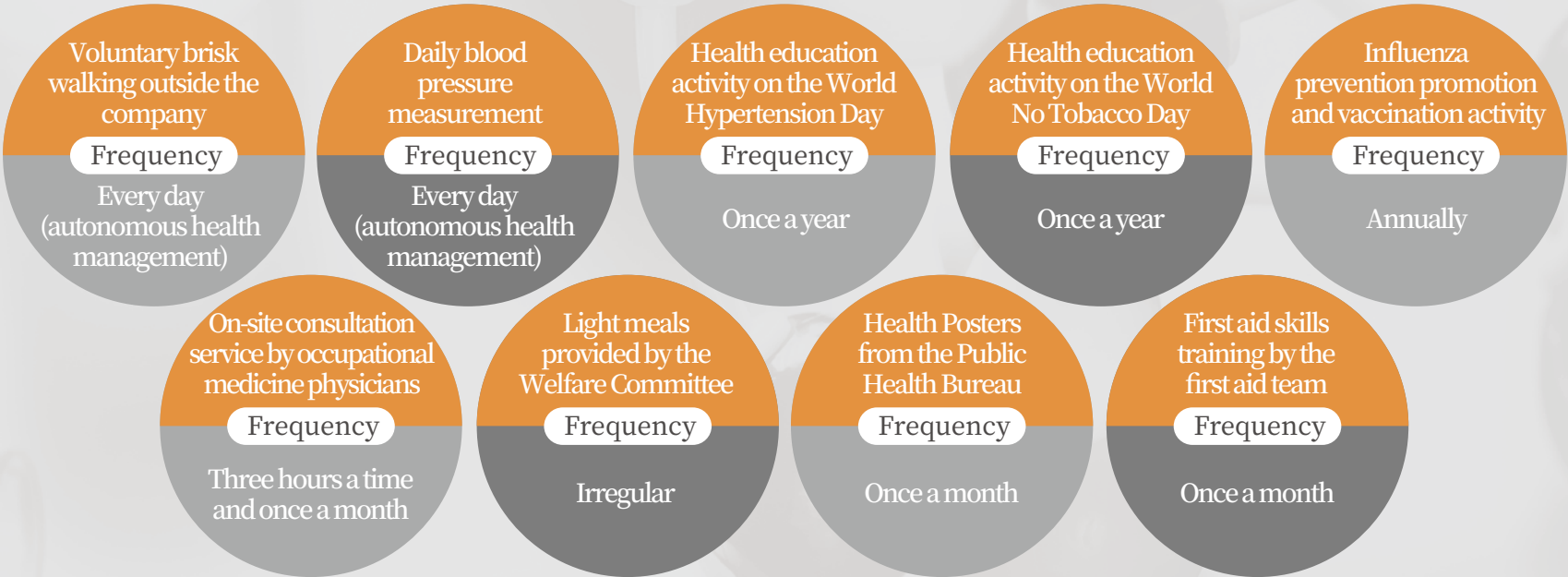


Workplace Health Promotion Activity

ScinoPharm regards employees' health as a key element for its success and sustainable development, and actively promotes care for employees' health. ScinoPharm conducts case-by-case management for employees with chronic diseases and in high-risk groups. Our on-site medical room is also equipped with a blood pressure monitor, a body fat scale, and forehead thermometers, medical care personnel will teach and guide our employees to measure their body temperatures, develop the ability to manage their own health while

promoting a dynamic life for all employees and dedicated to assisting them in controlling body fat and weight. Due to COVID-19 in 2020, ScinoPharm only arranged health checkups for personnel involved in special operation in accordance with the provisions of the Labor Health Protection Rules concerning health examination frequency for in-service employees (132 eligible employees completed the checkups). We continued to offer thematic health education to educate employees on how to avoid metabolic syndrome, which

might cause the chronic diseases of "three hypers", as well as to remind employees of influenza prevention and encourage them to have the influenza vaccines, to increase herd immunity. Meanwhile, we continued to educate them on the benefits of quitting smoking, and reenforced their health concepts. All of the efforts above are important goals in our health promotion movement. The health promotion activities in 2020 include:





Maternal Health Protection and Management

In accordance with the relevant regulations on maternity protection set out in the Occupational Safety and Health Act, currently the company has formulated the Maternal Health Protection Program for risk assessments of childbearing, pregnant, and postpartum employees, and arranges interviews for them with an occupational health physician for consultation and assessment. Where an employee who needs to operate or be exposed to cytotoxic

chemical substances due to the nature of the work in her department, she may request her supervisor to adjust the nature of her work properly during pregnancy or the breastfeeding period within one year after childbirth in accordance with the occupational health physician's assessment and advise, and the physician shall continue to follow up on the employee until one year after childbirth or after the end of breastfeeding. In addition,

occupational nurses send information on topics of maternal health protection and maternal health protection regulations at the beginning of each month to remind supervisors and employees to actively inform the occupational nurses of relevant matters so as to facilitate the arrangement of interviews or referral to departments of obstetrics and gynecology.

