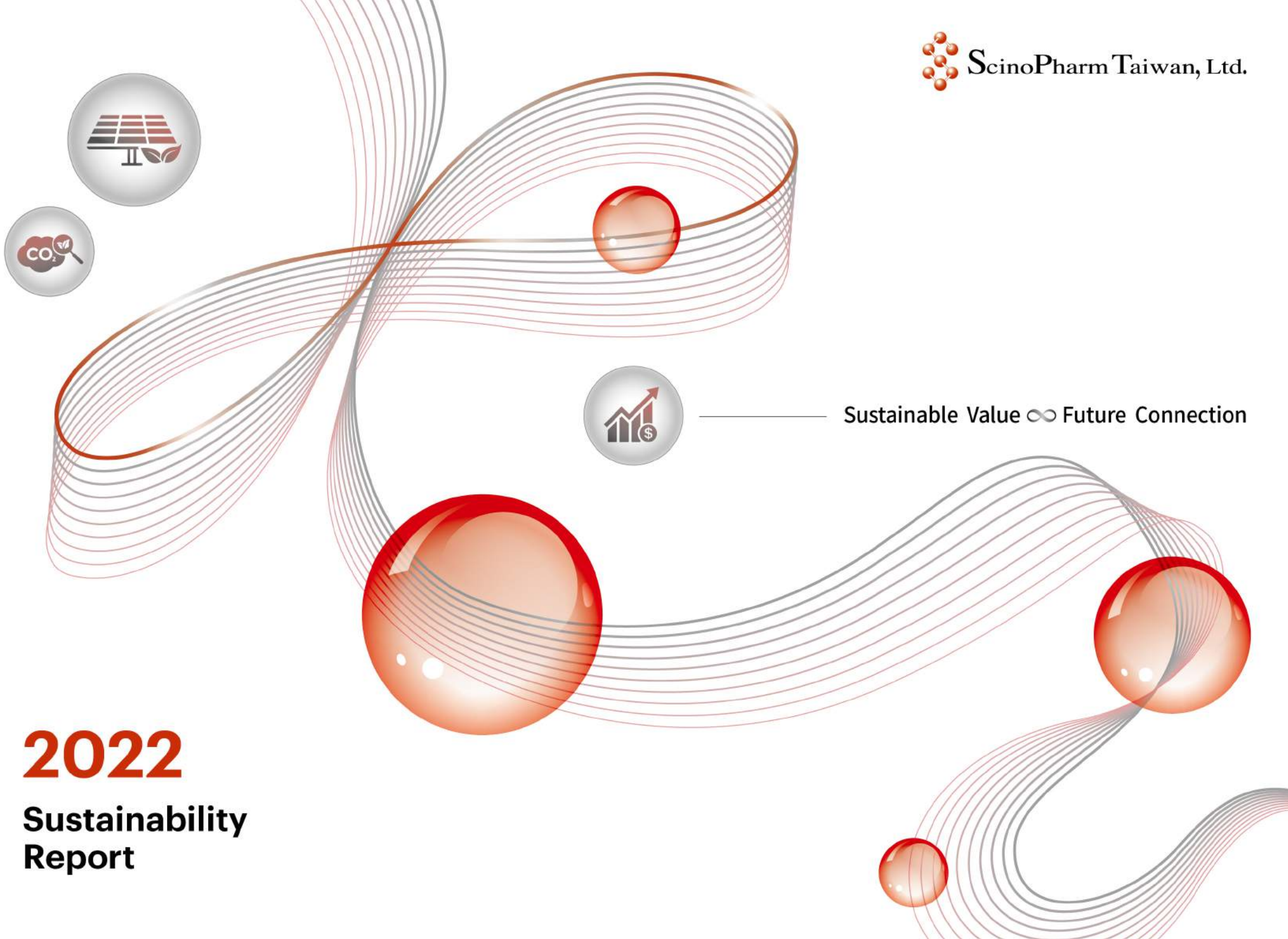




2022

**Sustainability
Report**



Sustainable Value ∞ Future Connection

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About this Report

Editorial Outline

Founded in 1997 and headquartered in the Southern Taiwan Science Park, ScinoPharm Taiwan, Ltd. (hereinafter referred to as ScinoPharm) is a pharmaceutical company that meets the U.S. FDA and international CGMP standards. This year marks the 26th anniversary of ScinoPharm. The Company is mainly focused on the research and development of products and patented processes, with strict adherence to international CGMP standards. Our high-quality products are widely recognized and trusted by customers. In recent years, ScinoPharm has entered the field of injectable products, specializing mostly in the development of complex injectable preparations, and built the injectable drug plant. The Company has also completed setting up the Warehouse No. 2 in 2022 to store injection preparation products, and actively penetrate healthcare areas in which there are unmet needs. With a strategy oriented toward a high-value-added product market to accelerate the expansion of its influence, ScinoPharm hopes to enhance its industrial value and long-term competitiveness. This report discloses ScinoPharm's goals in sustainable development and operations as well as positions and responses in face of key issues while addressing issues that are of concern to stakeholders from internal/external.

Reporting Scope

The reporting scope includes the policies and activities and their results, in the aspects of current economy, environmental sustainability, and social development, developed and implemented by ScinoPharm between January 1 and December 31 of 2022.

Boundary and Material Aspects

This report includes material topics that concern ScinoPharm and its stakeholders and disclosure of relevant management guidelines, and describes its considerations, actions taken, and performance in social, environmental, and economic aspects during the development process. Relevant information disclosed in this report pertains mainly to ScinoPharm. Topics material to the company were identified by departmental heads, representatives, and external experts by assessing the actual or potential negative/positive impact of a topic on the economy, environment, and society (including people and human rights). The material topics for this year's report were identified after calculating the sum of the scores and subsequently served as the guideline for the disclosure of issues in the report. Information relevant to SciAnda (Changshu) Pharmaceuticals, Ltd., SciAnda Shanghai Biochemical Technology, Ltd., SPT International, Ltd., and ScinoPharm Singapore Pte Ltd. is not included in this report. The Company built a new warehouse (Warehouse No. 2) on its plant premises during the reporting period, which posed no significant influence on the size, structure, or ownership of the company. Restatements of information, if any, will be provided in text. Refer to the 2022 Annual Report for details of the organizational structure of ScinoPharm and its subsidiaries.

Compilation Guideline

This sustainability report for the preceding year is prepared by adopting the Universal Standards, Sector Standards, and Topic Standards of the Global Reporting Initiatives (GRI) to disclose the material economic, environmental and social topics and impacts identified by the company, topic-specific disclosure, and reporting requirements, which served as the basis for report compilation. A table of all the relevant chapters and sections is included in the appendix of this report for quick retrieval and search.

ScinoPharm prepares and files the Sustainability Report in accordance with requirements set forth in the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. This report therefore must also comply with the relevant provisions of the said Rules.

The statistical data disclosed in this report are the results of calculations and surveys independently conducted by ScinoPharm. The financial data (in NTD) were based on financial statements certified by PricewaterhouseCoopers (PwC) Taiwan. Limited assurance on the partial information of this report was conducted by PwC Taiwan in accordance with the Taiwan Standards on Assurance Engagements (TWSAE) 3000 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information" issued by the Accounting Research and Development Foundation. The assurance report can be found in the appendix of this report.

Date of Publication

ScinoPharm publishes a Sustainability Report on an annual basis. The electronic version of the report can be downloaded from the ScinoPharm's website. The last issue of the report was published in August 2022; The current issue: is published in September 2023.

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Message from Management

Post-pandemic changes and uncertainties in the economic and social environment have become a norm. In spite of last year's global landscape in such ever-changing business environment, ScinoPharm adheres to our business philosophy, cementing our core competitiveness in the industry to strive for business sustainability. As a member of the world's pharmaceutical supply chain, ScinoPharm boasts a team of professional managers who persevere in adhering to high pharmaceutical standards, placing safety, health, and environmental protection at the core of their values, and adopting a rigorous management system to ensure product quality and drug safety. To prepare for the next wave of sustainability, ScinoPharm has steadily and firmly adopted ESG practices in the aspects of corporate governance, product accountability, environmental protection, and community involvement. We also seek innovation and growth in the midst of opportunities and challenges to strive for corporate sustainability.

Looking back on 2022, ScinoPharm has achieved, and even exceeded, targets as expected. Our net income after taxes increased by 45% compared with the previous year. We linked business performance to employees' performance/

bonus review, and offered performance bonus or a raise to motivate employees and share our business achievements with them. In addition, our active pharmaceutical ingredients (API) and injectable plants were subjected to U.S. FDA's pre-approval on-site inspections, twice—once in March and another in October of 2022, and both passed the inspections, with the second inspections obtaining zero 483 observations. With the easing of the global pandemic, we have been active in our involvements in international exhibitions and focusing on market trends and customer needs. ScinoPharm will continue to strengthen governance transparency, improve operating performance and management efficiency, and fulfill our responsibility toward corporate sustainability.

Net zero transition as a response to climate change has become a common goal for both the government and business sectors around the world, including Taiwan where the Legislative Yuan finally completed amendments to the Climate Change Response Act in the beginning of the year, officially signing the 2050 Net-Zero Emissions goal into law. Moving in pace with global trends and domestic policies and regulations, ScinoPharm implements sustainability

Chairman Chih-Hsien Lo

羅智先



plans through the company's Sustainability Management Committee. Because carbon risk management is one of the material issues investors and companies are concerned about, we began taking steps to conduct an inventory of the carbon footprint of our main products. We adopted the ISO 14064-1 Greenhouse Gas Inventory in 2022 to facilitate planning, and commissioned an external professional verification body in 2023 to conduct verification. The resulting inventory information may serve as a reference for energy conservation, carbon reduction, and target setting. We protected the environment and ecosystems by adopting energy conservation and carbon reduction measures, such as process optimization, solvent recycling and reuse, replacement of energy-consuming equipment, and waste reduction.

In pursuit of corporate sustainability by integrating ESG into our core pharmaceutical business, ScinoPharm not only values the rights of stakeholders and environmentally friendly practices, but we are also committed to the development of medications for rare diseases in recent years. We collaborated with the Bill & Melinda Gates Foundation and clients to develop orphan drug processes, which will benefit

residents of underdeveloped countries who are in dire need of medical resources. As we seek business profits for the company, we also fulfill our corporate social responsibilities by addressing human rights issues and taking relevant actions to harness the value and influence of ScinoPharm.

ScinoPharm is invariably committed to taking care of and upskilling our employees and creating a safe, gender-friendly workplace. We are active in building an accountability-embracing culture within the organization and offer talent development, professional on-the-job training, and competency training programs to promote talent sustainability. As part of our ethical and sustainable business practices, ScinoPharm integrates core advantages with the strengths of ESG and sustainability to strive for continuous improvement in business operations, persist in upholding the principles of ethical management, and build an environmental management system for continuous assessments and improvements. We are committed to community care activities to promote social sustainability and mutual prosperity in the society, thereby endeavoring to deepen and perfect our sustainability practices to create the value of sustainability.

President Li-An (Susan) Lu

盧麗安





2022 ESG Performance



Net income after taxes increased by

45%



Implemented gender equality in the workplace with female employees in managerial role accounting for **80%**
Men-to-women pay ratio was near 1 : 1



The retention rate after unpaid parental leave was

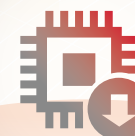
100%



Promoted green energy development, and installed solar panels, which currently generate **231,856 kWh of electricity in total, cutting GHG emissions by 114,768 kg CO₂e**



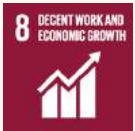
More than 1% of average power saving rate for 8 consecutive years, in compliance with the Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users



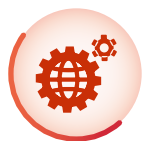
Adopted virtual servers in IT equipment, which realizes resource sharing and reduces energy consumption by **cutting down the use of machines from 80 to 8.**

Alignment with the United Nations Sustainable Development Goals (SDGs)

SDG	Targets Relevant to ScinoPharm	Corresponding Chapters/Sections	ScinoPharm's Strategy and Approach
	1.4 To ensure that by 2030, all men and women, especially the poor and the disadvantaged, are given fair rights and access to economic resources, infrastructure, land and other forms of property, inheritance, natural resources, new technologies and financial services (including micro-loans).	5.1 Giving Back to Society	- Charitable Activities - Month of Love at Southern Taiwan Science Park - Charitable Activities - Secondhand Clothing Donation
	3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases. 3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries. 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. 3.6 By 2030 halve global deaths from road traffic accidents.	1.1 Company Overview 4.2 Employee Benefits and Care 4.3 Workplace Health Promotion	- Collaborate with clients to develop orphan drugs - Introducing an employee service program to protect and promote employee health - Organize health examinations for employees - Organize road safety lectures and safe driving learning activities
	4.2 By 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. 4.3 By 2030 ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university. 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and culture's contribution to sustainable development.	4.2 Employee Benefits and Care 5.1 Giving Back to Society	- Establishing Subsidies for childcare - Encouraging self-learning among employees, and set up employee OJT subsidies or scholarships for employees and their children "ScinoPharm Thesis Scholarship" - ScinoPharm Art Forum
	5.1 End all forms of discrimination against all women and girls everywhere. 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate. 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. 5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws.	1.5 Corporate Governance 4.1 Workforce Overview 4.2 Employee Benefits and Care 4.3 Workplace Health Promotion	- Protect human rights and the right to work - Establishment of the Measures of Prevention of Sexual Harassment - Establishment of in-plant breastfeeding room for mothers - The Company implements an unpaid parental leave policy - Three female directors are on the Board of Directors, making up 20% of the Board - Female employees in managerial role account for 80% of the company's workforce, which shows that ScinoPharm adopts an employment policy that ensures equal opportunity - Men-to-women pay ratio was 1:0.99, and implemented gender equality in the workplace

SDG	Targets Relevant to ScinoPharm	Corresponding Chapters/Sections	ScinoPharm's Strategy and Approach
	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 x% of recycling and safe reuse globally	3.2 Energy and Resource Use and Management 3.4 Pollution Prevention	- ScinoPharm is a manufacturer of chemical pharmaceutical products. Wastewater generated from plant activities is first processed in our own wastewater treatment facility, then discharged into the wastewater treatment facility owned by the Southern Taiwan Science Park. Our wastewater was tested and found to be fully compliant with the Park's wastewater standards. There were no significant spillage, leakage, or environmental pollution at the manufacturing sites in 2022. - The Company checks processes and wash procedures, and optimizes cleaning equipment to reduce the use of detergents.
	7.2 Increase substantially the share of renewable energy in the global energy mix by 2030.	3.3 Greenhouse Gas (GHG) Emissions	Promote green energy development and install solar panels
	8.1 Sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries. 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.	1.3 Overview of Operations 4.1 Workforce Overview	- Consolidated revenue increased by 18% in 2022 compared with the previous year, net income after taxes increased by 45%, and net profitability was 10.8%. - ScinoPharm upholds the principle of equal pay for equal work and abides by local labor laws and regulations. Employee salary is based on the responsibilities, professional knowledge, experience, and competencies required of the job position, and also on market salary standard and overall economic indicators, as well as the value and responsibilities in the professional market. - ScinoPharm provides equal employment opportunities to people with physical and mental disabilities. As of December 31, 2022, ScinoPharm has nine full-time employees with physical and mental disabilities, which is more than the statutory requirement. - Our corporate culture attaches importance to mutual respect and gender equality. We have formulated a program to prevent workplace violence, thereby actively promoting harmonious relations in the workplace.
	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 Workforce Overview	Our labor contract is in compliance with relevant local laws and regulations. We prohibit use of child labor and differential treatment or any forms of discrimination on the basis of gender, race, marital status, religion, party affiliation, gender orientation, job rankings, nationality, and age in the appointment, evaluation, and promotion of employees.

SDG	Targets Relevant to ScinoPharm	Corresponding Chapters/Sections	ScinoPharm's Strategy and Approach
	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. 12.6 Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	3.4 Pollution Prevention About this Report	● The Company has enforced the Procedures for Industrial Waste Management to ensure that our business wastes are disposed of in accordance with environmental laws. Our wastes are not transported overseas. ● The Company has installed five water wells near its plant. We regularly monitor the quality of groundwater samples to prevent soil or groundwater pollution. ● We have appointed a person to be in charge of managing toxic chemicals. We keep records of the amount of chemicals used in accordance with regulations. ● We have made plans to set up a liquid waste recovery process for reuse. In this process, liquid waste from pharmaceutical manufacturing processes is purified into secondary products by air stripping or distillation, which are then reused by other industries. In addition, we employ recycling companies to recycle and recover liquid waste for reuse, thereby increasing the rate of reuse and reducing solvent waste. ● Sustainability Report is issued annually.
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries. 13.3 Integrate climate change measures into national policies, strategies, and planning. 13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	1.8 Risk Management 1.9 Climate Change Risks and Opportunities	● ScinoPharm strives to effectively control all possible risks and minimize the loss or risk of any uncertainties to ensure greater and sustainable stakeholder value. This is achieved by assessing and managing various aspects of operations, strategy, market, finance, laws, quality control, and environmental safety. ● To achieve corporate sustainability in line with international trends and comply with government-enforced laws, the Company has incorporated climate change risks and opportunities into our risk management policy and continued to monitor global climate change trends. ● We have established the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development. ● In terms of risk control, relevant responsible units are charged with performing evaluations and analyses and formulating appropriate strategies and responses; The Audit Office is tasked with devising audit plans based on risk assessment results, and carrying out audit works and self-assessments to implement risk control and supervision mechanisms as planned.
	16.5 Substantially reduce corruption bribery in all their forms. 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.	1.6 Business Integrity 1.7 Stakeholder and Material Topics Identified	● ScinoPharm adopts fair trade practices, takes firm actions against anti-competitive behavior, anti-trust, and monopoly practices, and strictly abides by laws and societal norms. ● The Company has set up appropriate channels and mechanisms to communicate with stakeholders, including employees, shareholders, and investors. ● Through a comprehensive range of communication channels, we proactively respond to stakeholder concerns as deemed appropriate.



Company History and Major Events

1997

November

ScinoPharm Taiwan, Ltd. was established, with a paid-in capital of NT\$675 million

2001

October

Passed the first comprehensive plant inspection conducted by U.S. FDA

2005

August

Passed the second plant inspection conducted by U.S. FDA

2009

August

Invested in the establishment of SciAnda (Changshu) Pharmaceuticals, Ltd.