Month	Maternal Health Protection Educational Topics	Month	Maternal Health Protection Educational Topics
1	2020 Lunar New Year Holiday Traffic Safety and Infectious Disease Prevention and Control + Health Warnings + Information on Outpatient Clinics and Cold (Influenza-like Illness) Special Outpatient Dates of Hospitals in Tainan City!!	7	Pregnancy Knowledge + Cancer Screening Introduction + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.
2	Can a Breastfeeding Mother with the Flu Continue to Breastfeed? + Introduction to Cancer Screening + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.	8	Prenatal Genetic Diagnostic Tests and Assistance + Cancer Screening Introduction + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.
3	Children's Vision Care - How To Prevent Myopia Early + Cancer Screening + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.	9	How Long Can Breast Milk Be Stored? + Mental Health Month + Cancer Screening Introduction + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.
4	Three Tips for Pregnant Women's Health Self-Management to Protect the Health of Pregnant Mothers and Fetuses + Cancer Screening Introduction + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.	10	"Breastfeeding So Easy" Face-to-Face Breastfeeding Consultation Classroom in Tainan + Cancer Screening Introduction + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.
5	What are the Common Symptoms of Newborns' Skin? + Introduction to Cancer Screening + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.	11	Prevention of Premature Births + Cancer Screening Introduction + Adult Preventive Health Care + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.
6	Can I Have a Vaginal Birth If I Had a Previous C-Section? + Introduction to Cancer Screening + Article 31 of the Occupational Safety and Health Act Governing Maternal Health Protection.	12	Baby's Weight and Growth + Newly Revised Maternal Health Protection Laws and Regulations + Cancer Screening Introduction.



Employee First Aid Training

In order to strengthen emergency medical care, the company has installed an automated external defibrillator (AED) in early 2015, and motivated employees to complete the CPR+AED training, one of the first aid skills, every year. As workplace accidents include cerebral and cardiovascular diseases, sudden cardiac deaths, thermal injury, wound treatment and care, chemical splashes, hot fluid burns and scalds, acute sprains, bruises and contusions, and limb fractures, a

first aid team composed of five members was established in 2019 to respond to potential emergency injuries and illnesses in the workplace. It received first-aid skills training courses on various topics, and had completed a total of eight training sessions on response by the end of 2020. Other employees could participate in the sessions and take the tests online; a total of 349 employees completed such tests, with a participation rate of 52%. When the security office receives an emergency injury

notice from each unit during the night shift, it shall immediately dial 5555 to notify the EHS personnel, and the given unit shall determine the injury condition and call the ambulance by dialing 119 to the place of the occurrence to transport the injured patient. Before the ambulance arrives, employees who have received first aid skills training shall give first aid treatment first, and wait for the ambulance to take over and send the patient to hospital.



Bandaging techniques training



Employee first aid skills training



AED is installed in the plant



Occupational Injuries Reported

Year	2016	2017	2018	2019	2020
Disabling injury (number of events)	0	1	1	2	1
Disabling injury (number of people)	0	1	1	2	1
Disabling injury (number lost work days)	0	14	4	185	5
Total working hours (hrs)	1,440,807	1,520,994	1,506,684	1,497,383	1,612,984
Total working hours (hrs) - contractors	-	-	83,357	81,442	78,281.7
Disabling frequency rate (FR) (number of people)	0	0.66	0.66	1.34	0.62
Disabling FR (number of events)	0	0.66	0.66	1.34	0.62
Disabling severity rate (SR)	0	9	3	124	3
Frequency-severity indicator	0	0.0778	0.042	0.4062	0.0438
Number of traffic accidents	1	2	9	6	13

The above information is not included the events and injuries due to traffic accidents in 2020 which reported to the Occupational Safety and Health Administration (OSHA) separately.

On-site Health Service by Occupational Physicians

We arrange on-site health services by occupational physicians once a month. In addition to health assessment of employees with abnormal health results in the health checkup or pre-employment health checkup, chronic disease case-by-case management, musculoskeletal

disorders, and maternal protection health assessment, the physicians will visit the work environment and simulate operations for employees who are about to return to work after a temporary leave of absence from the company due to health issues.



Firefighters participated in the ERT training



Practical training for emergency responders

4.4 Safe Working Environment

ScinoPharm is located in the Southern Taiwan Science Park (STSP). STSP is an important development area of the country. Before the establishment of STSP, the competent authority governing STSP already carried out an overall environmental impact assessment of STSP and neighboring areas. The company has established an occupational safety and health management system in compliance with the Verification Regulations Governing Taiwan Occupational Safety and Health Management Systems (TOSHMS), and implements its safety, health and environmental protection policy based on the Plan-Do-Check-Act (PDCA) principle, as the guidelines and code of conduct for environmental and occupational safety and health management.

In order to comply with the Current Good Manufacturing Practice (CGMP) and the Responsible Care Program issued by the Taiwan Responsible Care Association (TRCA), the company has established a Sustainable Management Committee, which is a functional committee under ScinoPharm Safety and Health Committee, and various functional teams are set up under the Sustainable Management Committee, to conduct systematic audits and reviews of the safety areas covered.

The responsibility care system is the global chemical industry's spontaneous commitment to continuously improving its performance

in the environment, health, and safety (EHS) aspects. Through the signing of the Statement of Commitment, the formulation of Codes of Management Practices, the implementation of the Self-Evaluation system, the implementation of Management System Verification (MSV), submission of the SHE Performance Indicators Report, and the sharing of experience in implementing a responsible care system between companies to assist companies in establishing a complete system of industrial safety, health, and environmental protection.

The company has joined TRCA since its plants went into operation, and strives to promote the EHS management system. In addition to strictly complying with the environmental protection regulations governed by the competent authorities, it actively improves the effective use of resources and reduces the amount of waste generated, and is committed to public safety, health, and environmental protection and continues to reduce the total amount of pollutants discharged from air, water, and soil, while improving the efficiency and economic benefits of pollution prevention and control, and completing the system verification of six management principles of TRCA. Of them, management principles related to environmental management are process safety management, waste management, reduction management, and product management.



The specific actions taken included

Domestically or internationally controlled substances are avoided, such as toxicants, drug precursors, chemical warfare materials, and ozone depleting substances, when developing production processes, and are replaced with comparatively non-toxic or non-hazardous materials.

Assessments are carried out when developing production processes to reduce the use of solvents and hazardous substances to reduce the impact on the environment and the risks of personnel exposure to harmful chemicals and active substances.

Before commencing new production processes, a hazard analysis meeting on the production processes will be convened to discuss the possible hazards in the aspects of safety, health, and the environment and develop appropriate protection for improvement.