2011

September

Listed on the Taiwan Stock Exchange Corporation (TWSE) (Stock Code: 1789)



2013

July

Vertically integrated and branched out into the downstream pharmaceutical sector; held a groundbreaking ceremony for the building of a new injectable plant

December

Official inauguration of SciAnda (Changshu) Pharmaceutical Ltd. facility after Phase II construction was completed

1999

October

Relocated to the laboratories and offices in the Southern Taiwan Science Park



2002

November

Inaugurated the main manufacturing building



2008

June

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

October

Passed the third plant inspection conducted by U.S. FDA

2010

October

Listed as an Emerging Stock on the Taipei Exchange (Stock Code: 1789)

2012

August

Passed the fourth plant inspection conducted by U.S. FDA

2015

April

Received A++ rating for two consecutive years in the Information Disclosure Review for Listed Companies 🏆

June

Listed as one of the companies in the top 5% for outstanding performance in the 1st TWSE Corporate Governance Evaluation 🏆

Passed the fifth plant inspection by U.S. FDA

August

Selected as top 100 CSR-performing companies by Excellence in Corporate Social Responsibility Award 🏆

October

SciAnda (Changshu) Pharmaceutical Ltd. passed the first plant inspection conducted by U.S. FDA

2017

February

Passed the sixth plant inspection by U.S. FDA

August

Awarded Excellence in Corporate Social Responsibility by Commonwealth Magazine 🏆

December

Awarded second place in the Best Investor Relations Service in the Greater China Region category for the biotechnology industry by IR Magazine, a global investor relations magazine 🏆

2019

May

Passed the seventh site inspection by U.S. FDA

December

Awarded the 2019 Excellence in Workplace Equality Promotion 🏆

2021

December

Passed GMP/GDP inspection approved by Taiwan Food and Drug Administration (TFDA) for the production lines in the injectable plant

Received the Copper Award at the 15th Arts and Business Award organized by the Council for Cultural Affairs 🏆

2023

August

Completed the ISO 14064-1 third-party verification of greenhouse gas emission

2014

July

Received A++ rating in the 11th TWSE Information Disclosure Review for Listed Companies 🏆

August

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

Passed the plant inspection conducted by the European Medicines Agency (EMA)

October

ScinoPharm issued its first Corporate Social Responsibility Report

2016

June

Listed as one of the companies in the top 5% for outstanding performance in the 2nd TWSE Corporate Governance Evaluation 🏆

October

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



2018

May

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

Listed as one of the companies in the top 5% for outstanding performance in the 4th TWSE Corporate Governance Evaluation 🏆

August

Selected as top 100 CSR-performing companies by Excellence in Corporate Social Responsibility Award 🏆

2020

September

SciAnda (Changshu) Pharmaceutical Ltd. received its first on-site inspection by the China National Medical Products Administration (NMPA) for drug registration and GMP compliance

2022

May

Passed the eighth injectable plant inspection conducted by U.S. FDA ; Passed the first injectable plant inspection conducted by U.S. FDA

Set up a Sustainable Development Committee

November

Inaugurated the Warehouse No. 2

December

Passed the ninth plant inspection conducted by U.S. FDA ; The Injectable Plant passed the second plant inspection conducted by U.S. FDA

Completed the ISO 14064-1 Greenhouse Gas Inventory



Corporate Governance

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1.1 | Company Overview

Founded in 1997, ScinoPharm Taiwan Ltd. (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 multifunctional chemical synthesis plants 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. Our technical capabilities include organic synthesis of small molecules and peptide, making our R&D capabilities highly comprehensive. In addition to relevant anti-cancer products, APIs for the central nervous system and gastrointestinal drugs are also the focus of our developments. We collaborate with international partners to invest in the development of orphan drug products. In developing and manufacturing new drugs for clients, ScinoPharm develops API manufacturing processes and produces clinically used drugs for international pharmaceutical and biotech companies.

Given the demand for the production of injectable drugs, ScinoPharm has completed building an injectable plant with vertically integrated APIs at the core to providing one-stop services, ranging from APIs to injectable formulations. The U.S. FDA conducted pre-approval on-site inspections on our prefilled syringe and liquid injectable in March 2022, and on our lyophilized injectable products in October 2022, with all of the products passing the inspections. The construction of Warehouse No. 2 was also completed during the year, allowing for the storage of APIs and injectable formulations in a more specifically designed storage environment and increasing our storage capacity for the future.

As an ethical pharmaceutical business, ScinoPharm has invested in the process development and manufacturing of high-quality APIs continuously. Also, due to the emphasis on sustainable development, the Company established a "sustainable development committee" on May 30, 2022, to set goals and implement sustainable practices to achieve sustainable operations.

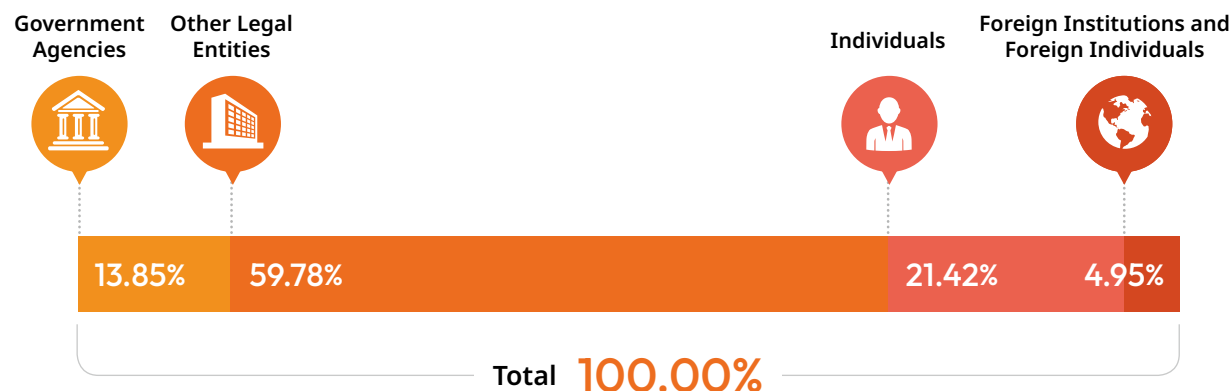
1.2 | Major Shareholder Structure

As of March 31, 2023, ScinoPharm has issued 790,739,222 shares in total and registered 28,319 shareholders, the majority of which are institutional shareholders. The company's shareholder structure and the top ten shareholders are detailed in the table below:

ScinoPharm Shareholder Structure

March 31, 2023

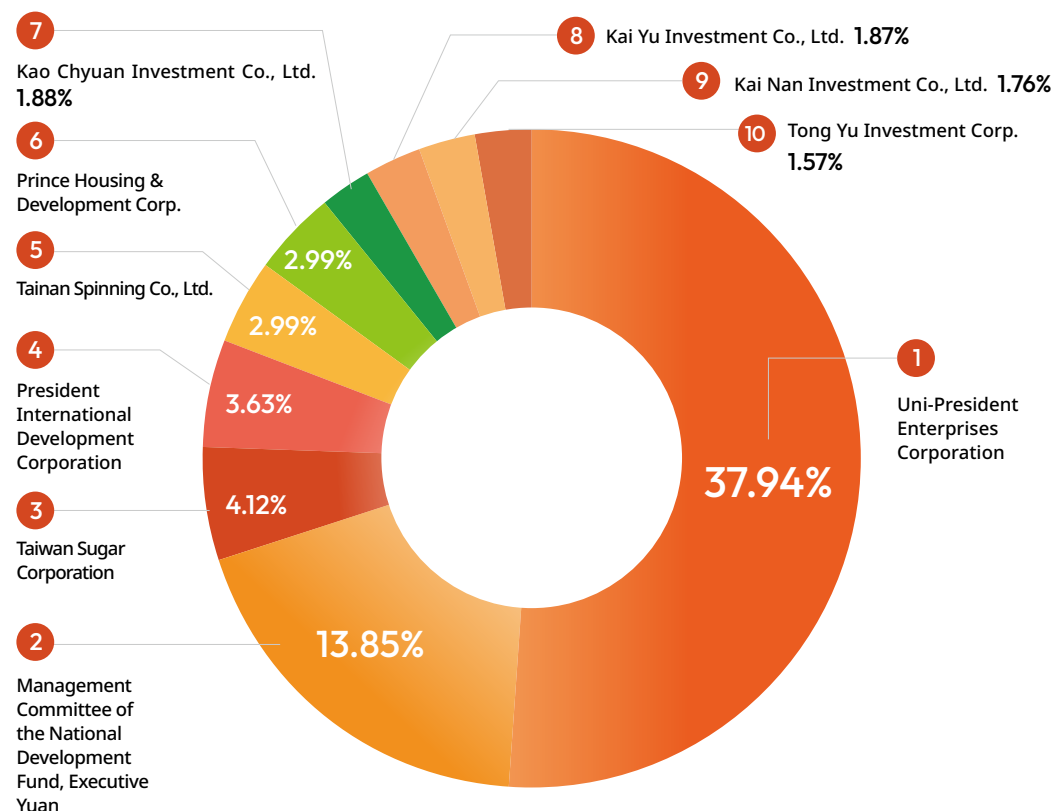
Shareholder Composition	Shareholding (%)
Government Agencies	13.85
Other Legal Entities	59.78
Individuals	21.42
Foreign Institutions and Foreign Individuals	4.95
Total	100.00



ScinoPharm's Top Ten Shareholders

March 31, 2023

Name of Major Shareholders	Shares	Shares Held	Shareholding (%)
1 Uni-President Enterprises Corporation		299,968,639	37.94
2 Management Committee of the National Development Fund, Executive Yuan		109,539,014	13.85
3 Taiwan Sugar Corporation		32,581,963	4.12
4 President International Development Corporation		28,673,421	3.63
5 Tainan Spinning Co., Ltd.		23,605,921	2.99
6 Prince Housing & Development Corp.		23,605,921	2.99
7 Kao Chyuan Investment Co., Ltd.		14,832,733	1.88
8 Kai Yu Investment Co., Ltd.		14,763,165	1.87
9 Kai Nan Investment Co., Ltd.		13,950,061	1.76
10 Tong Yu Investment Corp.		12,515,166	1.57



1.3 | Overview of Operations

Industries both at home and abroad were affected by the Russia-Ukraine war, COVID-19, inflation, labor shortage, and interest hikes, among a multitude of other problems in 2022. In spite of such ever-changing business and global landscapes, ScinoPharm continued to examine its advantages as a response to environmental changes. By implementing the company's development blueprint and focusing on three core business activities, we gradually realized the goal of vertical integration, further expanding our API portfolios to include formulations.

In 2022, we continued developing generic active pharmaceutical ingredients (APIs), and leveraged our extensive experiences in integrating process technology development, commercial mass production, and rigorous quality control to strive for business opportunities in the research and development of products for customers. In doing so, the Company's competitive advantages and development potential in the market were further strengthened by our own products and products that we have developed for customers. Additionally, we accelerated the deployment of vertically integrated formulation products, on the one hand, creating our own product line

of complex formulations and, on the other hand, customizing products to begin honing our capability for a more flexible and stable supply. In 2021, the freeze-dried injectable production lines in the injectable plant passed the GMP/GDP on-site inspection by TFDA. In 2022, the U.S. FDA conducted pre-approval on-site inspections on our prefilled syringe and liquid injectables in March, and on our lyophilized injectable products in October, with the second inspection obtaining zero 483 observations. The results of these official inspections and approvals have successfully boosted customer trust in ScinoPharm, culminating in the launching of several business discussions and cooperation.

Despite pressure from rising raw material costs, changes in the external environment, and competition with other manufacturers, our perseverance in business has been reflected in our revenues and profits for 2022, which is a testament to ScinoPharm's scrupulous efforts in strengthening key business operations.

Financial Performance

The annual individual revenue for 2022 was NT\$3.069 billion; the net income after tax was NT\$353 million, and after-tax earnings per share was NT\$0.45. Refer to ScinoPharm's Annual Report and website for detailed financial information.

Unit: NT\$ thousands

	2020	2021	2022
Total assets	11,776,921	11,622,064	11,786,017
Total liabilities	1,247,518	1,111,010	1,335,964
Shareholder equity	10,529,403	10,511,054	10,450,053
Paid-in capital	7,907,392	7,907,392	7,907,392
Operating revenue	3,046,220	2,642,830	3,069,434
Gross profit	1,287,748	1,254,524	1,231,798
Operating profit	450,854	376,930	508,015
Net income before tax	352,882	302,264	437,931
Net profit after tax	282,067	243,471	353,216
Basic earnings per share (NT\$)	0.36	0.31	0.45

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

The Company implements tax governance. Our production and operational sites comply with local tax regulations. The accounting unit develops tax plans in accordance with tax regulations, tax incentives, and tax agreements, and discloses tax-related information in the company's financial statements. Information on the company's income tax is provided below:

Unit: NT\$ thousands

	2020	2021	2022
Taiwan	70,815	58,793	84,715
Other	5,623	22	29
Total income tax	76,438	58,815	84,744
Income tax as a percentage of operating revenue	2.48%	2.13%	2.60%

Direct economic value distributed to the stakeholders of ScinoPharm is shown in the table below:

Unit: NT\$ thousands

	2020	2021	2022
Operating costs	1,758,472	1,388,306	1,837,636
Employee wages and benefits	702,861	723,354	731,776
Payments to government (Note 2)	5,776	59,975	70,277
Cash dividends	395,370	379,555	284,666
	0.50(NTD/share)	0.48(NTD/share)	0.36(NTD/share) (Note 3)
Stock dividends	0	0	0
	0(NTD/share)	0(NTD/share)	0(NTD/share)

Note 1: The above information is based on the annual individual financial statements prepared in accordance with the IFRS

Note 2: Sum of business income tax, stamp duty, property tax, fuel fee, vehicle license tax, etc.

Note 3: After the 2022 net income after tax is added to the various adjusted earnings, the distributable earnings were approximately NT\$0.623 per share. According to the Company's Articles of Incorporation, shareholder dividends shall be 50%-100% of the company's cumulative distributable earnings. The cash dividend distributed per share was NT\$0.36, which complies with the dividend distribution policy for previous years

Tax credits and government subsidies are detailed below:

Unit: NT\$ thousands

Tax credits (Note 1)		
Law	Tax Credit Item	
Article 10 of the Statute for Industrial Innovation	Investment tax credit for research & development expenditure	
2020	2021	2022
5,041	2,533	4,802

Note 1: Tax credits for 2021-2022 have not yet been approved by the National Taxation Bureau

Note 2: Subsidies received for the year

Government subsidies (Note 2)		
Law & Tax Credit Item		
Childbirth allowances, childcare subsidies, importer and exporter subsidies for participation in exhibitions, and subsidies for the Southern Taiwan Science Park new technological application project, etc.		
2020	2021	2022
160	2,077	1,969

1.4 | Business Contents

1. Services

ScinoPharm Taiwan is a global manufacturer of Active Pharmaceutical Ingredients (APIs), providing a wide array of APIs and the development and manufacturing services of intermediates. The Company also renders a complete range of customized R&D and CMO services, including the synthesis, process development, and mass production of simple molecules, complex natural molecules and their derivatives, peptides, as well as other biochemical compounds. In addition, the Company has set up an injectable plant at our manufacturing site in Tainan

to meet market demands for injectable products. The plant is capable of producing injectable products and rendering CDMO services, such as the research, development, and manufacturing of injectable products. With these services, the Company strives to transform into an all-inclusive pharmaceutical company that offers an extensive range of production lines for generic injectables, thereby continuously fueling the business growth of the company.

1 The Company has completed developing the following APIs

A. 38 types of cancer-related APIs

B. 12 types of APIs for the central nervous system

C. 6 types of APIs for cardiovascular diseases

D. 6 types of APIs for infections

E. 3 types of ophthalmology-related APIs

F. 2 types of APIs for the urinary system

G. 2 types of APIs for diseases that are prevalent in women

H. 2 types of APIs for metabolic disorders

I. 2 types of APIs for respiratory disorders

J. 1 type of API for the immune system

2 API products customized and produced for clients

A. 11 API products have been approved for sale in the market (9 of which are new APIs)

B. 6 API products are investigated in three-phase clinical trials

3 Development and manufacturing of injectables

A. Three injectable products, which were outsourced for manufacturing, have obtained drug license for sale in the market: An anti-cancer generic drug; fondaparinux sodium, an anticoagulant that has a high technical threshold; and fosaprepitant dimeglumine, an antiemetic drug for cancer chemotherapy that was developed, manufactured, and mass-produced in conjunction with Baxter, the Company's strategic partner.

B. U.S. ANDA has been submitted for three injectable products that were developed and produced in-house: Including the peptide generic injectable (prefilled syringe; application was submitted in 2020) and submitted for our peptide prefilled syringe, liquid injectables, and lyophilized injectable products in 2021.

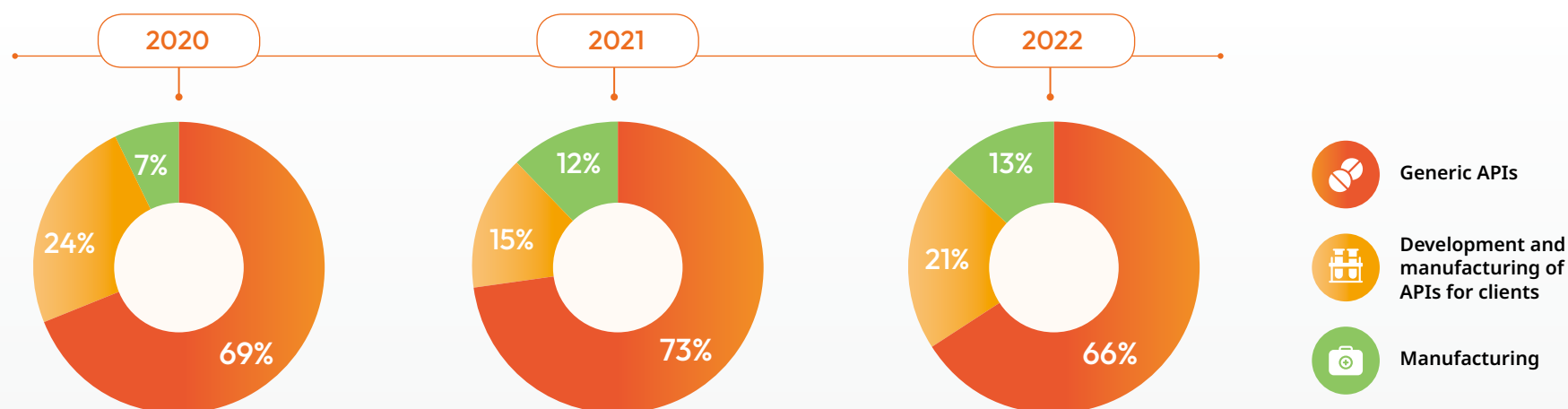
C. In 2022, ScinoPharm's pre-filled syringe and liquid injectable products, and lyophilized injectables in the injectable plant both passed the U.S. FDA's pre-approval on-site inspections, with the second inspection obtaining zero 483 observations.

2. Breakdown of Revenues from Main Business Activities in the Past Three Years

1 Breakdown of revenue by business type

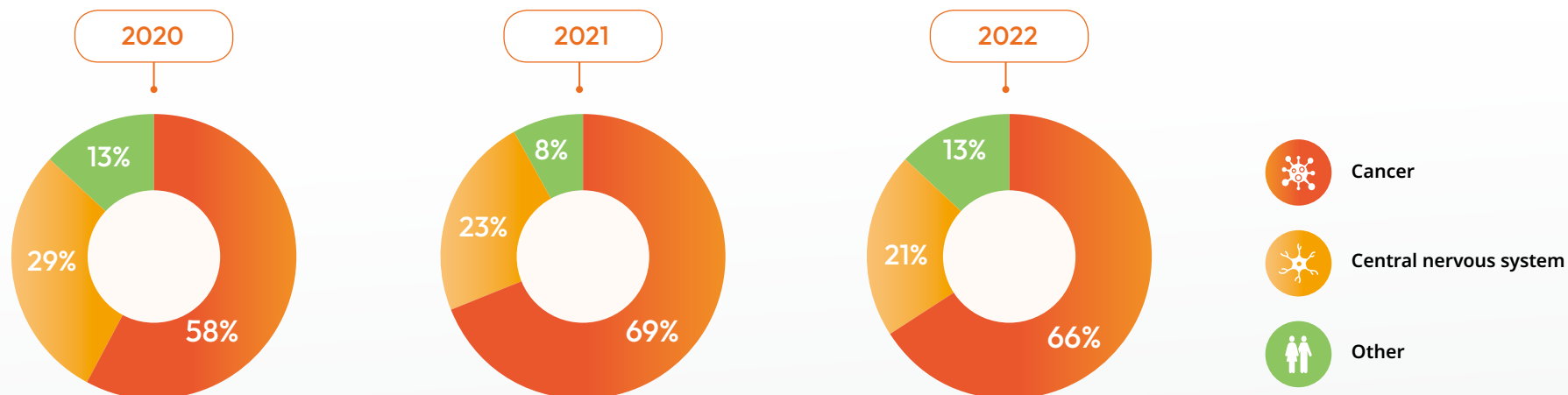
In 2022, most (66%) of the Company's consolidated revenue were generated from generic APIs. Revenues from our business in the development of APIs for customers as a percentage of total revenue increased to 21%, thanks to an increase in demand for prostate cancer drugs, Alzheimer's disease drugs, blood cancer drugs, and late-stage liver cancer drugs. Revenues from

injectable formulations as a percentage of total revenue increased slightly to 13%, attributable to the milestone royalty income from multiple sclerosis drugs, as well as increase in the sales of lung cancer drug APIs in collaboration with a client.