Waste generated at the plant, including biodegradable wastewater, waste solvents, solid waste, and air pollutants, is treated or cleaned in accordance with the laws and regulations.

Biodegradable wastewater is treated through activated sludge and ultra-thin film filters; after the resulting organic sludge is separated and filtered, it will be sent to a legal waste treatment company for further treatment; another legal waste disposal company is commissioned to conduct heat treatment for reuse. The treated wastewater, along with domestic sewage, are sent to the sewage treatment plant at STSP through pipelines. After the organic sludge produced by affiliated companies is separated and filtered, it will be incinerated by Jiangsu Kangbo Industrial Solid Waste Disposal Co., Ltd., and the treated wastewater, along with domestic sewage, are sent to the Binjiang sewage plant through pipelines.

Hazardous or solid waste is transported to the resource recycling center at STSP or other qualified waste treatment companies for incineration. Air pollutants discharged from the production plant, such as particulate contaminants, acidic gases, alkaline contaminants, or organic vapors, are filtered and removed through a two-stage condenser and an air scrubber. Recyclable solvents from affiliated companies are transported to Kunshan Deyuan Environmental Protection Development Co., Ltd. for purification and recycling.



Emergency Response

To enhance employees' response to emergencies, ScinoPharm set up an emergency response center in 2005 to respond to crises at the plants, to reduce the damage and subsequent impact caused by the crises. The emergency center is equipped with a variety of devices and equipment, including SCBA, firefighting clothing, and A-grade protective clothing; relevant personnel will notified in the first place when an incident occurs to take immediate actions accordingly.

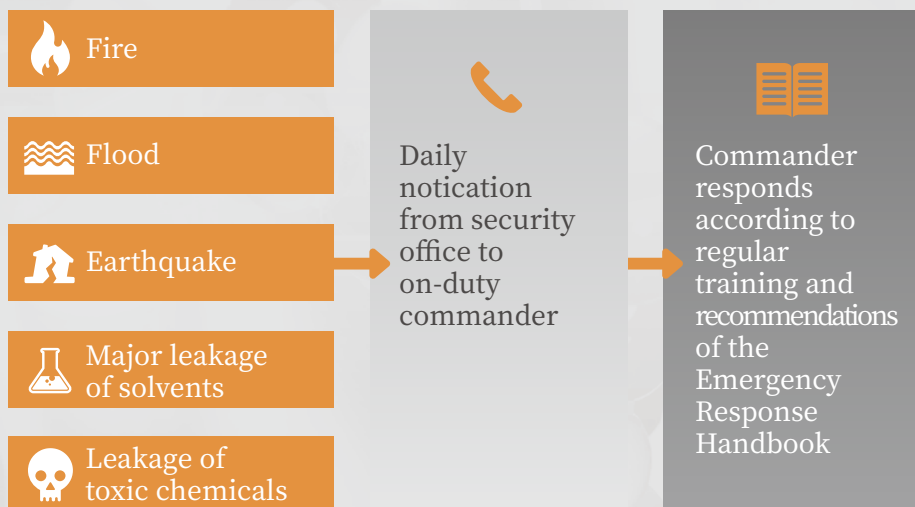
ScinoPharm has an Emergency Response Team (ERT) in place, to have a team of professionals to cope with unexpected

emergencies. The ERT team conducts monthly professional fire drills, and external fire experts are commissioned to offer lectures at the plants from time to time; theme-based emergency response drills are held regularly to strengthen the practical experience of emergency response. During the regular emergency response drills, the company will conduct the plant-wide evacuation training to familiarize all employees with the assembly sites and assembly method.

In accordance with the internal Emergency Response Procedures, after the ERT commander is notified by the security

guard office, the commander will respond based on the usual training practices and the guidelines set out in the emergency response manual, in the event of a fire, earthquake, flood, or leakage. Each plant has 4 ERT members; regardless of four- or three-shift work, there will be at least one member for each shift at each plant. It is estimated that at least 10 qualified personnel will be on-site at any time to respond in the first place and lead other non-ERT personnel in dealing with an incidence. In the case of an emergency, ERT members will gather, and the commander will assign rescue tasks.

Activation process of ERT





ERT commander and vice commander training courses

1	Introduction to ScinoPharm response system Response systems for fires, leakages, earthquakes, and typhoons Timing of activating each response system Role of the commander
2	Introduction to ScinoPharm ERT resources Internal resources : Response personnel, response devices equipment, and their location External resources : Response center, response team, and firefighters
3	Scenario simulation Scenario simulation for different disaster scenarios Review of different risks for each plant
4	Training with ERT members Disaster analysis and scenario simulation Practical drills: Personnel allocation by the commander following a notification of the disaster situation
5	Participation in plant-wide drills Biannual open plant-wide drills Biannual internal plant-wide drills Nighttime plant-wide drill once a year Unscheduled drill for emergency evacuation once a year

In addition, to improve the tacit understanding between the long-term on-site business partners and the company's employees when responding to a crisis to control the disaster as quickly as possible and reduce the impact. ScinoPharm requires all employees and long-term on-site business partners to receive fire extinguisher training annually, to increase the familiarity with initial-phase emergency response techniques. In addition, the company provides each employee with a reminder card of the Emergency Notification Process to strengthen internal personnel's familiarity with the notification mechanism in the case of an emergency, in the hope of reducing misjudgments due to nervousness or panic.





Hazard Management of Chemicals and APIs

The rapid industrial development in the world and the sharp increase in the number and variety of chemicals used in various industries represent a rising risk of exposure to chemical hazards in the workplace. ScinoPharm has a wide range of products, which means a wide range of chemical raw materials are used. To ensure the safety of its personnel, it places great emphasis on the prevention of chemical hazards

In accordance with the chemical assessment procedures set out in the national laws and regulations, it has assessed risk levels in terms of "health hazard," "distribution," and "amount used;" different management measures are adopted for different risk levels.