2 Breakdown of revenue by product indications

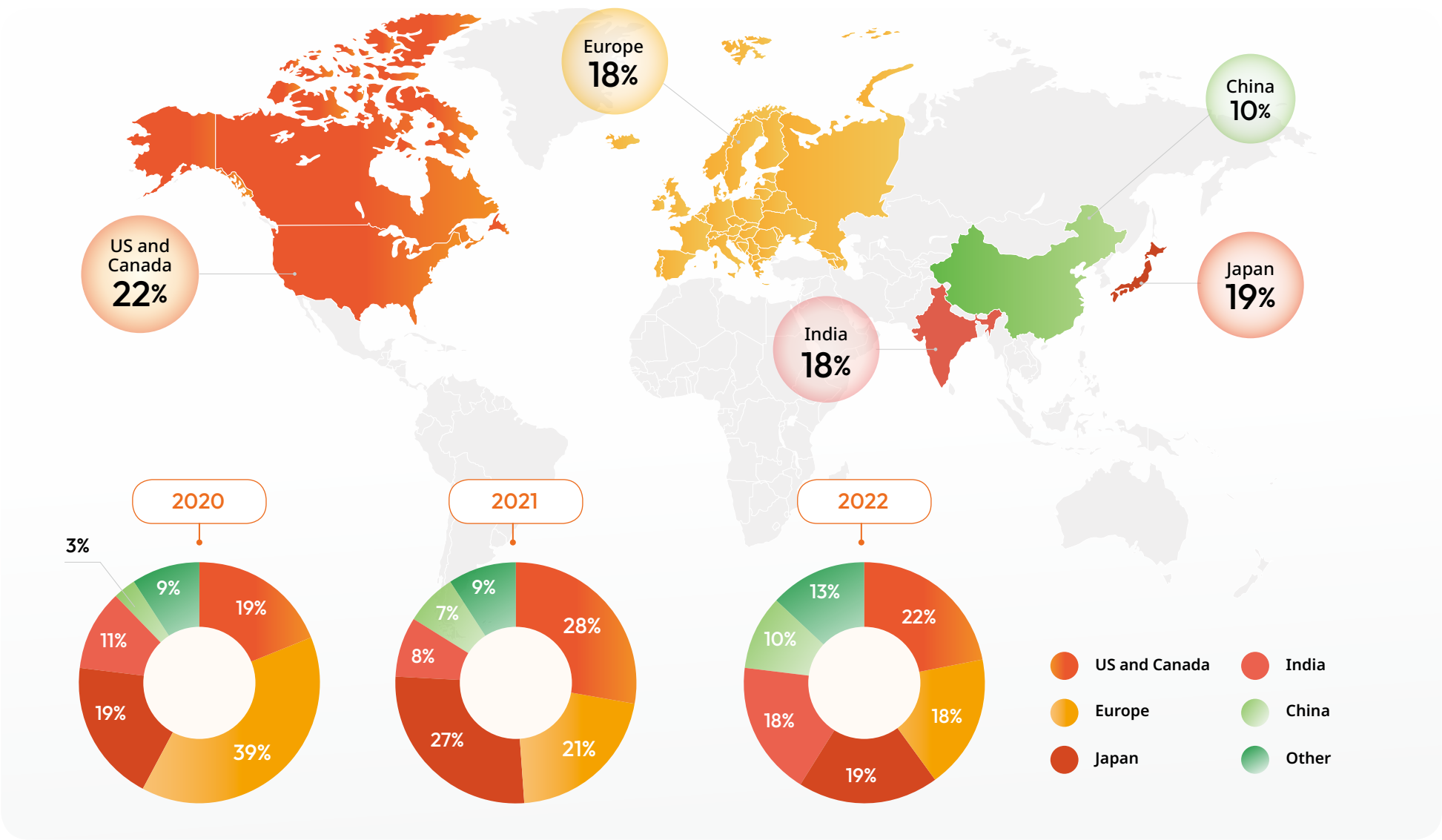
In terms of product indications, the Company's consolidated revenue in 2022 was derived mainly from cancer treatment drugs (66%), followed by drugs for the central nervous system (21%), and others including cardiovascular and ophthalmic drugs (13%).



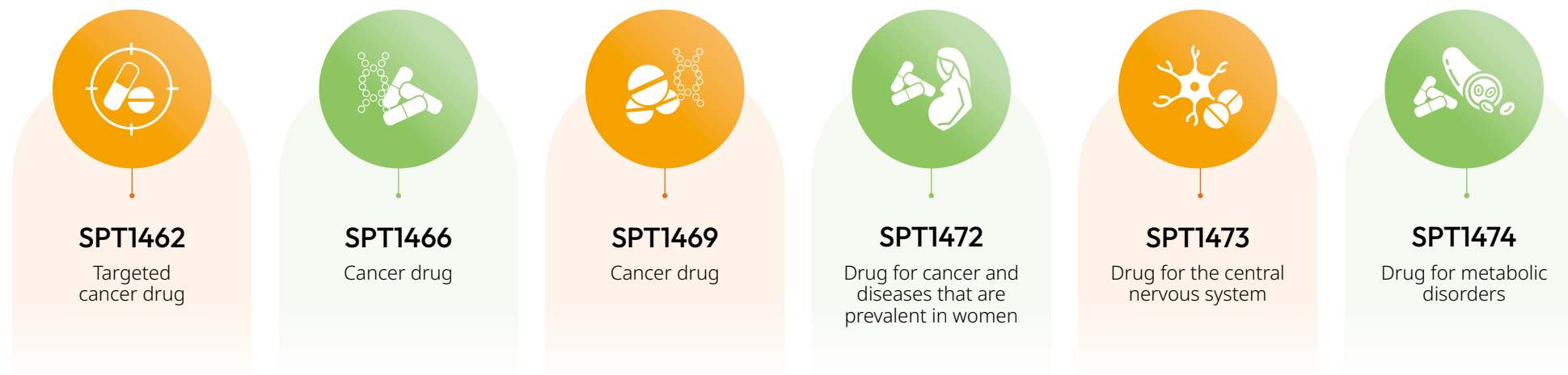
3

Breakdown of revenue by region of sales

In 2022, approximately 22%, 18%, and 19% of the Company's total revenue came from the United States/Canada, European countries, and Japan. Revenue from the Indian market grew significantly to 18% of the total revenue, thanks to the post-pandemic recovery of health care demand. The Company began seeing significant results from the Chinese market, with revenue rising to roughly 10% of the total.



3. Plans for New Product Development

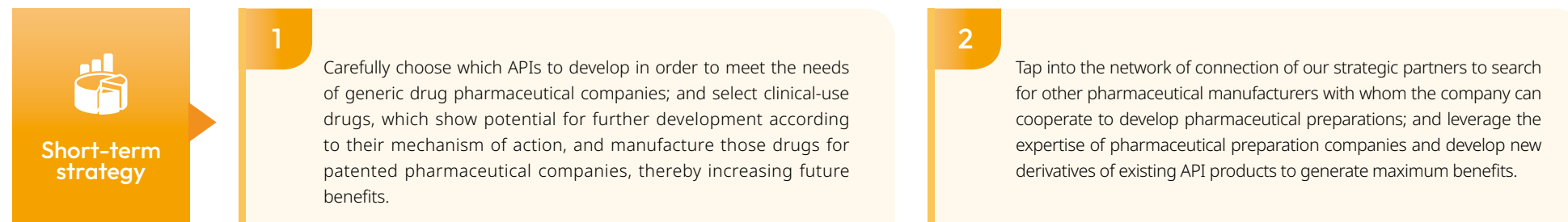


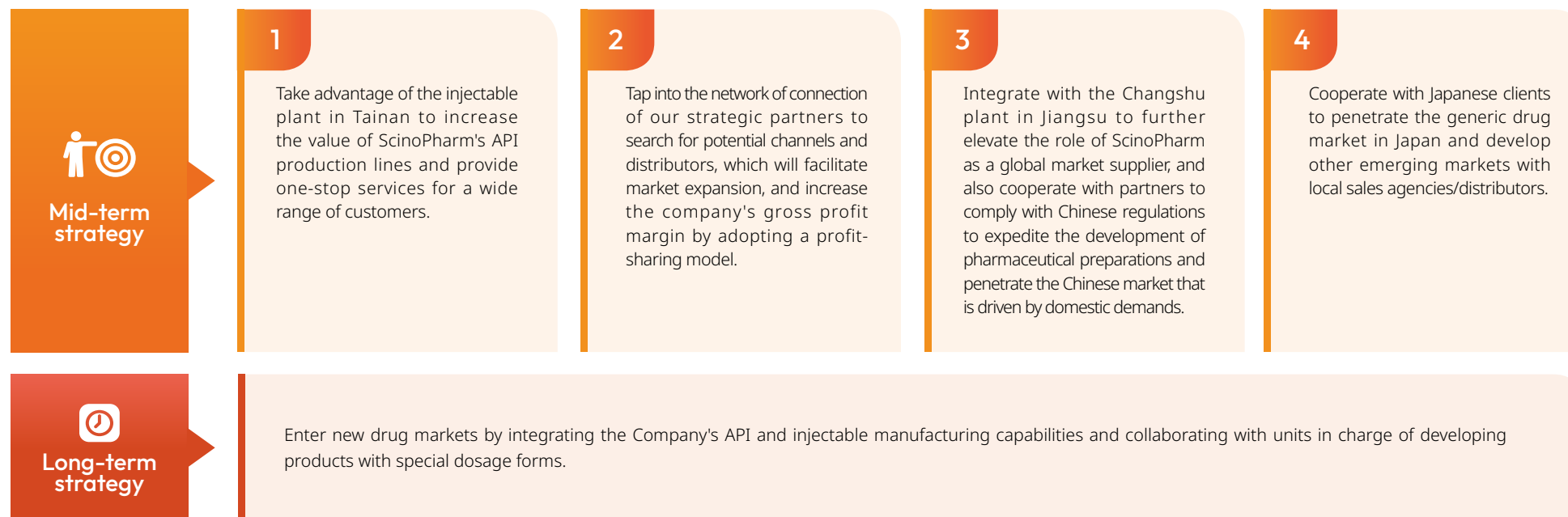
4. Short-, Mid-, Long-Term Business Development Strategies

ScinoPharm is committed to implementing the company's business strategies, with patience and attentive focus on its main business activities. To maintain revenue and profit growth, we continuously expand and transform our business, extending our service scope from APIs to injectable products, thereby ensuring sustainable operations and creating a steady stream of economic benefits for all of our stakeholders in the long-term, including shareholders/investors, employees, customers, suppliers, the government, and society.

ScinoPharm initially provided services to generic drug manufacturers and patented pharmaceutical companies as part of its business strategy. Over time, the Company has expanded

its R&D and production capacities to keep up with market changes and demands. Capitalizing on the trust relationships that the company has established with major pharmaceutical companies over the years, the Company subsequently formed strategic alliances with other companies to develop new drugs, integrate upstream/downstream resources (including R&D and manufacturing processes for APIs and injectable formulations), and create greater benefits. In seeking to maximize profits for the company, shareholders, and employees while ensuring the company's short/mid/long-term development, we will observe objective market demands and adopt the following business strategies:

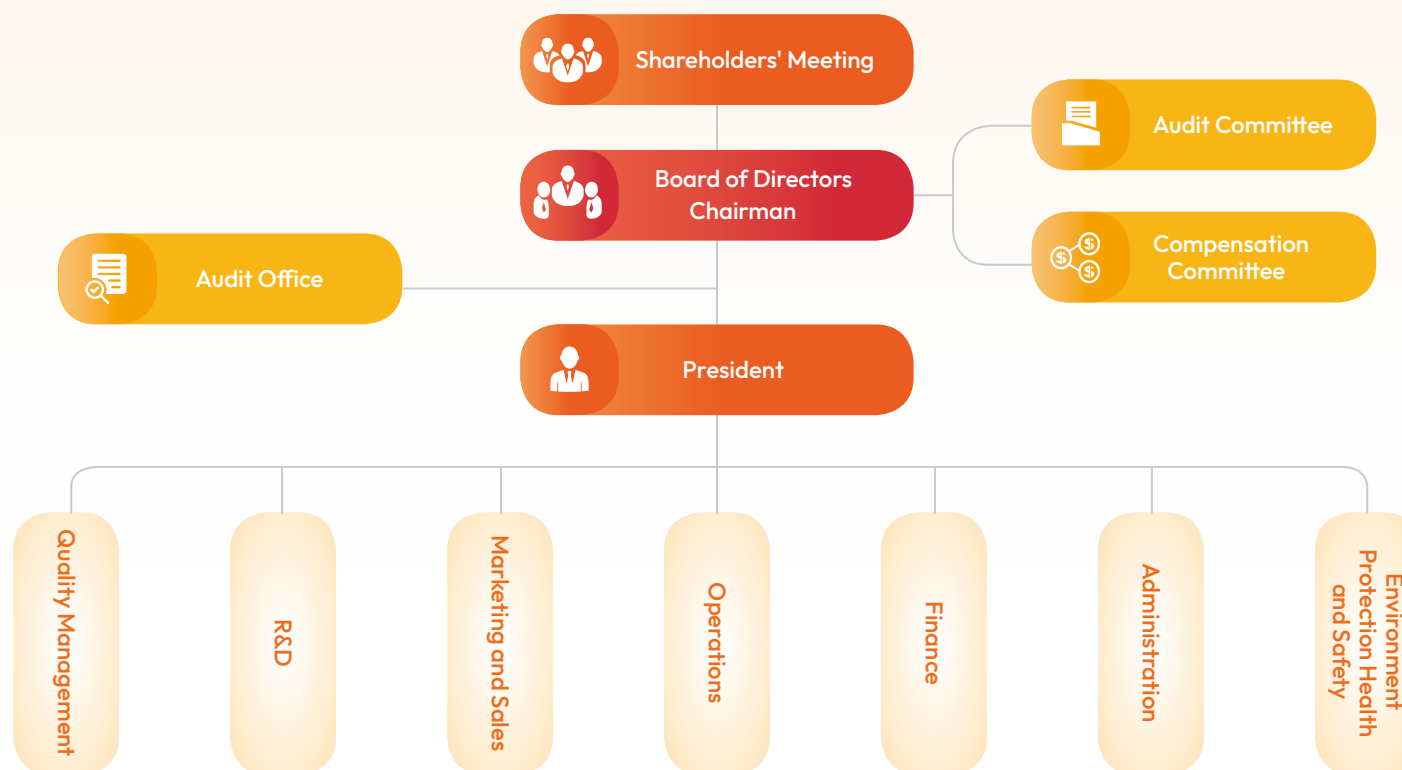




1.5 | Corporate Governance

ScinoPharm upholds the spirit of ethical management, actively promotes transparency in operations, and implements corporate governance, with the purpose of focusing on safeguarding the rights and interests of stakeholders. The Company has developed a sound and rigorous corporate governance framework, in which the Board of Directors is the highest governing body of the Company that makes major business decisions for the company and has an Audit Committee and Remuneration Committee serving under them. The Chairman chairs board meetings and shareholders' meeting; the President is responsible for implementing board resolutions and overseeing the company's operations, and supervises relevant units that serve under top management. Through top-down management and supervision, the operation of corporate governance is improved.

To establish a good corporate governance system, 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 internal control and internal audit policies. The Company has disclosed the rules above on the Market Observatory Post System (MOPS) and company website.



Board of Directors

Members of the Board of Directors of the Company are nominated and elected in accordance with the Articles of Incorporation and Regulations Governing the Election of Directors, which stipulate that directors shall be elected by a candidate nomination system and selected from the list of candidates at the shareholders' meeting. The Company's "Corporate Governance Best Practice Principles" has established the relevant provision, whose composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as Company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated.

The Company elected the 10th-term Board of Directors on July 21, 2021 at the annual shareholders' meeting, with each member each serving a three-year term. Presently, our Board of Directors consisted of 15 members, including 3 independent directors all of whom have professional qualifications and experience in line with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company ensures board diversity: The 10th Board of Directors is composed of 12 male directors and 3 female directors (20% of the board). The average age of the directors was approximately 63 years-old. Details of the board members are professional skills in the table below. Refer to the Company's annual report for more information on the education and work experience of our board members.

The Board of Directors of the Company convenes meetings at least once every quarter and exercises functions and duties in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the shareholders' meeting. The Board also provides opinions and consults ScinoPharm on operational policies, financial planning, Sustainable Development policy, and Significant event which include opinions and consultations in the fields of economy, environment, and society, discussing response and implementation strategies, and tracking and reviewing the implementation status at the next meeting. Six board meetings were held in 2022, and the average attendance rate was approx. 97%. Refer to the Annual Report for the attendance of each director and major board resolutions.

The company has stipulated relevant regulations on the director's interest avoidance system in the "Board of Directors' Procedures". In 2022, there were no refusals of directors due to conflict of interest. Ever since the company was established, the Board has never made resolutions that conflict with and damage the company's interests.

The Company organizes continuing education programs for directors each year to assist directors in improving their professional competency, thereby helping the Board of Directors to more effectively exercise board duties and functions. The programs encompass corporate governance topics and issues concerning the economy, environment, and society. Refer to the Company's annual report for details on continuing education courses and training hours completed by directors.

Board Diversification and Professional Skills

Qualification Name	Basic Composition						Professional Skills										
	Nationality	Gender	Age			An independent director for less than 3 terms	Education or Professional Background	Business Judgment	Business Management	Business and Economics	Finance and Accounting	Industry Experience	Research & Developmen	International Market Perspective	Leader Capability	Decision-Making Capability	Risk Management Capability
			51-60 years old	61-70 years old	71-80 years old												
Chih-Hsien Lo	Taiwan	Male		●			Business Management	●	●	●	●	●		●	●	●	●
Tsung-Ming Su	Taiwan	Male		●			Business Management	●	●	●	●	●		●	●	●	●
Ching-Yuan Cheng	Taiwan	Male		●			Biochemical Engineering	●	●			●	●	●	●	●	●
Tsung-Pin Wu	Taiwan	Male	●				Finance and Accounting	●	●	●	●	●		●	●	●	●
Jia-Horng Guo	Taiwan	Male		●			Financing	●	●	●	●	●		●	●	●	●
Fu-Jung Lai	Taiwan	Male	●				Business Management	●				●			●		●
Po-Ming Houi	Taiwan	Male		●			Tourism	●	●	●	●	●		●	●	●	●
Shiow-Ling Kao	Taiwan	Female		●			Business	●	●	●		●		●	●	●	●
Ming-Chuan Hsieh	Taiwan	Female	●				Healthcare Management	●	●	●	●	●		●	●	●	●
Ya-Po Yang	Taiwan	Male	●				Economics	●	●	●				●	●	●	●
Chiou-Ru Shih	Taiwan	Female	●				Economics	●	●	●	●	●		●	●	●	●
Kuo-Hsi Wang	Taiwan	Male		●			Agriculture and Chemistry		●			●	●		●	●	●
Wen-Chang Chang	Taiwan	Male			●	●	Pharmaceutical	●	●			●	●	●	●	●	●
Li-Tzong Chen	Taiwan	Male		●		●	Clinical Medicine	●	●			●	●	●	●	●	●
Ming-Hsien Li	Taiwan	Male		●		●	Accountant	●	●	●	●	●		●	●	●	●

Board of Directors Performs Evaluation

To implement corporate governance and enhance board functionality, the Company has developed the Board of Directors Performance Evaluation Guidelines, stipulating that the Board of Directors shall conduct performance evaluation of the board as a whole, individual directors, and functional committees at least once a year, with the evaluation including the following aspects: Participation in the company's operations, selection of directors, continuing education, and internal control, etc.

The Company has completed the 2022 board performance evaluation by March 31, 2023, and presented the evaluation results to the Board of Directors on April 14, 2023. The board received positive recognition and ratings in the 2022 performance evaluation. Please refer to the Company's annual report for more information on board performance evaluations.

Audit Committee

On April 26, 2012, the Board of Directors of ScinoPharm approved the "Audit Committee Charter" and resolved to establish the Audit Committee on June 13, 2012, which would be composed entirely of independent directors. Following the director election at the Shareholders' Meeting in 2021, the 4th Audit Committee is formed by three independent directors: Ming-Hsien Li, Wen-Chang Chang, and Li-Tzong Chen. The average age of the Committee was 69 years-old.

The Audit Committee convenes meetings at least once every quarter. The Committee is responsible for the fair presentation of financial statements, hiring or dismissal of an attesting CPA and its independence and performance, effective implementation of the company's internal control system, the Company's regulatory compliance, and control of existing or latent risks of the Company.

In 2022, the Audit Committee met five 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 auditing matters. A chief internal auditor and full-time internal auditors have been appointed according to the company's business size, business condition, management needs, and the provisions of other applicable laws and regulations. The internal auditors shall be detached, independent, objective, and impartial, in faithfully performing their duties, and shall exercise due professional care. In addition to reporting their audit operations to the Audit Committee on a regular basis, the chief internal auditor must also attend and deliver a report to a board of directors meeting.

The internal audit unit formulates annual audit plans based on the results of the risk assessment, identifies matters to be audited monthly, and faithfully implements the annual audit plans, so as to assess the company's internal control systems, and prepare audit reports, annexing working papers, and relevant materials. Establishing, operating, and maintaining an internal control system are the responsibility of the Company's Board of Directors and management. The purpose of such a system is to maintain the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), compliance with applicable laws, regulation and bylaws, and reliability, timeliness, transparency of financial reporting. The internal audit unit follows this objective and establishes a sound system to ensure that operations are carried out as stipulated by the internal control and internal audit systems.

Compensation Committee

On April 27, 2011, the Board of Directors of ScinoPharm approved the "Compensation Committee Charter" and resolved to establish the Compensation Committee, which would be composed of all three incumbent independent directors. Following the director election at the Shareholders' Meeting in 2021, the 5th Compensation Committee is formed by three independent directors. Wen-Chang Chang, Ming-Hsien Li, and Li-Tzong Chen. The average age of the Committee was 69 years-old.

The Compensation Committee exercises the care of a prudent manager to fulfill the following duties, and offer recommendations for discussion by the board of directors:

- 1 Stipulate and review regularly the compensation policies, systems, standards and structures, and performance of the Company's directors and managers.
- 2 Regularly assess and establish remunerations for the directors and managers.

The Committee shall perform its duties based on the following principles:

- 1 Performance appraisal and remuneration of directors and managers shall be based on the levels of industry peers, as well as their individual achievements, the Company's overall performance, and the level of risks involved.
- 2 The remuneration plan should not entice directors and managers into seeking high returns by taking undue risks.
- 3 Short-term performance bonuses to directors and senior executives and the timing of variable salary payments/remunerations shall be set in reference to the particular industry characteristics and the company's business nature.

In 2022, the Compensation Committee met three times and the average attendance rate of the independent directors was 100%.

1.6 | Business Integrity

Code of Conduct and Regulations

The Company has established Ethical Corporate Management Best Practice Principles, as well as a Code of Conduct for Employees, which states that employees shall comply with the Code and the rules prescribed in the Procedures for Ethical Management and Guidelines for Conduct. In addition, relevant internal operational regulations and an internal control system have been established and used as guidelines for performing regular audits on each operation and reporting the results to the Board of Directors. The aforementioned principles and regulations address the company's ethical management policy and measures, as well as the commitment regarding implementation of such policy from the board of directors and the management team.

In adherence to the principles of ethical management, the Company has incorporated rules in the Code of Ethics and Employee Code of Conduct to prevent conflicts of interest, to minimize incentives to pursue personal gain, and to engage in fair trade. To seek corporate governance and prevent the possibility of insider trading, the Company rules for insider trading prevention and principles by which material inside information is handled, are stipulated in the Company's Corporate Governance Best-Practice Principles, Employee Code of Conduct, and Procedures for Handling Material Inside Information, among other regulations. Each year, information propagated by the regulatory authority is regularly forwarded to members of the Company. Staff members are regularly trained on topics relevant to the prohibition of insider trading. These activities are aimed at improving the understanding of all directors, managers, and our colleagues on regulations related to insider trading.

As a company that inherently upholds the principles of fairness and impartiality in business practices, ScinoPharm insists on adopting fair trade practices, takes firm actions against anti-competitive behavior, anti-trust, and monopoly practices, strictly abides by laws and societal norms, and accordingly requests customers to sign a Code of Conduct. In 2022, none of our employees committed corruption, violated laws and regulations or were a subject of international and domestic sanctions.

Appropriate Communication Channels and Mechanisms

The Company has set up appropriate channels and mechanisms to communicate with stakeholders, including employees, shareholders, and investors. The Company motivates employees and the management team to maintain effective communication. In addition to direct dialogues with employees through labor-management meetings and quarterly meetings, an employee communication mailbox to provide employees with appropriate reporting channels and relevant protection measures are available as well. For relevant details, refer to the company's website at www.scinopharm.com.tw (Investor Relations → Corporate Governance → Code of Ethical Conduct → ScinoPharm Code of Conduct and Code of Ethics).

Since going public, a share administration agency has been appointed to handle stock affairs. In addition, the Company has set up a spokesperson, Corporate Communication Department, dedicated personnel, and Investor Relations section to address issues and matters that concern shareholders. In addition to holding annual shareholders' meetings as required by law to engage with shareholders, the Company hosts investor conferences periodically. From time to time, we are invited to attend the investment forums of external investment institutions. Through these means, we keep investors and members of the public updated on the company's business status. Annual reports, financial statements, and investor conference presentation materials are uploaded to the MOPS as stipulated by law.



Communication Channels and Mechanisms

Investor
Relations



Corporate
Governance



Code of Ethical
Conduct

Investor conferences held by the Company or to which the Company was invited in 2022

January 2022

- Online conference for 2022 Healthcare Conference held by J.P. Morgan

March 2022

- Online investor conference for 2021 organized by the Company

June 2022

- Online Investment Forum held by SinoPac Securities

August 2022

- Online investor conference for the first half of 2022 organized by the Company

December 2022

- Online investor conference organized by MasterLink Securities Corp.

The Company has established a Stakeholder section on our website and developed a System for Reporting Unethical Conducts (<https://www.scinopharm.com.tw/whistleblower.asp>) to provide stakeholders with appropriate communication and reporting channels. Any information received is handled by a dedicated person and investigated by following the Company's regulations and procedures, such as ethical management principles, corporate social responsibility best practices, or Code of Ethics. The resulting findings will serve as the basis for improving and strengthening our corporate governance. Unless otherwise prescribed by law, the Company will keep the personal information of whistleblowers confidential, and adopt appropriate protective measures in accordance with law to protect the personal information and privacy of whistleblowers.



**System for Reporting
Unethical Conducts**

Principles for Participation in Public Affairs

ScinoPharm maintains a neutral stance on public policies, taking no part in any lobbying activities or political contributions. Charitable contributions shall be made to charitable organizations and shall not be used as bribery in disguise. 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. In 2022, the company has not violated the principle of good faith.



▲ General shareholders' meeting/annually in 2022



▲ Employee meetings in 2022

1.7 | Stakeholder and Material Topics Identified

The 2022 ScinoPharm Sustainability Report was prepared by adopting the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Universal Standards, Sector Standards (not yet published), and Topic Standards of the Global Reporting Initiatives (GRI) to disclose the material economic, environmental and social topics and impacts identified by the company, topic-specific disclosure, and reporting requirements. The Company convened in-house meetings to identify stakeholders by measuring the degree of positive/negative influence that stakeholders have on the Company. A total of 22 company representatives and department supervisors as well as external experts were assembled to identify stakeholders by assessing and discussing the actual and potential negative impacts and positive contributions in relation to stakeholders. Finally, the following stakeholders were identified: shareholders/investors, employees, clients, government organizations, suppliers/

contractors, academic units, and local communities. The Company will establish better channels to communicate, and proactively respond to their concerns as deemed appropriate.

For a sound sustainability management, the Company has established the Sustainable Development Committee, which is chaired by the President of ScinoPharm. The Committee is responsible for the creation and implementation of sustainable development policies, systems, management approaches, and specific action plans, and for reporting regularly to the Board of Directors. The Committee has an Occupational Health and Safety Committee and a Sustainable Development Office and Risk Management Team working under it, with the Vice President of Operations acting as the convener. The team is charged with developing environmental, social, and governance (ESG) practices and preparing sustainability reports.

Chart of Sustainable Development Committee



Note: The Sustainable Development Committee convenes meetings at least once a year, with the President serving as the chairperson, and regularly reports to the Board of Directors.

Stakeholder Communication and Material Topics

Sustainability-related material topics to the Company were derived from 25 disclosures in the GRI Standards and 9 topics in the SASB Standards. External experts were asked to rate and assess the actual/potential negative/positive impacts of each topic on the economy, environment, and society (people, including impacts on their human rights), and the sum of the rating scores was used to prioritize impacts for reporting. Topics with a total score of >30 points were considered material to the Company for reporting. The Sustainable Development Committee subsequently combined

the opinions of each unit supervisor, identifying 9 topics that were material to ScinoPharm in 2022: Customer Health and Safety, Innovative Technology and Patents, Marketing and Labeling, Risk Management, Energy, Waste/Scraps, Economic Performance, Occupational Health and Safety, and Training and Education. These topics were employed as the basis of disclosure for this report. Various channels were used to communicate changes to company's business strategies and sustainability implementation status, thereby ensuring effective stakeholder engagement.

Identification of Sustainable Material Topics



Material Topics Identified

Ranking	Name of Topics	The actual negative impacts on the economy	The actual negative impacts on the environment	The actual negative impacts on the society	The potential negative impacts on the economy	The potential negative impacts on the environment	The potential negative impacts on the society	The actual positive influences on the economy	The actual positive influences on the environment	The actual positive influences on the society	The potential positive influences on the economy	The potential positive influences on the environment	The potential positive influences on the society	Total Score
1	Customer Health and Safety	4	3	4	4	3	4	4	4	4	4	4	4	46
2	Innovative Technology and Patents	4	3	4	4	3	4	4	4	4	4	4	4	46
3	Marketing and Labeling	4	3	4	4	3	4	4	4	4	4	4	4	46
4	Risk Management	3	3	3	3	3	3	3	3	3	3	3	3	36
5	Energy	3	3	3	3	3	3	3	3	3	3	3	3	36
6	Waste/Scraps	3	3	3	3	3	3	3	3	3	3	3	3	36
7	Economic Performance	3	2	3	3	2	3	3	2	3	3	2	3	32
8	Occupational Health and Safety	3	2	3	3	2	3	3	2	3	3	2	3	32
9	Training and Education	3	2	3	3	2	3	3	2	3	3	2	3	32

List of Material Topics

List of material topics	Describe its policies or commitments regarding the material topic	Describe impacts	Actual/Potential + Negative/ - Positive	Main subject of impact	The prevention and remediation of negative impacts	Goals and targets	Management and evaluation mechanism	Performance and adjustment
 Customer Health and Safety	To ensure product quality and employee safety, ScinoPharm is committed to producing all APIs, its associated intermediates, and injectable products in accordance with international CGMP guiding principles, including the Pharmaceutical Inspection Co-operation Scheme (PIC/S) and International Council for Harmonisation (ICH) production standards. All products are manufactured under the supervision of a quality assurance unit.	Economic aspects: A majority of patients will opt for medication treatment, provided that it is affordable. The pharmaceutical industry is the direct beneficiary, considering its link to the life and health of the human body. However, if a customer (pharmaceutical company) seeks compensation for injuries incurred as a result of the company's product, the company will be affected financially.	- Potential	- Impacts caused by the customers - Impacts caused by the Company - Directly associated with suppliers	Quality review meeting is held once every 6 months, and each product is subject to annual product review.	To ensure that product quality complies with standards and regulatory requirements, thereby further improving product quality and safety.	Internal audits on all departments are regularly conducted using a quality management system, and the Company is subject to reviews by health authorities from various countries so as to ensure that our products meet the necessary regulations and are safe for launch and sale. In addition, the Company achieved information transparency by conducting questionnaire surveys on customers of ScinoPharm, which covered economic (revenues), environmental (waste disposal), and social (illegal employment) aspects.	The Company's products are fully compliant with health regulatory review requirements, U.S. FDA regulations, and the current international CGMP. As of December 2022, customers and regulatory authorities have conducted on-site inspections on our manufacturing plants a total of 500 times and 94 times, respectively. All of the audits concluded that our plants are in compliance with regulatory requirements. We will nevertheless continue to improve our quality management system to meet GMP requirements.
		People/Human Rights aspects: Conforming products can contribute to recovery of health, extension of life, or quality of life improvement. By contrast, non-conforming products will endanger customers' health and human rights.	+ Actual					
 Innovative Technology and Patents	ScinoPharm is committed to research and development for technology innovation, and to the planning of patent application for market deployment.	Economic aspects: Patenting product innovation and development is a mean of protecting R&D achievements, which strengthens customer trust and secures a stream of business revenue. Infringement of patent will strip a company of the freedom to operate its products in the market.	+ Actual	- Impacts caused by the Company - Directly associated with customers	Innovative products and technologies are prone to risk of being sued for conflicting and infringing upon a patent. Multiple synthesis pathways are assessed at the R&D stage to ascertain the best time for patent application. Patent disputes are analyzed and protection of intellectual properties is reinforced.	Short-term: Adjust the direction of product innovation and development, and submit a provisional application for patent to protect our initial R&D ideas. Mid-term: Support vertical integration, and protect products and services by applying for patents. Long-term: Actively develop peptides, oligonucleotides, and antibody-drug conjugates in conjunction with the development of formulations, and increase profits through patent licensing.	ScinoPharm prevents infringement of patents during product development and ensures patent quality and strength by establishing the Patent Management Regulations as well as an internal patent filing, application, maintenance, and FTO analysis system.	A meeting is convened once every two years to assess whether a patent in a country needs to be renewed. Resources are directed to achieving the company's long-term development goals. As of the end of 2022, ScinoPharm has a total of 47 inventions and 263 patents, 80% of which were patents for processes and crystal form products. Creators or teams of patented inventions are publicly commended or honored with a R&D Innovation Award, and their works are displayed on the company's Patent Exhibition Wall.
		Environmental aspects: ScinoPharm abides by the principles of green chemistry and fulfills corporate responsibilities.	+ Actual					
		People/Human Rights aspects: Innovative pharmaceutical products are developed to improve drug accessibility.	+ Actual					
 Marketing and Labeling	As a key global API supplier, ScinoPharm must comply with the regulations mandated by a country's pharmaceutical authority.	Economic aspects: False labeling is a violation of law that will cause loss of business.	- Actual	- Impacts caused by the Company - Directly associated with customers - Impacts caused by the suppliers	Products are properly registered. Comprehensive customer appeal and after-sales services are provided.	To not violate any regulations stipulated by pharmaceutical authorities in export countries.	We voluntarily arrange or accept requests from customers or pharmaceutical authorities from various countries to inspect ScinoPharm plants and ensure that our products conform to the regulations of various countries. The Company has created multiple communication channels, such as an email (which will be answered within 24 hours), to ensure product safety and service quality, thereby safeguarding customer interests and rights.	All of our products meet the regulations stipulated by pharmaceutical authorities in export countries. We will continue to improve our product registration procedures.
		People/Human Rights aspects: Non-compliance will cause improper use of medication.	- Actual					

List of material topics	Describe its policies or commitments regarding the material topic	Describe impacts	Actual/Potential + Negative/ - Positive	Main subject of impact	The prevention and remediation of negative impacts	Goals and targets	Management and evaluation mechanism	Performance and adjustment
 Risk Management	Risk management is incorporated into operating activities and routine management procedures to ensure more efficient management, effective resource distribution, and corporate sustainability.	Economic aspects: Relevant units will suffer loss of property or reputation damage and may violate laws and regulations.	- Actual	● Impacts caused by the Company	Risks are managed by various operating units according to the nature of risk and extent of influence.	Assess and address potential risks that are identifiable, which is to be carried out by major units in charge of risk management units, and continue to identify emerging risks.	The Sustainable Development Office and Risk Management Team develops risk management policies, procedures, and framework, and establishes qualitative and quantitative standards for measurement. The Company analyzes risk origin, categorizes risks, regularly reviews applicability, compiles a report of risk management implementation status for presentation, and assists with and monitors the implementation of various departmental risk management activities.	Operating units are responsible for identifying, analyzing, assessing, and addressing the risks to which they are exposed. Where necessary, a crisis management mechanism is established to regularly communicate risk management information, thereby ensuring that risk management and control procedures are effectively enforced in accordance with risk management policies.
		Environmental aspects: Risk management can effectively minimize loss, restore normal operations as soon as possible, and mitigate environmental impact in the event of business disruption due to a significant crisis or disaster.	+ Potential					
		People/Human Rights aspects: Risk management prevents business disruption, which will otherwise cause a shortage of APIs, thus affecting people's rights to medication.	+ Potential					
 Energy and Waste/Scraps	ScinoPharm is a chemical and pharmaceutical company that attaches importance to environmental protection. We strive to conserve energy and water, reduce carbon emissions, and manage waste properly so as to improve the environment while also increasing energy efficiency, which in turn lowers operating costs.	Economic aspects: Initial process optimization and purchasing of equipment will increase operating cost but will save costs in the long run after energy efficiency is increased. Failure to implement strict control over waste management will result in violation of law, loss of property or reputation damage, and even risk of factory shutdown.	+ Potential - Potential	● Impacts caused by the Company ● Impacts caused by the contractors	Sustainability management plans are presented each year to review progress in energy conservation and carbon reduction. Progress in the disposal and management of waste is examined to facilitate the development of a waste reduction strategy.	Since 2015, we have been achieving our annual target of reducing electricity consumption by 1% each year. With 2022 as the base year, we aim to reduce our annual GHG emissions (scope 1+2) by 1-2%, and waste intensity by 1-2%.	Monthly consumption of water, electricity, and gas is calculated each month. We continue to propose improvement actions, regularly review waste management data (including storage, statistics, and implementation records), and conduct yearly assessments using the Plan-Do-Check-Act (PDCA) cycle.	ScinoPharm promotes the use of renewable energy to cut down our GHG emissions. To achieve this, we installed solar photovoltaic (PV) systems, generating approximately 231,000 degrees of electricity each year. Our production scheduling control is optimized to eliminate unnecessary production lines.
		Environmental aspects: Process improvement and adoption of renewable energy can reduce impact on the environment. Waste disposal and management can prevent in-plant safety and health problems.	+ Actual					
		People/Human Rights aspects: Energy and carbon actions can reduce the impact that climate change has on disadvantaged countries and individuals. Disposing of waste properly prevents fire hazards, explosions or exposure to chemicals, which in turn affect employee health and safety.	+ Actual					