To ensure its personnel's health and safety, ScinoPharm has further adopted the Saturation Vapor Pressure Model to simulate the gas or vapor dispersion in the working environment to estimate the concentration of chemicals in the air, thus confirming if the personnel exposure is below the permissible exposure limit so as to ensure personnel's health and safety and to control the concentration of chemicals in the workplace through a more accurate quantitative model.

ScinoPharm has collected and archived the long-term data from monitoring the work environment, and the monitored results are adopted as a reference for assessing the concentration of chemical exposure for personnel during the unit operations. A universal management model is adopted for the API

exposure control strategy across the world, that is the establishment of API exposure limits, classification of hazard levels, planning of engineering protection requirements for different hazard levels, definition of the use and management of engineering protection facilities, as well as the confirmation of the functionality of engineering protection and the measurement of the work environment, to evaluate and review whether the engineering protection requirements for different hazard levels need to be improved or upgraded.

Working environment inspection

In order to ensure the quality of the working environment, ScinoPharm conducts an inspection of the working environment at all plants every half a year to keep abreast of the distribution and exposure of hazardous substances in the work environment, and then evaluate and improve the working environment. The inspection operation is entrusted to a qualified inspection agency to ensure the validity of the inspection results. Before the inspection of the working environment, the industrial safety unit shall jointly evaluate and work on the strategy and planning of the sampling of the working environment beforehand.

The measurement method is to select representative measurement factors and sampling points for sampling in the working environment, and the data results are then analyzed and evaluated to understand exposure doses and long-term cumulative effects for its employees, so as to be aware of the risk factors present in the working environment, while actively adopting

the measurement results as a reference for environmental improvement assessment, engineering protection effects, and the suitability of personal protective equipment selection.

As APIs are mainly manufactured in batches, the chemicals used for each project can vary widely; for those conducted within short time spans, as set out in the "Regulations Governing Inspection of Labor Working Environment," which is currently in place, inspection of the working environment may not be required. However, because of considerable variations in production scheduling and the company's conservative stance on employee protection, it still conducts working environment inspection to inspect the working environment annually based on the chemicals used at the time.

Items to be inspected encompass physical and chemical agents; the physical agents include noise, while chemical agents include isopropanol, acetone, ethyl acetate, methanol, toluene, acetonitrile, Dimethylformamide, and dichloromethane. In addition, to ensure that its employees operate in a safe work environment, we implement effective administrative management or hardware improvement projects for the items that fail to reach the standards.

Supplier / Waste Disposal Provider Management and Audit

In order to ensure that suppliers can properly and safely manufacture and transport goods, we will conduct a preliminary survey of our suppliers to understand how external businesses place emphasis on EHS and their management ability through a



questionnaire on our EHS management system. Then, a list of suppliers, manufacturing contractors, and waste disposal providers with major hazardous substances will be decided; on-site inspection and audits will be carried out when necessary. In 2020, we completed quality audits of five suppliers and one audit of waste disposal providers.

(Note: The main items of the supplier quality audits covered warehouse, shipment release, quality system, production process, and inspection records.)

Procedures for Handling External Complaints on the Surrounding Environment of the Plant

Out of the spirit of responsible care and to ensure that the entire life cycle in the product process can be properly handled to protect relevant personnel and the environment from exposure or pollution, relevant work instructions and procedures have been established in accordance with ScinoPharm EHS Management Manual, so as to handle complaints from competent authorities or businesses or people in the surrounding area of each plant. These procedures are applicable to any appeal, complaint, or suggestion from competent authorities or businesses or people in the surrounding area of the plant regarding environmental or safety issues, including odors or black smoke, which is potentially or suspected of generated by ScinoPharm during the production processes. It will be handled jointly by the EHS Department, the Human Resources and Administration Office, and other relevant departments.

Process Safety Management

In order to reduce unacceptable risks stemming from process hazards from the R&D stage to the mass production stage, ScinoPharm has adopted a four-stage process hazard analysis procedure: process hazard analysis in the lab (Lab PHA), inherent hazard analysis (PHA 1), reactivity hazard analysis (PHA 2), and operational hazard analysis (PHA 3). In addition, to assess safety issues related to thermal stress due to chemical reactions, we have adopted lab equipment, including differential scanning calorimeters, reaction calorimeters, and adiabatic calorimeters (PHI-TEC II) to conduct safety analyses and predicted the hazard effects of chemicals without sufficient toxicological data by means of the drug toxicity prediction software (Derek Nexus and Sarah Nexus for Windows).

For hazards that may arise from process modifications or engineering changes, the change management procedures are adopted to assess and mitigate the potential risks of the change. In the operation safety control, we already have procedures in place for hazardous operations, locking/tagging operational procedures, and management of limited space operations.

The safety inventory and standard packaging procedures are adopted for chemicals used at the plant, and a complete set of personal safety gear has been prepared for operators to ensure their safety when using and storing the chemicals.



Complete protective equipment is available in the manufacturing process



Hazardous Machinery and Equipment/Apparatus Management

The construction of the dangerous mechanical equipment for our plant is all inspected by our Occupational Safety and Health Committee, together with the contractor prior to application for final examination and certification by a labor inspection agency; the machinery and equipment shall only be put into operation after a certificate of compliance has been granted.

In addition to requiring our operators to pass relevant training, we have established the "Regulations Governing Crane Operation Safety," "Safety Regulations Governing Boiler Operation Safety," and "Regulations Governing Specific High-Pressure Gas Equipment Operation Safety" in our Employee Health and Safety Regulation Manual to regulate our operators' operating procedures.