List of material topics	Describe its policies or commitments regarding the material topic	Describe impacts	Actual/Potential + Negative/ - Positive	Main subject of impact	The prevention and remediation of negative impacts	Goals and targets	Management and evaluation mechanism	Performance and adjustment
 Economic Performance	ScinoPharm is committed to implementing transition plans as a response to market changes and competition, and strives to pursue robust operations for continued economic growth and sustainability.	Economic aspects: Cutting operating expenses reduces the impact of market competition on operations.	+ Actual	- Impacts caused by the Company - Impacts caused by the customers	-	Short-term: Ramp up product deployment to secure profits from APIs and formulations Medium and long-term: Promote the upstream and downstream vertical integration of APIs and formulations, enter new drug markets, and improve long-term economic performance	1. The Company creates annual budgets each year, convenes regular in-house meetings with executive managements and the Board of Directors, keeps track and reviews target achievement status, and adopts necessary management measures. 2. The Company observes the company's internal control system and risk management policies, controls operational risks, and ensures that operational targets are achieved. 3. CPA-audited financial reports are produced on a quarterly basis and presented to the Audit Committee and Board of Directors for review. 4. Depending on the year's business performance, an earnings distribution proposal is prepared by the Board of Directors and presented during the shareholders' meeting for resolution and approval.	ScinoPharm reported a consolidated revenue of NT\$3.264 billion in 2022, up 18% from 2021. Net income after taxes was NT\$353 million, up 45% from 2021. All in all, a robust financial structure was maintained. A cash dividend of NT\$0.36 per share was approved during the board meeting on February 24, 2022 and shareholders' meeting on May 29, 2022.
		Environmental aspects: Continued improvements to production processes and equipment ensure more efficient production, which prevents environmental pollution, conserves energy, and reduces carbon emissions and waste.	+ Actual					
		People/Human Rights aspects: Emphasis on corporate sustainability ensures product compliance with pharmaceutical laws and regulations of various countries, and adherence to labor, environmental safety and health laws and regulations reduces inequality or discrimination.	+ Actual					
 Occupational Health and Safety	Compliance with safety and health laws is a basic requirement for pharmaceutical companies. To avoid unsafe environments, behaviors and equipment, they must take responsibility for preventing occupational hazards and ensuring the safety of employees, and set zero-disaster goals.	Environmental aspects: The occurrence of fire and explosion incidents may cause leakage or emission of chemical substances, which will generate an impact on the environment.	- Actual	Impacts caused by the Company	ScinoPharm raises safety awareness by using mechanisms such as production safety contests and safety inspections. We have established a safety improvement task force to continuously review and monitor issues concerning occupational safety and health and fire prevention.	Set zero-disaster goals	The Company follows the occupational safety, health, and fire prevention management system and relevant management procedures to evaluate the effectiveness of our occupational safety and health management every year by using the PDCA cycle.	There were no significant occupational safety incidents for three consecutive years. The Company continued to review and reduce general incidents caused by human factors, and encourages employees to report near miss incidents and observe unsafe behaviors. During production safety contests, penalty points are given for recurring incidents, such as pipeline dismantling, improper valve operations, or failure to wear personal protective equipment as required by regulations thus causing leakage or injury.
		Economic aspects: Hazards or incidents will result in loss of property or reputation damage.	- Actual					
		People/Human Rights aspects: Failure to implement environmental safety measures will cause injuries during fire hazard, explosion or chemical exposure.	- Actual					
 Training and Education	ScinoPharm offers GMP training courses to help employees perform work in accordance with our policies and cGMP regulations.	Economic aspects: Employees will have better understanding of GMP to ensure production compliance and minimize product failure and financial loss for the company.	+ Actual	- Impacts caused by the Company - Directly associated with customers	Each employee can use the Enterprise Resource Planning (ERP) system to keep track of their training needs and take make-up training courses as needed. Employees who failed to complete the required hours of training will be subject to a performance evaluation by their supervisor.	Conduct training and internal audits to ensure that production processes, product quality, and external audits comply with the laws and regulations.	1. All employees must receive a preliminary GMP training within 3 days of and complete orientation training within a month of reporting for duty. 2. All employees must receive at least 2 hours of GMP training and 1.5 hours of environmental safety and health training each year. Staff members in direct association with GMP-based production must receive at least 4 hours of GMP training and also 3 hours of environmental safety and health training each year. 3. All employees must have SOPs in place for their work, and they must be qualified to perform special duties. Such qualification is obtained by taking training courses in conceptual understanding and applied knowledge. During internal cGMP audits, the Quality Assurance Department will check whether the qualification of department staff members meets regulations and standards.	If an employee fails to achieve a pass mark (100) in their training examination for 5 times in a row, their supervisor will be notified to assess the employee's job suitability.
		People/Human Rights aspects: Education and training makes employees feel that the company is invested in talent development, which improves employee satisfaction and reduces employee turnover.	+ Actual					

Stakeholder concerns and engagement channels at ScinoPharm are summarized below:

Stakeholders	ScinoPharm's Main Responsibility to Stakeholders	Communication Channels, Frequencies and Results
 Shareholders/Investors	Information Transparency	- Annual shareholders' meeting/2022 Shareholders' Meeting was convened on May 30, 2022 - Important information disclosures/as required by competent authorities/20 announcements in 2022 - Financial reports and annual reports/periodically/published quarterly financial reports and annual report for 2022 in both Mandarin and English as required by law - Investor conferences/semi-annually/5 times in 2022 (ScinoPharm independently organized two conferences and was invited to three conferences) - Disclosure through corporate website/update the latest information at any time
 Employees	Health Workplace Equal Treatment Respecting Human Rights	- Labor-management and communication meetings/periodically/4 times in 2022 - Labor-management and communication meetings/periodically/5 times in 2022 - Employee meetings/semi-annually/2 times in 2022 - News or Announcement section on the company's Intranet website - Bimonthly e-newsletter to address employee feedback/6 times annually - Departmental safety meetings every quarter and CGMP education and training for the Year - Internal recruitment and employee rotation/as needed/Internal recruitment and employee rotation were organized 3 times and 8 times in 2022, respectively
 Customers	Safe and High-Quality Products	- Phone calls and e-mails - Visits or on-site audits/as needed/Inspections by clients 24 times in 2022 - CPhI Worldwide Exhibition Trade Shows/2 exhibitions in 2022 - Disclosure through corporate website
 Government agency	Regulatory Compliance	- Compliance inspections/periodically/4 times by regulatory authorities in 2022 - Assisting with the formulation of related laws and regulations/as needed - Briefings in accordance with laws and regulations/as needed - Community activities/as needed in response to governmental initiatives/Held the Month of Love at Southern Taiwan Science Park in 2022, raising a total of NT\$12,749
 Supplier/Contractor	Fair Procurement	- Visits to and audits on suppliers/as needed/audited 42 suppliers and waste disposal company once in 2022 - Safety meetings with contractors/regularly/as needed - Phone calls and e-mails/as needed
 Academic Unit	Education and Training	- Industry-academia collaboration/hired 6 interns in 2022 - On-campus talks and recruitment/7 sessions in 2022 - Disclosure through corporate website - Phone calls and e-mails/as needed
 Local Communities	Social Engagement and Maintenance of Neighboring Communities	- Participation in charitable events/annually/3 times in 2022, including the Month of Love at Southern Taiwan Science Park, purchased biscuits from charity organizations, and collected and donated nearly 1,000 pieces of secondhand clothing - ScinoPharm Art Forum/annually/reached a total of more than 6,000 people - Sustainability Report annually/once a year

1.8 | Risk Management

ScinoPharm strives to effectively control all possible risks and minimize the loss or risk of any uncertainties to ensure greater and sustainable stakeholder value. This is achieved by assessing and managing various aspects of operations, strategy, market, finance, laws, information security, quality control, and environmental safety. In terms of risk control, the Company establishes risk management policy and relevant responsible units are charged with performing evaluations and analyses and formulating appropriate strategies and responses. Material proposals concerning major operational policies, investment projects, bank financing, acquisition or disposal of assets,

endorsements and guarantees, and loans to others must be submitted to the Board of Directors for resolution in accordance with regulations. The Audit Office is tasked with devising audit plans based on risk assessment results as well as self-assessment procedures and methods, and faithfully carrying out audit works and self-assessments to implement risk control and supervision mechanisms as planned. The results are regularly presented to the Board of Directors.

The potential risks that are identifiable, relevant risk management units, and the implementation status of risk management are described below:

Risk type	Accountable unit	Assessment and Implementation
Strategy and Operational risk	Planning, business development, and relevant units	Assess operational strategy risks based on changes in laws, policies, and market trends; track performance after strategy adoption; and revise strategies where necessary so that to it aligns with market changes and the company's development direction and achieves the company's business goals.
Market risk	Business development and relevant units	Various business and functional units are charged with formulating and implementing various strategies within the scope of their responsibilities, and adopting response measures based on regulatory, policy, and market changes. Where necessary, propose control and response measures for possible market risks during routine management meetings.
Legal risk	Legal unit	Analyze and evaluate the lawsuits faced by the Company and customers based on changes in laws, policies, and markets, and take appropriate countermeasures.
Product quality risk	Quality management unit	Conduct training and internal CGMP audits to ensure that production processes, product quality, and external audits comply with the relevant laws and regulations.
Financial risk, liquidity risk, credit risk	Finance and accounting units	1. Analyze and evaluate changes in the financial market based on risk management principles, and take appropriate countermeasures to maintain the company's financial stability. 2. Integrate the group's capital plans with its needs, taking into consideration the impact of interest/exchange rate changes as well as laws and regulations, use appropriate financing channels to improve the group's capital efficiency and prepare for possible interest rate risks. 3. Adopt appropriate hedging tools or methods such as matching revenues with expenses to create a natural hedge; address exchange rate risks arising from accounts receivables and payables, and prohibit risky arbitrage or investment activities. 4. Refer to the description of risk management in "Others" under Notes to the annual financial statements for other information on management policies, risk assessments, response strategies, and quantified exposure to financial, liquidity, and credit risks.
Procurement risk	Units involved in procurement, sales, and production	1. Track price trends of key raw materials and market supply/demand, plan a safety stock in advance and adjust it as needed, and update sales prices as appropriate. 2. Actively identify alternative supply channels for key raw materials, and maintain positive relationships with suppliers to avoid shortage.

Risk type	Accountable unit	Assessment and Implementation
Information Security risk (corresponding to GRI3 and GRI418-1)	Information unit	1. Develop green information policy, adopt virtual server technology, realize resource sharing and use, reduce energy consumption, and promote environmental sustainability. 2. Implement information security measures to ensure information confidentiality, integrity, and availability and to prevent unauthorized visit and destruction or loss of data. ● Increase in security: Adopt a file encryption system to ramp up information protection and reduce security risks such as data breach and cyberattacks by malware software or computer virus. ● Customer Privacy Protection: Restrict unauthorized persons from using and accessing customers' personal information so as to ensure privacy and information security ● Meeting the requirement of compliance: Formulate internal cybersecurity management system in accordance with applicable laws, regulations, and industry standards. In general, the Company manages its cybersecurity by inspecting relevant systems regularly each year and reporting the implementation status to the President as needed. In September 2022, the Company detected a few abnormalities in our IT system, and immediately launched a comprehensive investigation and recovery mechanism in response. This incident did not disrupt company operations nor did it exert a significant impact on the company's finance and business. In 2023, the budget for IT upgrade was increased to NT\$2 million to strengthen relevant software/hardware systems and improve the professional competency and cybersecurity awareness of our in-house IT technicians, thereby incorporating cybersecurity and risk management practices in our corporate culture.
Safety, health, and environmental risks, climate change risks	Sustainable Development Office and Risk Management Team under the Sustainable Development Committee	1. Integrate and implement tasks relevant to environmental protection, safety and health, energy conservation, water conservation, and greenhouse gas management; and devise a sustainability management plan every year and review its implementation status to provide a basis for internal implementation and review. 2. Comply with government regulations and advocacies, install exhaust gas/wastewater discharge and environmental maintenance facilities, and be proactive in developing and adopting various energy saving and waste reduction measures. 3. Collate information on domestic and international practices as well as department feedback from time to time; continue to observe and identify potential risks of climate change to ScinoPharm and corresponding opportunities and benefits, climate change risks and opportunities are disclosed in Chapter 1.9.

The Company has developed a business continuity plan to evaluate and analyze various risks that may disrupt operations and also established relevant countermeasures through risk frequency, risk severity, and risk level. The risk identification and management process is as follows:



1.9 | Climate Change Risks and Opportunities

The intensification of global warming has increased climate change risks, generating an impact on energy resources that has gradually spilled over to business operations. To achieve corporate sustainability in line with international trends and comply with government-enforced laws, ScinoPharm has incorporated climate change risks and opportunities into our risk management policy, conducted risk assessment and management, and continued to monitor global climate change trends.

Risk Management Organization—Board of Directors is the Highest Governing Body

To drive sustainable development, the Company's Board of Directors established the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development. The Committee is chaired by the President of ScinoPharm and has two sub-units working under it: the Sustainable Development Office and Risk Management Team and Occupational Health and Safety Management Committee. The Sustainable Development Committee is responsible for proposing and enforcing sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and for reporting to the Board of Directors on a yearly basis.

As the Company's highest governing body of risk management, the Board of Directors is charged with developing risk management policies and framework, and ensuring that the developed policies are aligned with the direction of the company's business strategy so as to facilitate the effective operation of risk management. The Sustainable Development Committee, which reports to the Board of Directors, is tasked with supervising the mechanisms of operation in relation to risk management, while the Sustainable Development Office and Risk Management Team works on managing and assessing risks associated with company operations (e.g., strategy, operations, finance, IT, compliance, product quality, safety, health, and environmental protection, as well as climate change impact/opportunities/risks, etc.) and reports on the same to the Board of Directors on an annual basis.

ScinoPharm is committed to tackling climate change risks. By following the Task Force on Climate-related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB), the convener of our Sustainable Development Office and Risk Management Team worked collaboratively with representatives from each department to assess climate change risks, identify transition risks and physical risks in business operations, assess possible financial implications, and then draw up an action plan based on the assessment results. Using the TCFD methodology, we identified 6 significant risks and 2 major opportunities, and created a climate change management plan as a response to the impact of extreme climate over the short, medium, and long term.

Organizational structure of risk management

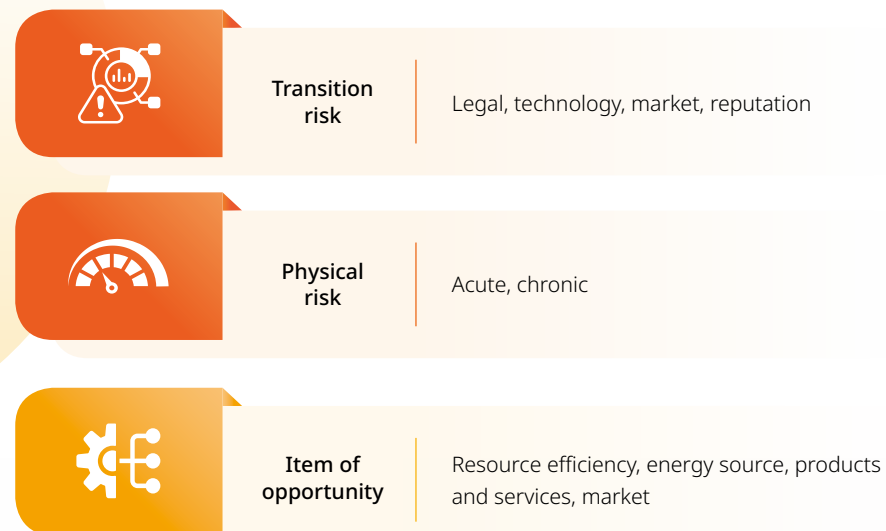


Identifying Climate Change Related Risks Associated with ScinoPharm

Risk identification procedures:



Risk and opportunity type:



Scale for Measuring Risks and Opportunities Probability of Occurrence x Financial Impact = Impact Score

Probability of Occurrence		Financial Influence	
Insignificant	1	Insignificant	1
Minor	3	Minor	3
Moderate	6	Moderate	6
Major	8	Major	8
Severe	10	Severe	10

Range of time horizons during which risk is expected to occur	
Short-term	2022-2025
Mid-term	2026-2030
Long-term	2031-2050

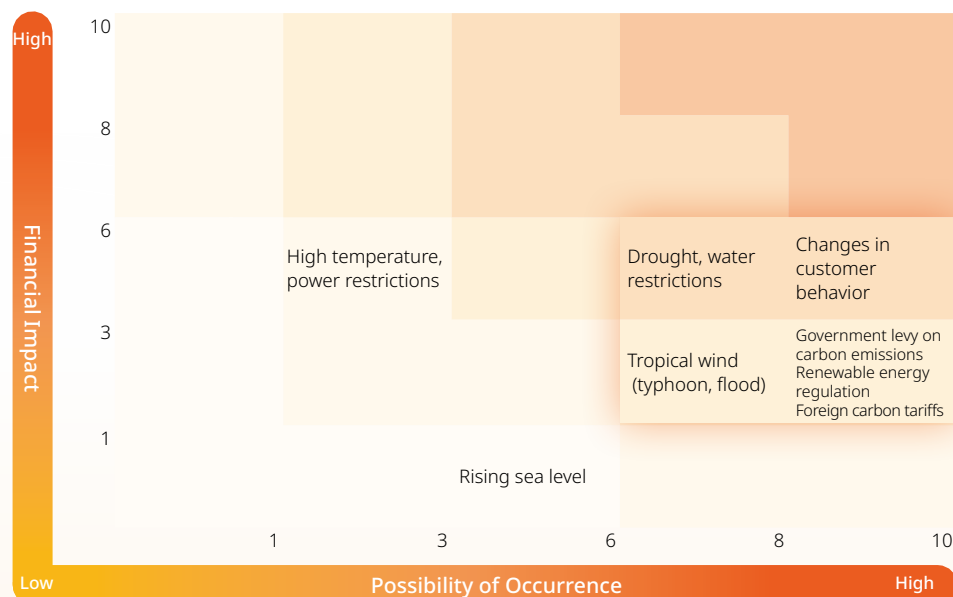
※The Company established time horizons (short, medium, and long term) with reference to Taiwan's greenhouse gas periodic regulatory goals

Climate Change Related Risks that Impact ScinoPharm

Risk	Aspect	Risk Topics	Occurrence Frequency	Financial Impact	Impact Score	Duration of Impact
Transition risk	Market	Changes in customer behavior	10	6	60	Mid-term
	Laws and Regulations	Government levy on carbon emissions	10	3	30	Short-term
		Renewable energy regulation	10	3	30	Mid-term
		Foreign carbon tariffs	10	3	30	Mid-term
Physical risk	Immediately	Drought, water restrictions	8	6	48	Long-term
		Tropical wind (typhoon, flood)	8	3	24	Mid-term
		High temperature, power restrictions	3	6	18	Long-term
	Long-term	Rising sea level	6	1	6	Long-term

※Risks with impact score of >24 are considered significant

Climate change-related risk matrix

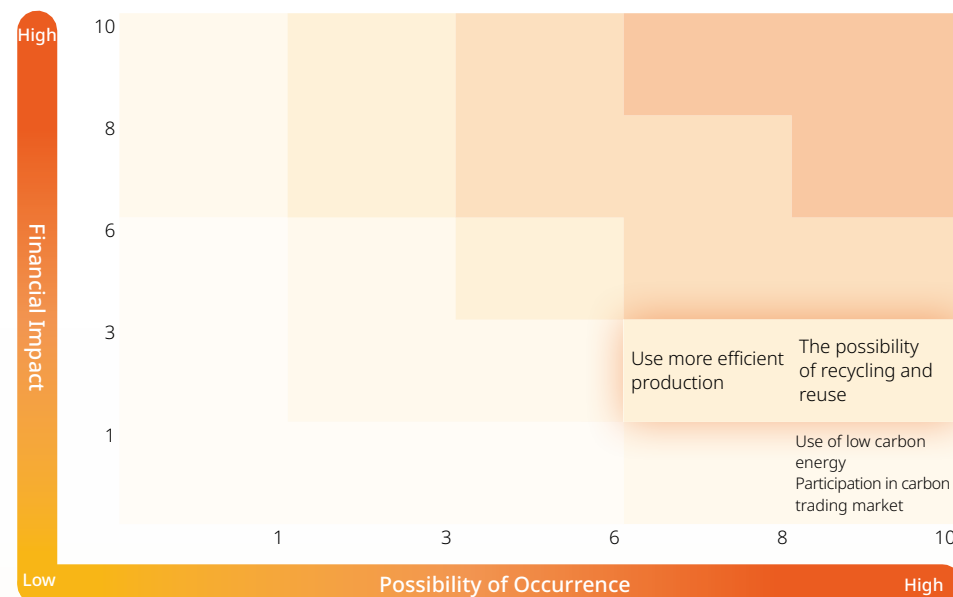


Opportunities for ScinoPharm

Opportunity Topic	Occurrence Frequency	Financial Impact	Opportunity Score	Duration of Impact
The possibility of recycling and reuse	10	3	30	Short-term
Use more efficient production	8	3	24	Short-term
Use of low carbon energy	10	1	10	Short-term
Participation in carbon trading market	10	1	10	Short-term

※Topics with impact score of >24 are considered an opportunity

Climate change-related opportunity matrix



Risk Identification Results and Strategies

Risk	Aspect	Risk Topics	Potential Financial Impact	Strategy Descriptions	Duration of Impact
Transition risk	Market	Changes in customer behavior	*Increase in cost of operation ⬇️ *Customer satisfaction results in increased operating revenue ⬆️ Scenario setting: Customers are expected to ask us for information on our carbon footprints	In 2023, the Company implemented a program with the Industrial Development Bureau to determine the carbon footprints of our main products, thereby preparing us for meeting future carbon footprint requirements.	Mid-term
		Government levy on carbon emissions	*Setting up carbon-reducing equipment increases operating costs ⬇️ Scenario setting: The government is expected to charge GHG emissions tariff on the business sector	The Company took an inventory of GHG emissions in 2022, and collaborated with the Energy Service Company (ESCO) in 2023 to conduct assessments and draw up carbon reduction measures, such as taking inventories of electricity consumption, energy efficiency, and energy conservation diagnosis, thereby proposing energy-saving engineering control designs to reduce the impact of carbon tariffs.	Short-term
	Laws and Regulations	Renewable energy regulation	*Setting up carbon-reducing equipment increases operating costs ⬇️ Scenario setting: According to the Renewable Energy Development Act, monetary substitution must be paid annually if a user fails to install renewable energy in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity.	Our manufacturing plants have installed solar panels. In the future, we will promote and implement GHG reduction plans, and replace energy-inefficient equipment such as air conditioning systems to reduce carbon emissions.	Mid-term
		Foreign carbon tariffs	*Setting up carbon-reducing equipment increases operating costs ⬇️ Scenario setting: The European Union is expected to impose carbon tariffs on products	The Company collaborated with the Energy Service Company (ESCO) in 2023 to conduct assessments and draw up carbon reduction measures, such as taking inventories of electricity consumption, energy efficiency, and energy conservation diagnosis, thereby proposing energy-saving engineering control designs to reduce the impact of carbon tariffs.	Mid-term
Physical risk	Immediately	Drought, water restrictions	*Water restrictions hinder production lines, resulting in reduced revenue ⬇️ Scenario setting: As the number of consecutive dry days increases, after 2030, water restrictions will be imposed for an average of five days a year.	• We ramp up water-saving management on weekdays, and cooperate with Southern Taiwan Science Park on a water restriction plan to conserve water. • The Company has a water reservoir that can store up to 1,600 tons of water for general use, while the Southern Taiwan Science Park has a reservoir that can supply 30,000 tons of water and a water tower with a capacity of 3,000 tons.	Long-term
		Typhoon, flooding	*Continued insurance enrollment increases costs ⬇️ Scenario setting: Severe typhoons in Taiwan will increase in the future, leading to wind and flood disasters, which cause financial losses.	The Company has purchased insurance for risk transfer. The insurance covers risks associated with fire, explosion-induced fire, lightning, explosion, earthquake, typhoon, and flooding. Relevant response measures are also provided in our business continuity plan (BCP).	Mid-term
	Long-term	Rising sea level	Scenario setting: The future impact of sea level rise according to the IPCC Sixth Assessment Report	The Company used Coastal Risk Screening Tool to assess the impact of sea level rise caused by a global warming of 1.5°C, and the results revealed that the company's business locations will not be affected by it.	Long-term

Identified Opportunities

Category of Opportunity	Opportunity Topic	Financial Impact	Strategy Descriptions	Duration of Impact
Resource efficiency	Recycling and reuse	*Decrease in expenses  *Increased in revenue 	- Solvent recovery uses distillation to separate useful solvents from waste generated during the manufacturing process. Extracted solvents that meet filing or GMP requirements can be reused in manufacturing processes or equipment cleaning. Extracted solvents that fail to meet filing or GMP requirements are transported to a waste treatment company for recycling and reuse. In doing so, direct incineration is avoided, which can reduce both carbon emissions and waste disposal costs (by approximately NT\$4.2 million per year). - In the short and medium term, we will apply for an air pollution control permit from the competent authority, so that process liquid waste, other than those wastes described above, can be purified and treated using air strippers or fractionating columns and then sold as secondary products to other industries for reuse (which is estimated to reduce treatment cost by about NT\$3.8 million per year).	Short-term
	Use more efficient production	*Decrease in costs  *Increased in revenue 	We can collaborate with ESCO on taking an inventory of the carbon footprints of the company's main products to verify the primary sources of carbon emission, and develop energy conservation measures to reduce energy consumption, cut costs, and generate more profit.	Short-term
Energy Source	Use of low carbon energy	*Decrease in costs 	The Company is already using solar energy to generate electricity and gaining benefits from it (i.e., making profits from sale of PV-generated electricity and becoming self-sufficiency, which in turn reduces our electricity bills).	Short-term
	Participation in carbon trading market	*Decrease in costs 	The Company is involved in carbon trading because we use solar energy to generate electricity for our own use.	

Climate Action Related Metrics and Targets

As a response to climate change, countries around the world have successively declared their commitments to net zero emissions and actions against climate change. Taiwan also amended its laws to keep pace with global trends, legislating long-term net zero plans through the Climate Change Response Act, which was passed in the beginning of 2023. While in pursuit of product and technology innovation, ScinoPharm also began initiating green climate actions such as taking an inventory of its product carbon footprint, increasing resource efficiency, and reducing waste generation, among other energy conservation and carbon reduction measures. Our environmental awareness is translated into concrete actions to meet stakeholders' expectations, thereby ensuring corporate sustainability.

The Financial Supervisory Commission (FSC) released the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies in 2022. As stipulated, ScinoPharm has disclosed GHG inventory and verification information, completed inventory and verification by the stipulated deadline, and reported our progress during quarterly board meetings. To combat climate change and follow the Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users, the Company has set a target of saving 1% of electricity every year, starting in 2015.

In line with the supply chain environmental strategies and goals of Novartis, a global pharmaceutical company since 2020, the Company has reached its annual reduction target while meeting international environmental requirements (taking 2018 as the base year). We managed to reduce our annual water consumption and GHG emissions by 1-2%, and waste production by 3-5% percent with 2018 as the base year, and continued to implement environmental measures such as water conservation, energy conservation, waste reduction, and process optimization. After having completed the GHG inventory and external verification in 2022, we will revise our reduction targets in 2023 to meet the world's and customers' environmental requirements. With 2022 as the base year, our reduction targets will be as follows: To reduce total emissions intensity of Scope 1 and 2 GHG emissions by 1-2% and to reduce waste output intensity by 1-2% annually. (Refer to Chapter 3 Environmental Protection of this report for data regarding GHG emissions, energy, and water consumption).

ScinoPharm actively responds to the government's circular economy promotion policies and aims to reduce waste by recycling and reusing solvent waste. In 2022, we have drafted a procedure for reusing solvent waste, and will be filing the necessary paperwork with the competent authority during 2023-2025. Our ultimate goal is to recycle and reuse resources, thereby conserving energy and reducing carbon emissions.

2022

- Establish the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development
- Complete individual the ISO 14064-1 Greenhouse Gas Inventory
- Draft a plan for reusing solvent waste from processes

2023

Complete individual the ISO 14064-1 third-party verification of greenhouse gas emission

2024

Complete installing and applying for hardware facilities for reusing solvent waste from processes

2025

Launch the plan for reusing solvent waste from processes

2026

Complete GHG inventory for all consolidated entities

2027

Continue to implement carbon reduction projects

2028

Complete GHG third-party verification for all consolidated entities

2030

Continue to implement carbon reduction projects

1.10 | Sustainable Development Policies

Corporate ESG practices have become a fundamental support in recent years for the world to achieve sustainability. ESG also represents the operational risks, potential opportunities, and transformational capabilities required by companies to achieve sustainable development. At ScinoPharm, the Board of Directors has approved the Sustainable Development Best Practice Principles, which define the following four guiding principles for the company to practice sustainability: (1) Exercise corporate governance; (2) foster a sustainable environment; (3) preserve public welfare; and (4) enhance disclosure of corporate sustainable development information. ScinoPharm actively implements sustainable development initiatives during

business operations to keep pace with global development trends. As a corporate citizen, the Company strives to contribute to the nation's economy by improving the quality of life of employees, communities, and society, and promoting competitive advantages that are centered on sustainability. We also abide by applicable laws and international human rights conventions, including commitments to gender equality, employee care, and anti-discrimination, among other human rights, and incorporate our human rights policies into supply chain management to collectively foster a sustainable environment.

Sustainable Development Policies





CH2

Product Accountability

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2.1

Product Laws and Regulations

More than 95% of ScinoPharm's products are mainly sold in foreign countries. Governments worldwide attach a great level of importance to the safety and efficacy of a pharmaceutical product because it directly affects the life and safety of users. As a key global API supplier, ScinoPharm must comply with the regulations mandated by a country's pharmaceutical authority. Violation of any pharmaceutical-related laws and regulations in any country will expose ScinoPharm to significant operational risk. ScinoPharm's APIs have been sold in European countries, the United States, and other regulated markets for many years. As a result, the Company has an extensive experience in the compilation of product documents, drug inspection and registration (drug master file [DMF] submissions for APIs), communication with regulatory authorities, and responses to product-related questions. For this reason, we are able to provide

drug registration services for customers worldwide. In 2022, ScinoPharm did not violate any regulations stipulated by the pharmaceutical authority in export countries.

In terms of drug inspection and registration required in Europe, the United States, and other highly regulated markets as of the end of December 2022, ScinoPharm has submitted 67 DMFs to the U.S. FDA; and 30 European DMFs (EDMF) in nearly 30 European countries, 22 of which were granted Certificates of Suitability (CEP or COS) and are universal across the European Union (EU). Globally, we have completed the registration of 897 DMFs. In the future, the number of DMFs will increase annually as the Company develops more products and customers demand for more pharmaceutical products.

A total of **897** drug registrations



2.2 | Product Safety and Customer Satisfaction

ScinoPharm's highest guiding principles are based on product quality and employee safety. The pharmaceutical sector is strictly regulated because a pharmaceutical product critically affects the health and safety of its users, which is why stringent requirements are imposed on the safety and quality of pharmaceutical products. The safety and efficacy of APIs must be subjected to strict review and control by health authorities around the world. APIs must be licensed before they can be sold in the market. Our APIs and pharmaceutical products are advertised and sold in accordance with the drug registration data and laws of countries where they are sold, and are able to pass impromptu inspections by competent authorities in various countries.

ScinoPharm's plants comply with the most rigorous international CGMP standards. Equipment and manufacturing processes are also in compliance with U.S. FDA regulations and are capable of producing kilograms to tons of products. On-site production lines are uniquely capable of producing highly reactive APIs for injectable products. 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. The Company also implements product control in accordance with strict CGMP standards, and requires all employees to be regularly trained on CGMP.

In recent years, the U.S. FDA has focused on issues concerning the lack of data integrity in experimental processes, which is mainly due to improper practices or intentional falsification of evidence. Accordingly, ScinoPharm adopted the CGMP throughout its operations, thereby ensuring that relevant data are complete, original, accurate, attributable, legible, and available in order to faithfully reflect the actual operations on-site. Quality-related information is enclosed in our product shipments to substantiate that our products meet customer-required standards. In 2022, none of our products were penalized for non-compliance or improper labeling.



▲ Certificate of analysis for our products



▲ Outer package labeling



▲ Tamper evident label on product packaging



▲ Padlocks and tamper evident labels exclusively for packaging and contain serial numbers for queries

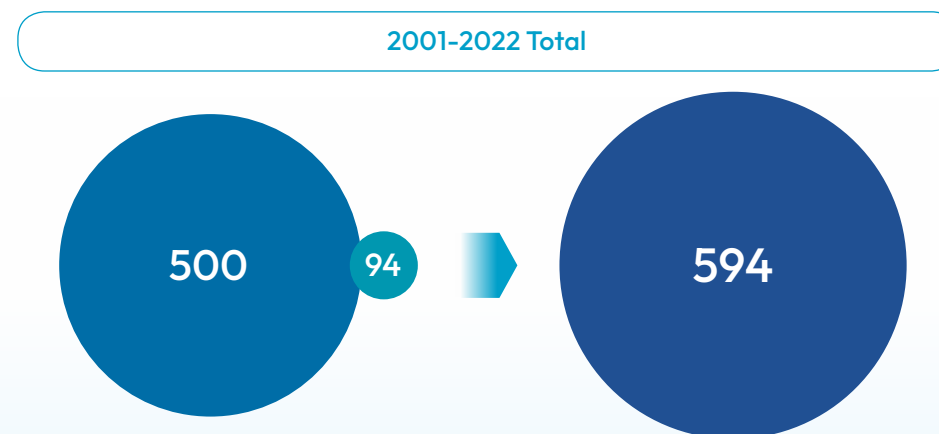
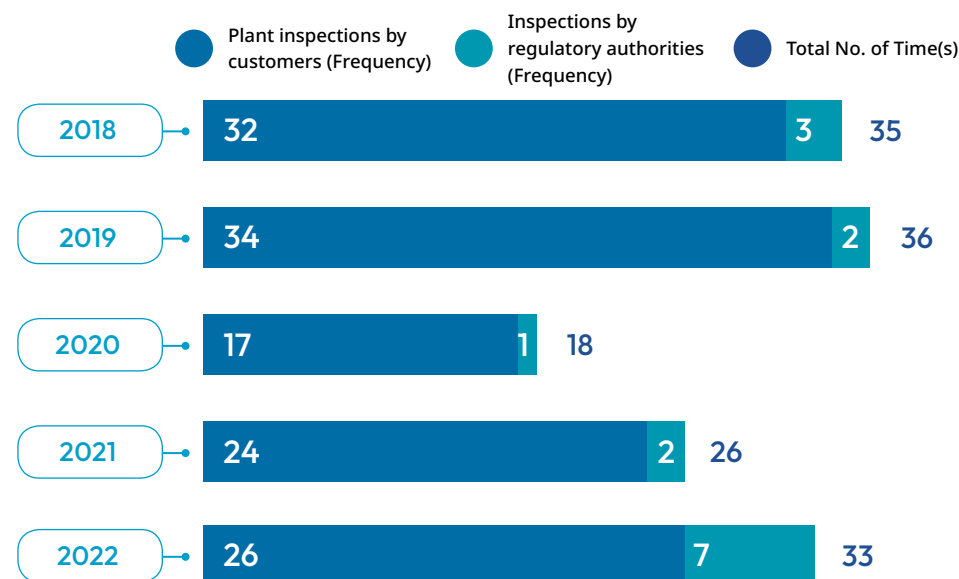
ScinoPharm has set up the Client Complaint Handling Procedure, requiring that any quality-related complaints received, either orally or in writing, from clients must be recorded and investigated. A dedicated unit will issue a formal notice within 24 hours, complete the investigation within 1 week, and prepare a complete and detailed report within 45 days. The Company conducts product review annually, examining all customer complaints for the year or other issues related to product quality 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 fully compliant with health regulatory review requirements, U.S. FDA regulations, and the current international CGMP. ScinPharm has been subjected to more than 500 official CGMP inspections worldwide and quality inspections by clients, which include the audit items included product and material storage environment and management; the accuracy of production/analytical documents and records; the safety of manufacturing equipment, environment, and personnel; and public systems that support production and on-site environmental maintenance. As of December 2022, ScinoPharm has been subjected to inspections by clients 500 times and by regulatory authorities 94 times. In addition, the Company achieved information transparency by responding to clients' questionnaire survey of ScinoPharm, which covered economic (revenues), environmental (waste disposal), and social (illegal employment) aspects.

Statistics on Plant Inspections by External Entities

Year	Plant inspections by customers (Frequency)	Inspections by regulatory authorities (Frequency)	Total No. of Time(s)
2018	32	3	35
2019	34	2	36
2020	17	1	18
2021	24	2	26
2022	26	7	33

Description of changes to the frequency of plant inspections in 2021:

1. The frequency of plant inspections over the years mostly included APIs. Injectable products will be inspected in the future; therefore, the frequency of inspections on injectable plants will be included in the calculation, starting in 2022.
2. Customers and regulatory authorities had inspected our injectable plant once in 2021; therefore, the frequency of plant inspections for 2021 was recalculated.



As of December 2022, ScinoPharm has been subjected to inspections by clients 500 times and by regulatory authorities 94 times

2.3 | Supplier/Contractor and Material Management

For a pharmaceutical industry, stable product quality and supply are crucial. Nevertheless, ScinoPharm has established the Supplier Audit Procedures and Operating Procedures for the Management of Consultants and Contractors to regulate relevant matters, evaluate or screen suppliers, distributors, clients, or other direct recipients of our products that meet the company's product requirements, and ensure that suppliers can supply and handle goods safely.

Materials Development and Management

ScinoPharm produces a variety of multi-functional products in batches. Our products are made-to-order, and raw materials for product manufacturing are procured by the Production Planning Department in accordance with the company's procurement regulations. New materials are acquired in accordance with our Material Development and Procurement Regulations. Suppliers of critical materials are audited and reviewed, and where necessary, our Quality Assurance Department will inspect the materials and suppliers on site to ensure compliance. Purchased materials are then tested by the Quality Control Department for quality control.

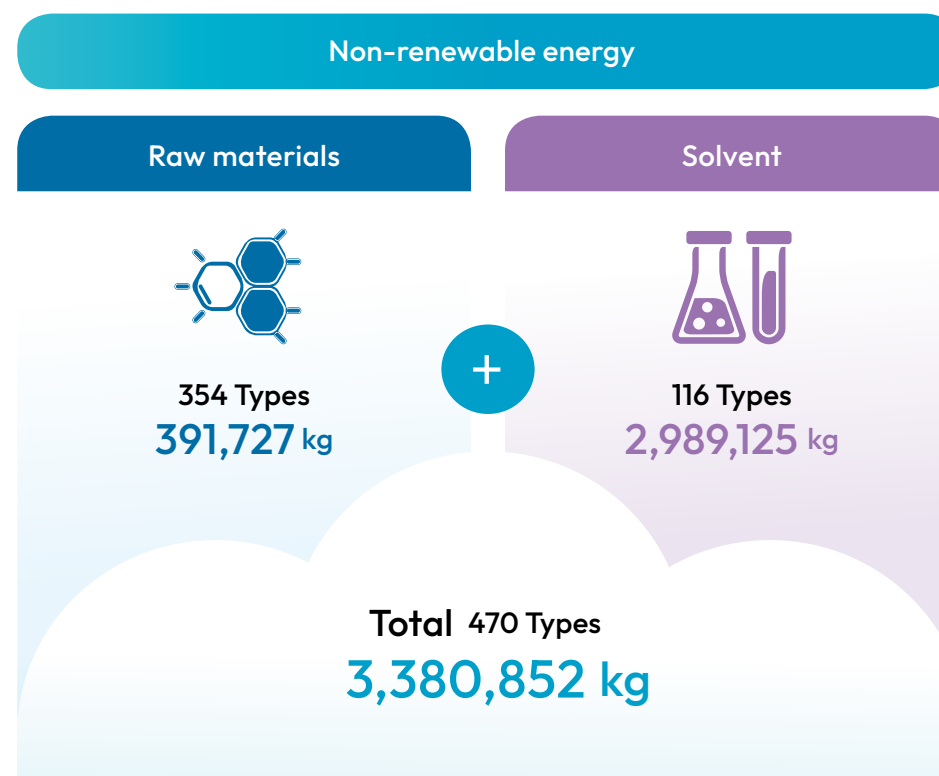
Material Management Workflow



Purchase of Raw Materials

ScinoPharm manufactures mainly API products for cancer treatment as well as other products such as drugs for the central nervous system, cardiovascular drugs, and ophthalmic drugs. Therefore, our main ingredients include various kinds of organic and inorganic chemicals. Given the unique nature of our pharmaceutical business, our raw and packaging materials cannot be made using recyclable or renewable materials. In 2022, 47% of our materials (including packaging materials) were sourced locally from Taiwan.