The inspection method of hazardous machinery and equipment is based on the Occupational Safety and Health Act and its relevant laws and regulations, and the Automatic Inspection Operating Procedures have been established based on the actual on-site situations, as the guidelines on the inspection and maintenance of the dangerous machinery and equipment. The inspection of the said machinery and equipment shall be conducted by personnel with a certified operating license to maintain their performance. In the case of maintenance, the maintenance work shall be conducted in accordance with the maintenance procedures for various machines and equipment developed by the plant.





Chapter 5

Social Responsibility

5.1 Social Contribution 108





Active Promotion of Charity Activities During the Pandemic Support for Domestic Outstanding Artistic Talents

During the pandemic period in 2020, we continued to hold social welfare events and provided care and assistance to disadvantaged groups in the community while in line with the principles of the Epidemic New Life Movement. ScinoPharm sponsored the AAEON Foundation to exhibit art and cultural works in the company to promote domestic art creation events, in the amount of NT\$25,000 every year for more than 10 consecutive years. We have striven to improve the sense of life aesthetics and humanistic spirit of the workers at STSP.



Blood donation activity in the plant

5.1 Social Contribution

During the pandemic period in 2020, we continued to hold social welfare events and provided care and assistance to disadvantaged groups in the community while in line with the principles of the Epidemic New Life Movement. In terms of education, we took the initiative to hold a one-day workshop to enable students interested in the pharmaceutical industry to understand the relevant skills required for the industry, thereby bridging the gap between industry and academia; we also continued to collaborate with the Chinese Chemical Society to grant the ScinoPharm Thesis Scholarship in the amount of up to NT\$100,000 every year. ScinoPharm has supported the STSP Administration by participating in the "Love Starts from Southern Taiwan Science Park" every year for six consecutive years, supported the "Fun Learning Experience" organized by the group's Uni-President Social Welfare Charity Foundation, which reached 200 students, and responded to "Second-Hand Clothes with Love", with nearly 1,000 pieces of second-hand clothes donated. We also spared no effort to take care of the vulnerable groups in the community by purchasing products related to events organized by the Genesis Social Welfare

Foundation and using them in our internal events and activities. In addition, we took the initiative to hold blood donation activities in the plants and encouraged our employees to donate blood and to spread love, thereby helping solve the blood shortage issue for hospitals.

In order to support outstanding domestic art talents, ScinoPharm sponsored the AAEN Foundation to exhibit art and cultural works in the company to promote domestic art creation events, in the amount of NT\$25,000 every year for more than 10 consecutive years. To enhance the life aesthetics and humanistic spirit of the workers at STSP, the ScinoPharm Forum has been held for 11 years. During the pandemic period in 2020, we held the forum online. Professor Ping-Cheng Yeh and Ms. Yang Yeh delivered speeches to share their life stories. With a borderless world enabled by the Internet, the forum was viewed by more than 10,000 people online throughout 2020.



Participation in Charitable Activities in 2020

Name of Activity	Input of Resources and Results	Number of People / Organization Reached	Social Impact
"Month of Love" at STSP	Donated all proceeds from a charity picnic	The disadvantaged families under the long-term care in Tainan	As a pharmaceutical company, ScinoPharm and the surrounding companies at STSP took the responsibility to care for the people in the neighboring community who were unable to see a doctor because of poverty.
ScinoPharm Blood Donation Events	1.Total blood donation reached nearly 6,500 c.c. 2.Gave out nutritious food products to employees participating in the events	1.Nearly 21 employees donated blood 2.General public	We took the initiative to launch blood donation events, to contribute our part to meet the urgent need for relief out of the empathy with those in need; we encouraged our employees to donate blood and to spread love, thereby helping solving the blood shortage issue for hospitals.
Plant activities	1.Purchased products from the Genesis Social Welfare Foundation in the amount of NT\$10,000	1. Genesis Social Welfare Foundation	Purchased products from the Genesis Social Welfare Foundation to enable disadvantaged groups to hold events successfully during the pandemic period in 2020.
A series of seminars of the "ScinoPharm Art Forum"	Set up a budget of NT\$600,000	Held the event for 11 consecutive years, and invited Ping-Cheng Yeh and Yang Yeh to deliver online speeches in 2020, with the total number of participants exceeding 10,000	We have long sponsored art-related events and activities, and this event has enabled us to do our share in enhancing the aesthetics and humanistic spirit of people working at STSP. Due to the pandemic, we held the forum online in the form speeches instead. Due to the borderless nature enabled by the Internet, people could participate in this event at home and abroad.
Regular ScinoPharm Art Gallery Exhibitions	Offered sponsorship of NT\$25,000	Directly reached around 630 employees of ScinoPharm	ScinoPharm supports domestic art creation activities by sponsoring domestic public art promotion and organizing regular exhibitions of paintings and photography at the plant.



Participation in Charitable Activities in 2020

Name of Activity	Input of Resources and Results	Number of People / Organization Reached	Social Impact
The group's charity events, including "Fun Learning Experience" and "Second-Hand Clothes with Love + Baby Dogs"	1. Gifts worth NT\$20,000 for the events 2. Donated 10 boxes of second-hand clothes with nearly 1,000 pieces of clothes	1. Directly reached nearly 200 school children 2. Thirty organizations, including the Hsinchu County Shiguang Home for the Disabled, the Indigenous Sustainable Development Association, the Tainan Longqi Home for the Disabled, the St. Raphael Opportunity Center, the Taiwan Association of Child Development and Early Intervention, Alang Qowgan, the Stray Dog Association, and private animal shelters.	Responded to the charity events of "Fun Learning Experience" and "Second-Hand Clothes with Love + Baby Dogs" held by Uni-President Group. The group believes that humanity lies in having a kind heart. Only when there are good intentions and willingness to give will society be warmer.
Sponsorship to activities and events held in the neighborhood	Gave out 500 eco-friendly bags at a cost of NT\$35,000	Directly reached 500 local residents	Maintaining friendly relations with residents in the neighborhood is the most basic social responsibility of an enterprise.
"School One-day Workshop"	Set up a budget of NT\$100,000	1. Reached 5 schools 2. Directly reached with 53 students.	Enabled school learning to be closer to the practical application as in enterprises by organizing school-related activities so as to bridge the gap between the industry and academia is reduced.
ScinoPharm Thesis Scholarship	NT\$100,000	Students in science and engineering colleges at universities and colleges	Assisted with the cultivation of talents and enhanced students' understanding of the pharmaceutical and biotechnology industry.