Main Materials Procured in 2022



Quantity of Packaging Materials Procured in 2022 for APIs

Item	Quantity	Unit
Aluminum Foil Bag	3,095	PCS
Amber Vial	288	PCS
Antistatic LDPE Tubing	3,000	Pound
Blue HDPE Jerrican	1,180	PCS
Bulk Bag	155	PCS
Expanded Polyethylene (EPE)	60	PCS
Glass Bottle	52,320	PCS
HDPE Drum	5,963	PCS
Humidity Indicator Card (Cobalt Free)	500	PCS
LDPE Bag	20,000	PCS
Oxygen Absorber	3,000	PCS
PE Bottle	504	PCS
Polyfoil Bag	3,000	PCS
Silica Gel Desiccant	20,000	PCS
Steel Drum	1,015	PCS
Plastic Drum	1,725	PCS
Total	115,805	

Quantity of Packaging Materials Procured in 2022 for Injectable Products

Item	Quantity	Unit
Body Sub-assembly with Injection Button	21,000	PCS
Cap	21,000	PCS
Carton	15,950	PCS
Cartridge	78,900	PCS
Case	800	PCS
Foccrs	324,900	PCS
Hypak Scf	270,000	PCS
Insert	10,000	PCS
Label	10,200	PCS
LDPE Bag	15,400	PCS
Rubber Stopper	675,600	PCS
Vial	312,072	PCS
Total	1,755,822	

Supplier Management

The Company manages API suppliers by assessing their product quality, how they manage production, and their manufacturing processes. From time to time, we check if any of our suppliers are associated with non-conformities to ensure product compliance with the company's requirements and standards. Questionnaire survey is also conducted on suppliers to assess their social responsibility performance as well as their contribution to and impacts on employees, communities, and the environment. The mechanism by which the company cooperates with suppliers includes regular auditing and review, which can ensure that our suppliers continue to abide by social standards and regulatory requirements. With this mechanism, ScinoPharm mitigates social risks related to the supply chain, thereby safeguarding our reputation and brand image while also promoting the sustainable development of our supply chain.

Existing suppliers are categorized into raw material suppliers and non-raw-material suppliers. ScinoPharm conducts written and on-site audits of existing suppliers in accordance with its Supplier Audit Procedures. An audit report is submitted within 30 days after each audit. The deficiencies identified are divided into major, minor, and suggestions. If the company continues to engage with a supplier, our auditors will continue to track all relevant deficiencies and guide the supplier until improvement has been made. Audits results are used as a reference for evaluating or screening manufacturing contractors that meet the company's product management requirements.

Key raw material suppliers

Responsible Unit

Quality Assurance Division, Quality Control Division, Regulatory and Technical Services Division, Procurement Division, Process Technology Division

Relevant Operations

Auditing irregularly

General raw material suppliers

Responsible Unit

Quality Assurance Division, Quality Control Division, Procurement Division, Process Technology Division

Relevant Operations

- Decide whether to try out their services
- Price negotiations

Phase 1

Supplier Selection and Database Establishment

Collect information on supplier and select supplier → Establish basic supplier profile → Invite suppliers to join our team of suppliers

Phase 2

Supplier Management

Supplier performs safety self-assessment → Evaluate supplier qualification → Establish a roster of suppliers

Phase 3

Business Partner Audit

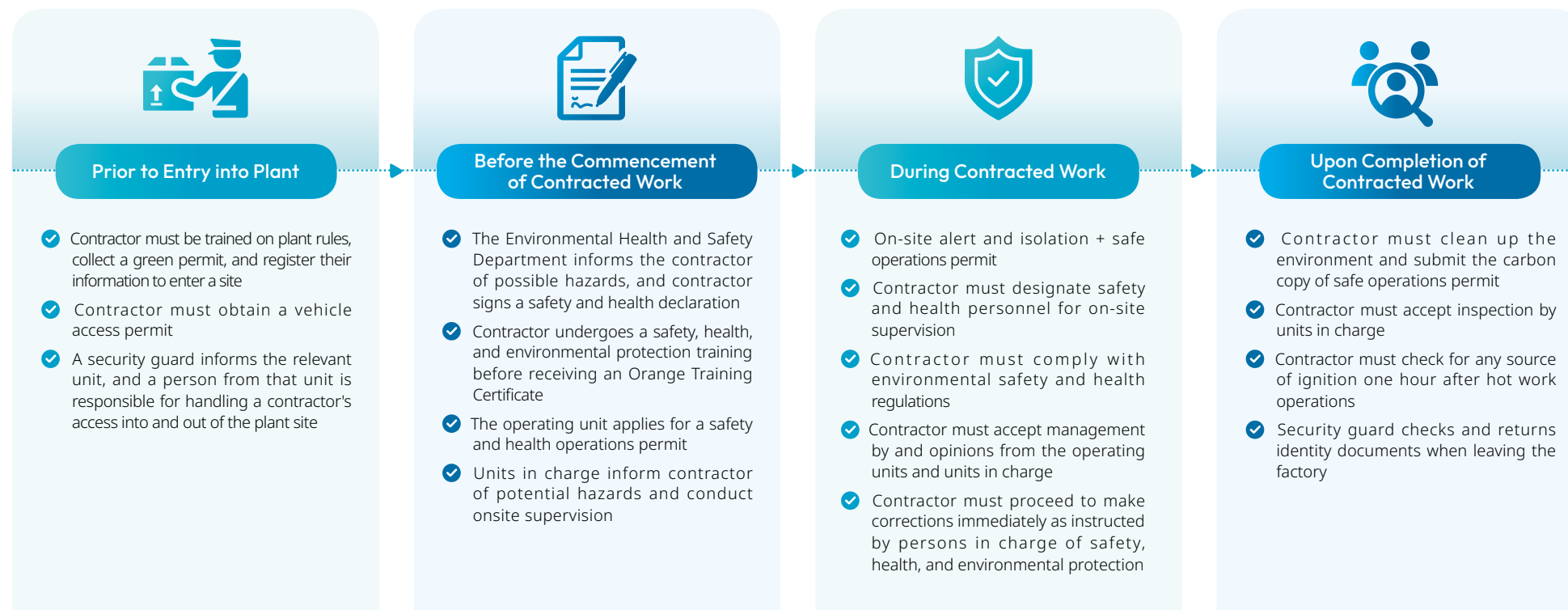
Conduct audit on supplier

- On-site audits
- Written audits

The aim of ScinoPharm's Procedures for Supply Chain Safety Management is to deliver the right product to the right place, at the right time, and in the right quantity. The Company takes necessary precautions against any threats and security-related incidents, and continuously maintains and improves policies, procedures, and technological applications to reduce the probability of supply chain risks.

Contractor Management System

ScinoPharm is committed to ensuring the safety and health of employees in the plants and to working in concert with business partners to establish higher environmental, safety, and health standards for the entire industry. To that end, the Company established the Contractor Health and Safety Management Procedures and the Contractor EHS Management Handbook. Partnering contractors must read the procedures and handbook before they may enter the plants. In addition, contractors must perform an evaluation and spot check before, during, and after an operation. These procedures are detailed below:



At ScinoPharm, housekeeping (including environmental cleaning and gardening), security, and engineering maintenance works are outsourced to contractors. In 2022, there were 48 contracted workers working in the plant.

Category	The cleanliness of the environment	Gardening	Security	Maintenance of construction	Total
Male	6	9	6	9	30
Female	11	6	0	1	18

2.4 | Innovative Technology and Patents

Innovative Technology

ScinoPharm has a team of experienced and highly skilled researchers and almost a hundred in-house developers with expertise in synthesis or analysis. Nearly 80% of our in-house researchers and developers have a PhD and master's degree as well as years of experience in leadership at the management level, making them the most experienced research team among other teams in domestic companies of the same category. They are the backbone of the Company, providing support for continuous product innovation and process development. In the pharmaceutical sector, product R&D is time consuming and filled with uncertainties. ScinoPharm therefore leverages its strong R&D capacity and technological advantage to make considerable investments in R&D every year. Using CGMP-certified production facilities and our extensive experience, we develop products that have potential in the market and build innovative technology platforms.

Considering the global market trend, besides APIs, the Company will invest more resources in contract development and manufacturing organization (CDMO) services. We will be more proactive in the areas of peptide APIs and CDMO. As increasingly more new peptide products are introduced every year, we will be able to apply the peptide technologies that we have built up over the past few decades, and deliver outstanding performance in peptide APIs (which have high technical threshold) and CDMO products, thereby laying a solid foundation for the development of oligonucleotide and antibody-drug conjugates (ADCs). Drawing on our existing foundations, we continued to develop small molecule APIs, focusing on APIs for new anti-cancer and central nervous system drugs as well as new products and processes in line with the latest trends. After determining market potential and the difficulty and availability of production technologies, we began investing in the development of new crystal forms or new drug combinations of antiviral APIs and APIs for chronic diseases.

Focusing on anti-cancer APIs, ScinoPharm has also developed injectable formulas and manufacturing processes and obtained the Abbreviated New Drug Application (ANDA) in Europe and the United States. Recently we have successfully developed proteinoid microsphere. This new platform is expected to create more niche markets and greater value for new injectable formulations and products, in addition to continuously improving new dosage form products (instant-release dosage forms, microcapsules), we further expanded the focus of our pharmaceutical innovations and development to include special oral dosage forms (e.g., oral peptide products), thereby further developing ScinoPharm's patented technologies and niche products.

Further expenditures expected for R&D work are dependent on the allocated budget and new product development plans. R&D expenditures for previous years were approximately 7% to 10% of the business revenue. In the future, our annual R&D expenditure will be increased in proportion to the growth of our business revenue to support future R&D projects and in turn bolster the Company's competitiveness. We plan to invest roughly NT\$700 million in R&D works in the next two years.

Patent Laws and Regulations

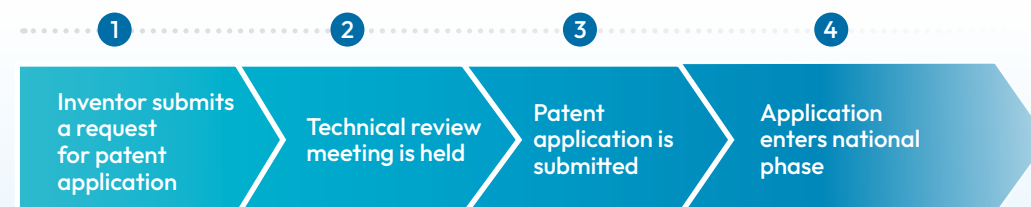
In the fiercely competitive pharmaceutical market, a pharmaceutical company must not only showcase its R&D capability but also secure its competitive advantage by patenting innovation results so as to eliminate the possibility of product imitation by competitors. Therefore, the pharmaceutical industry is heavily dependent on patent protection.

ScinoPharm highly values product competitiveness and freedom-to-operate, which is why we have a comprehensive and rigorous control mechanism in place for all of our patent activities, including patent application/management and prevention/management of patent infringement/litigation risks. Apart from internal control, ScinoPharm is also active in keeping track of patent laws and regulations enforced in Taiwan and other countries where our products are sold. We keep abreast of patent-related interpretations and laws to ensure that our products and corresponding patent strategies are given sufficient freedom-to-operate in spite of existing regulatory restrictions.

In product development, we not only ensure that our manufacturing processes do not infringe on the patents of our competitors, but also actively invest in the development of our own technology, and apply for patents to protect innovative research and development achievements. ScinoPharm ensures patent quality and strength by establishing the Patent Management Regulations as well as an internal patent filing, patent application, and patent infringement analysis system, so as to avoid patent infringement throughout the process of product development to market introduction and to retain the freedom-to-operate for the Company's products. With these Regulations and system, the Patent Department is able to properly assess the Company's inventions and in turn develop a comprehensive patent plan in alignment with the Company's business strategy and market trends, thereby helping the Company to gain maximum benefits with a reasonable patent strategy.

The various patent procedures are as follows:

Patent application



Maintenance of patent

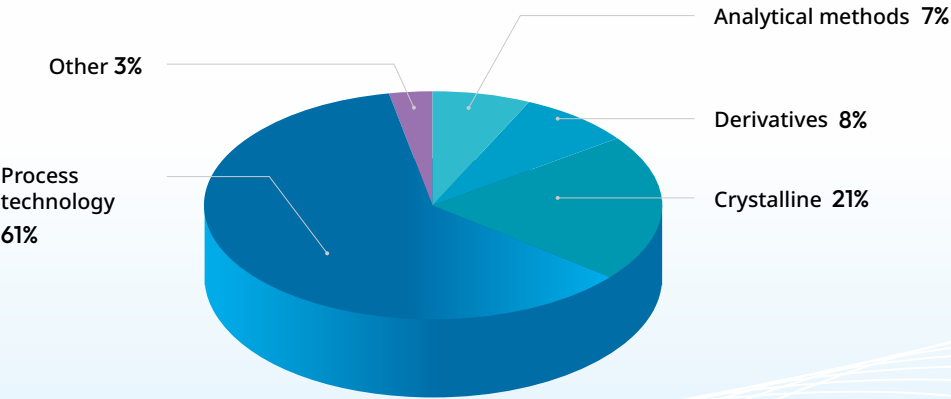
ScinoPharm convenes a meeting once every two years to discuss patent renewal matters and review all approved patents. Patents irrelevant to our long-term development will not be renewed and maintained.

After excluding the patents that are irrelevant to our long-term development and are no longer maintained, ScinoPharm currently holds 47 patents for intentions and 263 patents worldwide as of the end of 2022. Patents relevant to the company's business development included process and crystalline patents and accounted for 80% of all our patents.



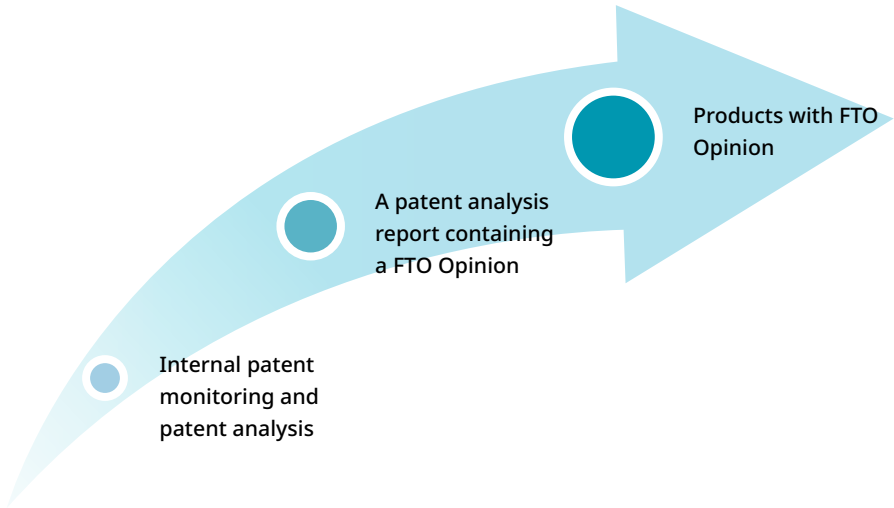
▲ Diagram: patent certificates from various countries

Diagram: Patent Plans of ScinoPharm



Freedom-to-Operate (FTO) Analysis

As an API manufacturer representative of Taiwan, ScinoPharm is obligated to provide customers with a freedom to operate (FTO) opinion that products produced by the Company did not infringe any patent. At the request of a department, our Patent Department searches the patent database to determine whether a target product has been patented, and proceeds to update the patent analysis report and verify the product's patent status. Therefore, the Company has an internal product FTO procedure in place.



The Company works closely with global generic pharmaceutical companies to analyze the patent terms for new drugs based on patent litigation cases. By using a model that ultimately aims to avoid patent disputes, we select products with high potential and collaborate with R&D units to supply materials and provide services in relation to R&D and manufacturing as needed by our customers. For in-house employees who are inventors or patent engineers, we offer incentives and rewards to strengthen their competitive advantages and create new value for the company.



CH3
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Environmental Protection

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3.1

Safety, Health, and Environmental Protection Policy

With safety, health, and environmental protection as our basic requirements, we insist on establishing a comfortable workplace that can improve employee health. ScinoPharm tackles climate change issues by managing pollution/emission indicators. With the goal of meeting government requirements and market expectations concerning low-carbon economy and use of green energy, we are committed to continuously improving safety, health, and environmental practices to avoid unsafe environment, conducts, and equipment, and to take responsibility for preventing occupational injuries and ensuring employee safety.

In practice, our ESH policy is promoted by forming a cross-departmental task-oriented organization. Specifically,

the Company has established two sub-units that report to the Sustainable Development Committee: the Sustainable Development Office and Risk Management Team and the Occupational Health and Safety Management Committee. The Sustainable Development Office and Risk Management Team is responsible for promoting and carrying out works related to corporate sustainability; it has an Environmental Sustainability Working Group that takes charge of integrating and promoting work related to environmental protection, safety and health, energy conservation, water conservation, and GHG management. The Occupational Health and Safety Management Committee is tasked with building occupational health and safety management systems for the Company to realize safety and health management goals and improve safety and health management standards.

Conducting the Safety, Health, and Environmental Protection Policy



- Integrate and implement tasks relevant to environmental protection, safety and health, energy conservation, water conservation, and greenhouse gas management.
- Comply with government regulations and advocacies, install exhaust gas/wastewater discharge and environmental maintenance facilities, and be proactive in developing and adopting various energy saving and waste reduction measures. Which including: measures to mitigate the impact of our operations on the environment and climate. These measures include taking an inventory of GHG emissions (both Scope 1 and 2), replacing oil-fired boilers/furnaces with gas-fired boilers/furnaces, increasing the energy efficiency and rationale of air conditioning systems, and using water- and energy-saving equipment and devices.

ScinoPharm does not adopt the ISO 14001 certification. As mentioned earlier, the Company is adequately equipped with an effective environmental management system that is characteristic of the biotechnology and pharmaceutical industry. In addition, we have passed more than 10 plant inspections by pharmaceutical authorities in the United States, Europe, and Japan (e.g., FDA, EMA, EDQM, and PMDA, etc.) since 2004 as well as ESH audits by international pharmaceutical companies (e.g., Pfizer, GSK, and Aventis), all of which have recognized the Company's environmental management systems. In other words, our environmental management systems are adequate even without the ISO 14001 certification. ScinoPharm is committed to promoting various energy conservation and carbon reduction plans to keep pace with global environmental trends. After having completed the GHG inventory and external verification in 2022, we will revise our reduction

targets in 2023 to meet the world's and customers' environmental requirements. With 2022 as the base year, our reduction targets over the next 3–5 years will be as follows: To reduce total emissions intensity of Scope 1 and 2 GHG emissions by 1–2% and to reduce waste output intensity by 1–2% annually.

In 2022, the ScinoPharm did not receive any administrative fines for material violation of environmental laws and regulations, where material violation refers to the material information prescribed in 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



Use of Water Resources

The source of water at ScinoPharm is from Nanhua Reservoir and supplied by Taiwan Water Corporation. There are no concerns about land subsidence caused by groundwater withdrawal. Based on inquiries on the Water Risk Atlas, the company's site is located in a non-water-stressed area with low-medium water stress (1), which indicates that our use of water has no material impact on the source of water.