Active social participation

ScinoPharm actively participates in the activities of associations related to the industry and helps promote the development and exchanges of the industry by serving a director or supervisor at the associations and sponsoring relevant events held by the associations. ScinoPharm's supervisors serve as supervisors at the Taiwan Generic Pharmaceutical Association (TGPA).

Membership of Organizations

The Allied Association for Science Park Industries	Taiwan Parenteral Drug Association
Taiwan Pharmaceutical Manufacturer's Association	Taiwan Bio Industry Organization
Taiwan Pharmaceutical Manufacture and Development Association	Cross-Strait CEO Summit
Taiwan Generic Pharmaceutical Association	Chemical Society Located in Taipei



Appendix

Table of Global Reporting Initiative (GRI) Standards

「*」 indicates a material topic

GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
1.Organizational Overview					
GRI102 General Disclosures : Core	102-1	Name of the organization	About this Report	03	
	102-2	Activities, Brands, Products, and Services	1.4 Scope of Business	24	
	102-3	Location of headquarters	About this Report	03	
	102-4	Location of operations	About this Report	03	
	102-5	Ownership and legal form	1.2 Shareholding Structure	18	
	102-6	Markets served	1.4 Scope of Business	24	
	102-7	Scale of the organization	1.1 Company Profile	16	
	102-8	Information on employees and other workers	4.1 Personnel Overview	78	
	102-9	Supply chain	2.3 Supplier and Contractor Management	52	
	102-10	Significant changes to the organization and its supply chain	About this Report	03	
	102-11	Precautionary principle or approach	1.7 Risk Management	38	
	102-12	External initiatives	About this Report 1.3 Overview of Operations	03 20	
	102-13	Membership of associations	5.1 Social Contribution	108	
2.Strategy					
GRI102 General Disclosures : Core	102-14	Statement from senior decision-maker	A Message from the Management	04	
GRI102 General Disclosures: Comprehensive	102-15	Key impacts, risks, and opportunities	1.5 Corporate Governance 1.6 Ethical Management	30 35	
3.Ethics and Integrity					
GRI102 General Disclosures : Core	102-16	Key impacts, risks, and opportunities	1.5 Corporate Governance 1.6 Ethical Management	30 35	
GRI102 General Disclosures : Comprehensive	102-17	Mechanisms for advice and concerns about ethics	1.6 Ethical Management	35	



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
4. Governance					
GRI102 General Disclosures: Core	102-18	Name of the organization	1.5 Corporate Governance	30	
GRI102 General Disclosures: Comprehensive	102-22	Composition of the highest governance body and its committees	1.5 Corporate Governance	30	
	102-23	Chair of the highest governance body	1.5 Corporate Governance	30	
	102-24	Nominating and selecting the highest governance body	1.5 Corporate Governance	30	
	102-25	Conflicts of interest	1.6 Ethical Management	35	
	102-35	Remuneration policies	1.5 Corporate Governance	30	
	102-36	Process for determining remuneration	1.5 Corporate Governance	30	
5. Stakeholder Engagement					
GRI102 General Disclosures: Core	102-40	List of stakeholder groups	1.8 Communication and Negotiations with Stakeholders	41	
	102-41	Collective bargaining agreements	4.1 Personnel Overview 4.2 Employee Benefits and Care	78 83	
	102-42	Identifying and selecting stakeholders	1.8 Communication and Negotiations with Stakeholders	41	
	102-43	Approach to stakeholder engagement	1.8 Communication and Negotiations with Stakeholders	41	
	102-44	Key topics and concerns raised	1.8 Communication and Negotiations with Stakeholders	41	
6. Reporting Practice					
GRI102 General Disclosures: Core	102-45	Entities included in the consolidated financial statements	About this Report	03	
	102-46	Defining report content and subject boundaries	About this Report	03	
	102-47	List of material topics	1.8 Communication and Negotiations with Stakeholders	41	
	102-48	Restatements of information	About this Report	03	
	102-49	Changes in reporting	About this Report	03	
	102-50	Reporting period	About this Report	03	
	102-51	Date of most recent report	About this Report	03	
	102-52	Reporting cycle	About this Report	03	
	102-53	Contact point for questions regarding the report	About this Report	03	
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report	03	
	102-55	GRI Content Index	Appendix - Global Reporting Initiative (GRI) Comparison Chart	111	
	102-56	External assurance	About this Report	03	



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
Topic-specific Standards: 200 Series (Economic Topics)					
*Economic Performance					
GRI 103 Management approach to economic performance	103-1	Explanation of the material topic and its boundary	1.3 Overview of Operations 1.8 Communication and Negotiations with Stakeholders	20 41	
	103-2	The management approach and its components	1.3 Overview of Operations	20	
	103-3	Evaluation of the management approach	1.3 Overview of Operations	20	
GRI 201 Topic-specific disclosures	201-1	Direct economic value generated and distributed	1.3 Overview of Operations	20	
	201-2	Financial implications and other risks and opportunities due to climate change	1.3 Overview of Operations	38	
	201-3	Defined benefit plan obligations and other retirement plans	4.1 Personnel Overview	78	
	201-4	Financial assistance from the government	1.3 Overview of Operations	20	
Tax					
GRI 207 Topic-specific disclosures of tax	207-14	Country-by-country reporting	1.3 Overview of Operations	20	
Topic-specific Standards: 300 Series (Environmental Topics)					
*Energy					
GRI 103 Energy management approach	103-1	Explanation of the material topic and its boundary	3.2 Management and Use of Energy and Resources	64	
	103-2	The management approach and its components	3.2 Management and Use of Energy and Resources	64	
	103-3	Evaluation of the management approach	3.2 Management and Use of Energy and Resources	64	
GRI 302 Topic-specific disclosures of energy	302-1	Energy consumption within the organization	3.2 Management and Use of Energy and Resources	64	
	302-4	Reduction of energy consumption	3.2 Management and Use of Energy and Resources	64	
Water and effluents					
GRI 303 Management approach to water and effluents	303-1	Interactions with water as a shared resource	3.2 Management and Use of Energy and Resources	64	
GRI 303 Topic-specific disclosures of water and effluents	303-3	Water Withdrawal	3.2 Management and Use of Energy and Resources	64	
	303-4	Water discharge	3.2 Management and Use of Energy and Resources	64	
	303-5	Water consumption	3.2 Management and Use of Energy and Resources	64	



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
Topic-specific Standards: 300 Series (Environmental Topics)					
*Emissions					
GRI 103 Emissions management approach	103-1	Explanation of the material topic and its boundary	3.3 Management of Greenhouse Gases	71	
	103-2	The management approach and its components	3.3 Management of Greenhouse Gases	71	
	103-3	Evaluation of the management approach	3.3 Management of Greenhouse Gases	71	
GRI 305 Topic-specific disclosures of emissions	305-1	Direct (Scope 1) GHG Emissions	3.3 Management of Greenhouse Gases	71	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3 Management of Greenhouse Gases	71	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3 Management of Greenhouse Gases	71	
*Waste					
GRI 103 Waste management approach	103-1	Explanation of the material topic and its boundary	3.4 Pollution Prevention	73	
	103-2	The management approach and its components	3.4 Pollution Prevention	73	
	103-3	Evaluation of the management approach	3.4 Pollution Prevention	73	
GRI 306 Topic-specific disclosures of waste	306-3	Waste generated	3.4 Pollution Prevention	73	
	306-4	Waste diverted from disposal	3.4 Pollution Prevention	73	
	306-5	Waste directed to disposal	3.4 Pollution Prevention	73	
*Environmental Compliance					
GRI 103 Environmental compliance management approach	103-1	Explanation of the material topic and its boundary	3.1 Health, Safety, and Environmental Protection Policy	60	
	103-2	The management approach and its components	3.1 Health, Safety, and Environmental Protection Policy	60	
	103-3	Evaluation of the management approach	3.1 Health, Safety, and Environmental Protection Policy	60	
GRI 307 Environmental Compliance Topic-specific disclosures	307-1	Non-compliance with environmental laws and regulations	3.1 Health, Safety, and Environmental Protection Policy	60	
Topic-specific Standards: 400 Series (Social Topics)					
Employment relations					
GRI 401 Management approach disclosures of employment	401-1	New employee hires and employee turnover	4.2 Employee Benefits and Care	83	
	401-2	Benefits provided to full-time employees (that are not provided to temporary or part-time employees)	4.2 Employee Benefits and Care	83	
	401-3	Parental leave	4.2 Employee Benefits and Care	83	
Labor-management relations					
GRI 402 Topic-specific disclosures of labor-management relations	402-1	Minimum notice periods regarding operational changes	4.1 Personnel Overview	78	



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
Occupational Health and Safety					
GRI 103 Management approach disclosures of occupational health and safety	403-1	Occupational health and safety management system	4.3 Health Promotion and Activities	92	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Health Promotion and Activities 4.4 Safe Working Environment	92 98	
	403-3	Occupational health and safety	4.3 Health Promotion and Activities	92	
	403-4	Hazard identification, risk assessment, and incident investigation	4.3 Health Promotion and Activities	92	
	403-5	Worker training on occupational health and safety	4.3 Health Promotion and Activities 4.4 Safe Working Environment	92 98	
	403-6	Promotion of worker health	4.3 Health Promotion and Activities	92	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Health Promotion and Activities 4.4 Safe Working Environment	92 98	
GRI 403 Topic-specific disclosures of occupational health and safety	403-9	Work-related injuries	4.3 Health Promotion and Activities	92	
	403-10	Work-related ill health	4.3 Health Promotion and Activities	92	
*Training and Education					
GRI 103 Management approach to training and education	103-1	Explanation of the material topic and its boundary	4.2 Employee Benefits and Care	83	
	103-2	The management approach and its components	4.2 Employee Benefits and Care	83	
	103-3	Evaluation of the management approach	4.2 Employee Benefits and Care	83	
GRI 404 Topic-specific disclosures of training and education	404-1	Average hours of training per year per employee	4.2 Employee Benefits and Care	83	
Employee Diversity and Equal Opportunity					
GRI 405 Employee Diversity and Equal Opportunity Topic-specific disclosures	405-1	Diversity of governance bodies and employees	4.1 Personnel Overview	78	
	405-2	Ratio of basic salary and remuneration of women to men	4.1 Personnel Overview	78	
Non-discrimination					
GRI 406 Topic-specific disclosures of non-discrimination	406-1	Incidents of discrimination and corrective actions taken	4.1 Personnel Overview	78	None
Child Labor					
GRI 408 Topic-specific disclosures of child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Personnel Overview	78	



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
Indigenous rights					
GRI 411 Topic-specific disclosures of rights of indigenous peoples	411-1	Incidents of violations involving rights of Indigenous peoples	-	-	None
Local community					
GRI 413 Topic-specific disclosures of local communities	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 Safe Working Environment 5.1 Social Contribution	98 108	
Public policy					
GRI 415 Topic-specific disclosures of public policy	415-1	Political contributions	-	-	None
*Customer Health and Safety					
GRI 103 Customer health and safety management approach	103-1	Explanation of the material topic and its boundary	2.1 Product Laws and Regulations 2.2 Product Safety and Consumer Satisfaction	48 50	
	103-2	The management approach and its components	2.1 Product Laws and Regulations 2.2 Product Safety and Consumer Satisfaction	48 50	
	103-3	Evaluation of the management approach	2.1 Product Laws and Regulations 2.2 Product Safety and Consumer Satisfaction	48 50	
GRI 416 Topic-specific disclosures of customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	2.2 Product Safety and Consumer Satisfaction	50	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Product Laws and Regulations	48	No violation
* Marketing and Labeling					
GRI 103 Marketing and labeling management approach	103-1	Explanation of the material topic and its boundary	2.1 Product Laws and Regulations	48	
	103-2	The management approach and its components	2.1 Product Laws and Regulations	48	
	103-3	Evaluation of the management approach	2.1 Product Laws and Regulations	48	
GRI 417 Topic-specific disclosures of marketing and labeling	417-1	Requirements for product and service information and labeling	2.1 Product Laws and Regulations	48	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-		None
	417-3	Incidents of non-compliance concerning marketing communications	-		None



GRI Consolidated Set of Standards/Topics	No.	Disclosed Content of GRI Standards	Corresponding Sections and Chapters	Page Number	Omission/Note
*Socioeconomic Compliance					
GRI 103 Management approach to socioeconomic compliance	103-1	Explanation of the material topic and its boundary	1.6 Ethical Management	35	
	103-2	The management approach and its components	1.6 Ethical Management	35	
	103-3	Evaluation of the management approach	1.6 Ethical Management	35	
GRI 419 Socioeconomic Compliance Topic-specific disclosures	419-1	Non-compliance with laws and regulations in the social and economic area	1.6 Ethical Management	35	No violation
*Patents					
GRI 103 Patents management approach	103-1	Explanation of the material topic and its boundary	2.4 Patent issues	56	
	103-2	The management approach and its components	2.4 Patent issues	56	
	103-3	Evaluation of the management approach	2.4 Patent issues	56	



Summary of Assurance Items

No.	Target Information	Applicable Benchmark	page Number
1	The average and median salary of non-managerial employees in 2020.	This is subject to the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds, relevant questions and answers, and relevant laws and regulations.	80
2	New recruit rate in 2020.	The proportion of new recruits in 2020 was calculated based on the Company's 2020 list of new recruits, and the list of all employees as of December 31, 2020, and is presented by age group and gender.	83
3	Reinstatement rate of employees on unpaid parental leave in 2020.	The reinstatement rate was calculated based on the formula provided by GRI based on the Company's list of people who applied for unpaid leave as of December 31, 2020, and the number of people reinstated after the end of parental leave.	84
4	Total volume of various types of waste processed in 2020.	It is based on the total volume of business waste processed by the Company in 2020, which is registered in the business waste declaration and management information system, in accordance with the Waste Disposal Act and the filing rules formulated by the competent authority in this field.	74
5	Amount of power from solar panels and revenue from green power sales in 2020.	They refer to the total amount of power generated from solar panels installed on the rooftop of the Company's administrative building and the revenue from the bulk sale of green power to Taiwan Power Company in 2020, and the total carbon reduction was calculated based on the latest electricity carbon emission factor announced by the Bureau of Energy, Ministry of Economic Affairs.	72
6	In 2020, the Company was not fined by the competent authority more than NT\$1 million and needed to release material information in accordance with relevant regulations	As of December 31, 2020, the Company had not violated environmental laws and regulations significantly, which would result in administrative fines imposed by the competent authority, and needed to release material information in accordance with Article 4, Paragraph 1, Subparagraph 26 (3) on release of material information of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.	63



CPA's Limited Assurance Report



會計師有限確信報告

資會綜字第 20011183 號

台灣神隆股份有限公司 公鑒：

本事務所受台灣神隆股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定 2020 年度企業社會責任報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關 貴公司選定 2020 年度企業社會責任報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於 貴公司 2020 年度企業社會責任報告書第 117 頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於企業社會責任報告書第 3 頁之「報告書範疇與邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報企業社會責任報告書作業辦法」與相關問答集及有關法令之規定與全球永續性報告協會 (Global Reporting Initiatives, GRI) 發布之最新版 GRI 準則 (GRI Standards)，以及 貴公司依行業特性與其報導之績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照臺灣證券交易所「上市公司編製與申報企業社會責任報告書作業辦法」與相關問答集及有關法令之規定與全球永續性報告協會 (Global Reporting Initiatives, GRI) 發布之最新版 GRI 準則 (GRI Standards)，以及 貴公司依行業特性與其報導之績效指標參採或自行設計其他基準，以編製企業社會責任報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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T: +886 (6) 234 3111, F: +886 (6) 275 2598, www.pwc.tw



- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行查詢、觀察、檢查等測試，以取得有限確信之證據。

此報告不對 2020 年度企業社會責任報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管制規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依臺灣證券交易所「上市公司編製與申報企業社會責任報告書作業辦法」與相關問答集及有關法令之規定與全球永續性報告協會 (Global Reporting Initiatives, GRI) 發布之最新版 GRI 準則 (GRI Standards)，以及 貴公司依行業特性與其報導之績效指標參採或自行設計其他基準編製而須作修正之情事。

其它事項

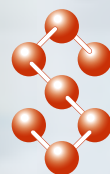
貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 林 永 智



中華民國 110 年 9 月 27 日



ScinoPharm Taiwan