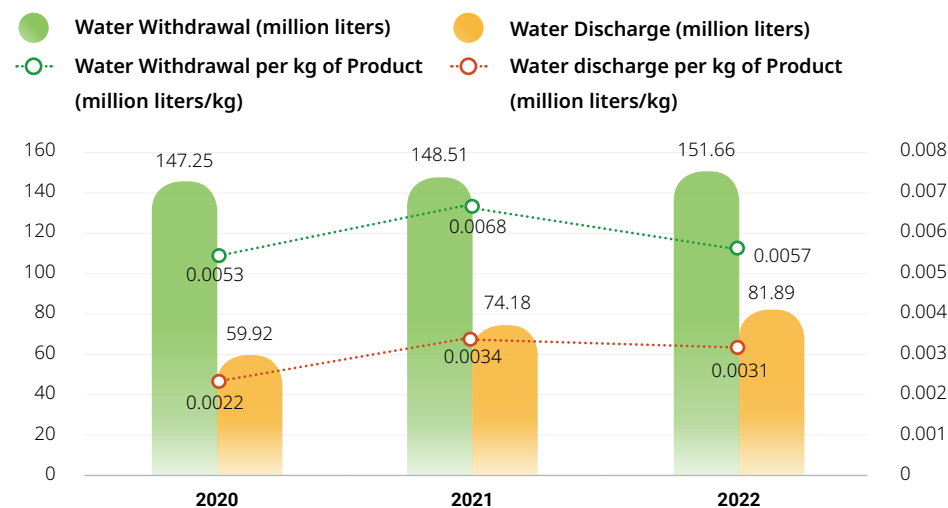
ScinoPharm is a manufacturer of chemical pharmaceutical products and is located in the Southern Taiwan

Science Park (STSP). Wastewater generated from plant activities is first processed in our own wastewater treatment facility, then discharged into the wastewater treatment facility owned by the Southern Taiwan Science Park. Pursuant to the Water Pollution Control Act, the Company commissions an inspection agency every six months to perform sample analysis. Our wastewater was tested and found to be fully compliant with the Park's wastewater standards. Wastewater test reports are submitted to local environmental authorities for reference. There were no significant spillage, leakage, or environmental pollution at the manufacturing sites in 2022.

Overview of Annual Water Withdrawal by ScinoPharm

	2020	2021	2022
Water Withdrawal (million liters)	147.25	148.51	151.66
Water Discharge (million liters)	59.92	74.18	81.89
Water Consumption (million liters)	87.33	74.33	69.77
Annual Production (kg)	27,700	22,098	26,415
Water Withdrawal per kg of Product (million liters/kg)	0.0053	0.0068	0.0057
Water discharge per kg of Product (million liters/kg)	0.0022	0.0034	0.0031

The Relation Diagram of Water Withdrawal and Discharge per kg of Product by ScinoPharm



Electricity Consumption

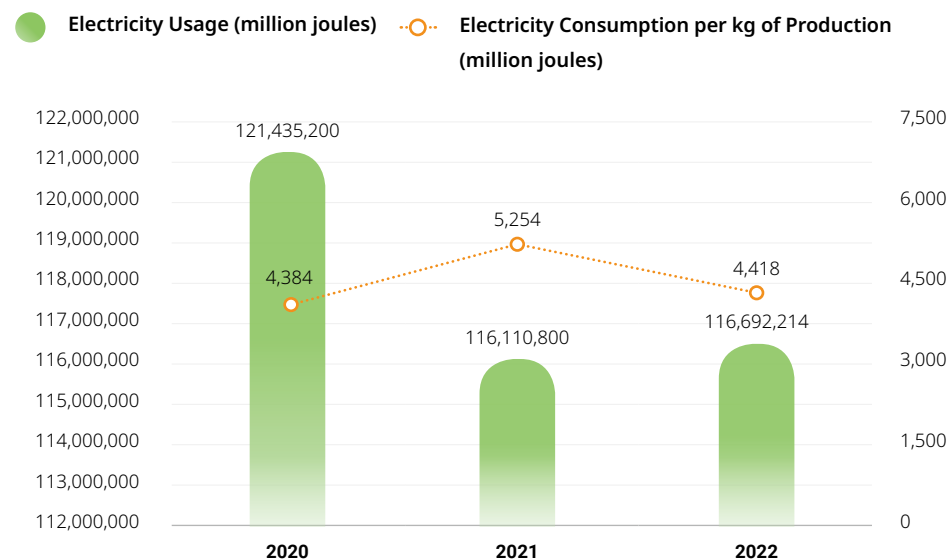
	2020	2021	2022
Electricity Usage (million joules)	121,435,200	116,110,800	116,692,214
Annual Production (kg)	27,700	22,098	26,415
Electricity Consumption per kg of Production (million joules)	4,384	5,254	4,418
Self-Generated Electricity (million joules)	139,262.4	619,984.8	834,681.6

Note (1): 1 kilowatt-hour = 3.6 million joules

Note (2): As of 2022, the electricity usage of our Taipei office was included in the calculation.

In 2022, the Company generated 834,681.6 million joules of electricity in total, an increase of about 35% compared with 2021, of which 707,140.8 million joules is for self-use.

Total Electricity Consumption and Electricity Consumption per kg of Production

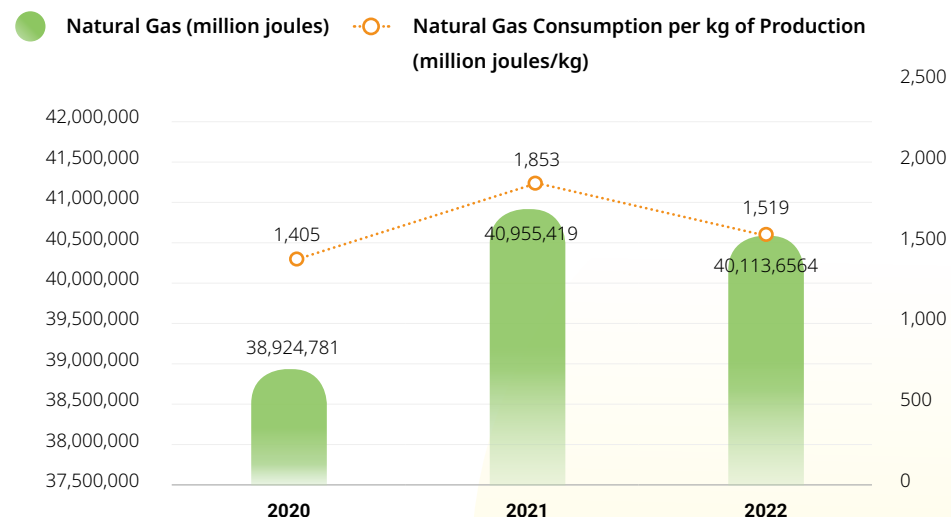


Natural Gas Consumption

	2020	2021	2022
Direct Natural Gas (million joules)	38,924,781	40,955,419	40,113,656
Annual Production (kg)	27,700	22,098	26,415
Natural Gas Consumption per kg of Production (million joules/kg)	1,405	1,853	1,519

*MOEA Bureau of Energy - 2019 Energy Statistics Handbook-Heat Content of Energy Products: 9000 kcal/m³

Natural Gas Consumption and Natural Gas Consumption per kg of Production

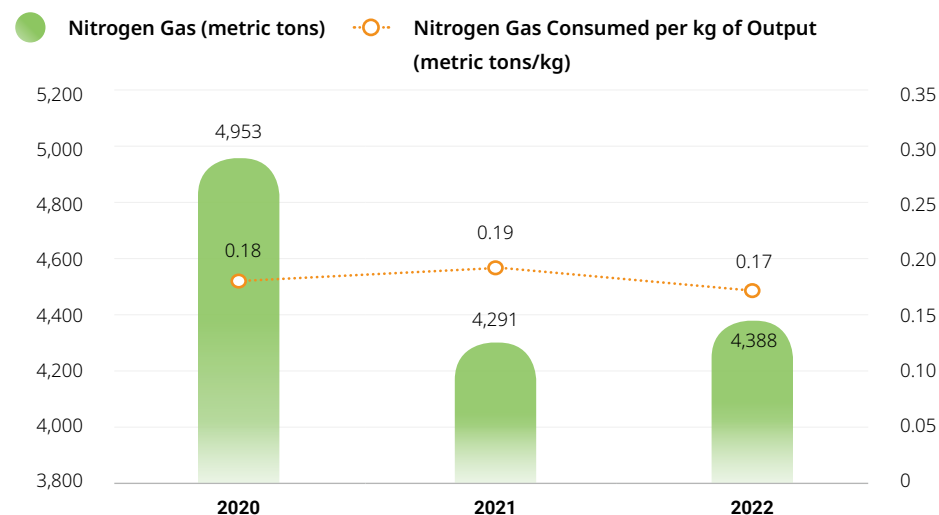




Nitrogen Consumption

	2020	2021	2022
Nitrogen Gas (metric tons)	4,953	4,291	4,388
Output (kg)	27,700	22,098	26,415
Nitrogen Gas Consumed per kg of Output (metric tons/kg)	0.18	0.19	0.17

Total Nitrogen Consumption and Nitrogen Consumption per kg of Output



Water Conservation Measures

Water used at ScinoPharm is sourced from Taiwan Water Corporation. Water supplied in the Southern Taiwan Science Park comes from three different sources (i.e., Tanding water facility, Nanhua reservoir, and Wu-Shan-Tou reservoir). Approximately 270,000 m³ of water is supplied on a daily basis. The Park has a water reservoir (that can supply 30,000 tons of water) and a water tower (which stores 3,000 tons of water). ScinoPharm is equipped with a water reservoir that can store 1,600 tons of water for general use and fire prevention purposes.

In light of global climate change, water resources warrant immediate attention. Water at ScinoPharm is mostly used in manufacturing processes, followed by daily activities. Because cooling water evaporates during summer, we recycle air-con water and RO concentrated wastewater, process them in the cooling water tower, and turn them into reusable water, thereby achieving water efficiency. Bathrooms in office areas are retrofitted with water-saving faucets to save water and ensure the sustainability of precious water resources. Our implementation measures are described below:

- 1 Annually, the administration agency of the Southern Taiwan Science Park conducts a park-wide questionnaire survey of water recycling situations. The Company complies by completing the questionnaire and calculates the amount of wastewater we recycle.

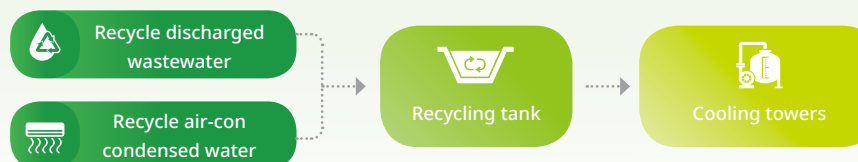
Recycling rate (R2)

Total amount of water in circulation + Total amount of water recycled = Total amount of cooling water in circulation

Total amount of water consumed - Total amount of cooling water in circulation

x 100%

- 2 Air conditioning condensate and wastewater from the water purification system are recycled into cooling towers to save water. (Indicate with icons)



- 3 The cycle of concentration (COC) in 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 loss from diffusion and evaporation.
- 5 Toilet faucets are replaced with water-saving ones.
- 6 Wastewater from sludge dewatering machine is treated and filtered in a wastewater system, and then reused in sludge dewatering again. This helps to save some water resources every year.

Energy Conservation and Carbon Reduction Measures

ScinoPharm endeavors to improve the energy efficiency of its plant operations. In accordance with the Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users. From 2015 to 2022, the average annual electricity saving is 1.28%, which is higher than the statutory target. In 2022, the reduction strategies that we have adopted as below:

- 1 When wet-bulb temperature reaches $<20^{\circ}\text{C}$ in winter, use of air-conditioner hot water decreases, at which point the air-conditioner hot water steamer switched off to save energy. We began adopting this system in December 2021. The system is projected to reduce the daily use of steamers in the Technology Building from 13.9 tons to 8.9 tons, daily use of gas from $3,343\text{ m}^3$ to $2,816\text{ m}^3$, and saving 257 m^3 of consumption per day, and save $46,774\text{ m}^3$ of natural gas consumption in the autumn and winter of 2022.
- 2 In 2021, NT\$701,000 was invested to add three inverters to the exhaust blower in our product packaging room. This installation helped us to save 643,853 million joules of electricity in 2022.
- 3 Liquid nitrogen is required to operate freeze-dryers for injectable production. The main valve for liquid nitrogen is controlled by an operator so that the automatic exhaust valve does not have to be turned on all year round. According to measurements, this measure can save 301 kg of liquid nitrogen per day.

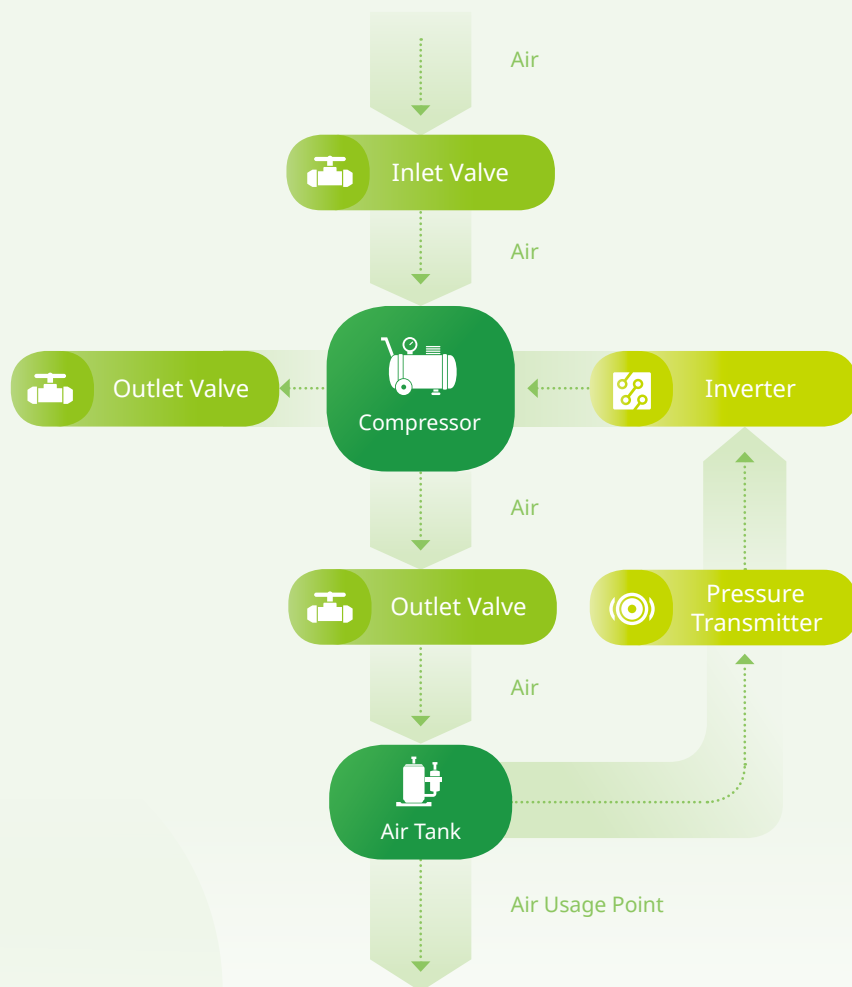
- 4 We adopted virtual servers in IT equipment. Since then, we only needed 8 servers (instead of 80 servers which were used originally) to realize resource sharing and reduce energy consumption.
- 5 Reducing the use of resources in product manufacturing is equivalent to cutting down carbon footprint. In 2022, we thoroughly examined and optimized our industrial cleaning procedures and equipment, reducing our use of methanol by 93 metric tons and of acetone by 10 metric tons, which was an 8% reduction in use of cleaning solvents throughout the year.
- 6 In 2022, NT\$4.9 million was invested to purchase 3 air-conditioner units, which were installed in 2023 to replace the old ones. These replacements will further improve the efficiency of air-conditioners and avoid taking up too much energy to cool air-con chillers.

The energy conservation measures that we have adopted over the years are detailed below:

- 1 In 2020, our R&D laboratories had saved 362,000 kWh (equivalent to 1,303,200 million joules) of electricity by controlling the air-conditioning system during non-working hours.
- 2 We established a notification platform. With this platform, a plant operator notifies the temperature of heating tanks and adjusts it to process requirements so as to optimize temperature control and reduce waste of electricity and steam.
- 3 To achieve energy efficiency, we conducted pressure drop tests and developed methods for preventing coolant contamination. This helped our wastewater facility to treat 34,000 kg less wastewater with chemical oxygen demand (COD).
- 4 We regulated and optimized the amount of cooling water used in manufacturing processes. By doing so, process requirement is satisfied with only one 75-hp water pump, and 402,960 kWh of electricity (equivalent to 1,450,656 million joules) is saved throughout the year.



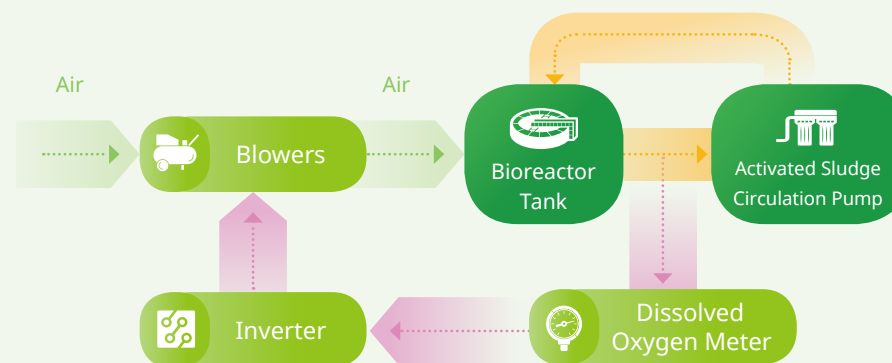
5 We used inverters to control air compressors



6 We raised the central air-con temperature in office areas and non-manufacturing areas from 22°C to 25°C.

7 We implemented dissolved oxygen control in our wastewater treatment facility (inverters are used instead of blowers).

8



9 We established a communication platform between air-conditioning ventilators and the unit in charge of air-conditioning management. By using this platform, a plant operator can notify the unit to turn on/off the ventilators in a specific plant to reduce unnecessary electricity consumption.

10 The air exchange rate in each manufacturing area has been adjusted to reasonable ranges to decrease air-con load. This can help reduce electricity consumption by 1-2% annually.

11 A schedule control model has been adopted in our injectable plant. It has helped us reduce energy consumption from 497-512 kWh to 451-487 kWh (average reduction of 40 kWh).

3.3 | Greenhouse Gas (GHG) Emissions

The Company's GHG emissions did not meet the EPA's GHG reporting standards (i.e., total Scope 1 and Scope 2 emissions are required to exceed 25,000 metric tons of CO₂e). To adopt the FSC's Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies in advance, we sought assistance from an external expert in 2022 to complete the inventory of Scope 1 and Scope 2 emissions, which will then be verified by an external party during the third quarter of 2023. We do not have any plans yet to take an inventory of Scope 3 emissions.

ScinoPharm products are mainly exported. To comply with the carbon tariff policies of European/American countries and to meet the requirements of foreign clients, the Company has applied for assistance with product environmental footprint (PEF). Our application was approved by the Industrial Development Bureau, MOEA, in 2023. With the guidance and assistance of the Industrial Technology Research Institute, our target product SPT1025 will be subjected to carbon footprint inventory and verification in 2023 to calculate carbon emissions from raw materials and product transportation. With this foundation laid, we will slowly gather the carbon footprints of our main products, thereby building up our database to facilitate emissions reduction planning.

GHG Emission Inventory

Unit: (tCO₂e/year)

	2020	2021	2022
Total Emissions	23,302	22,901	19,308.02
Direct Emissions (Scope 1)	2,658	3,162	3,262.84
Indirect Emissions (Scope 2)	20,644	19,739	16,045.18
Output Value (NT\$ million)	3,046	2,642	3,069
tCO₂e/NT\$1 million	7.7	8.7	6.29

Note: The GHG emissions for 2022 (including the amount of electricity used by the Taipei office) are inventory results that have been verified by an external party.

GHG inventory list in 2022

Category	Details	Emissions (tCO ₂ e/year)	Proportion (%)	Emissions (tCO ₂ e/year)	Proportion (%)
Scope 1: Direct Greenhouse Gas (GHG) Emissions and Removes	1.1 Emissions from stationary sources	2,211.30	11.45%	3,262.84	16.90%
	1.2 Emissions in processes	2.40	0.01%		
	1.3 Emissions from mobile sources	1.99	0.01%		
	1.4 Fugitive emissions	1,047.15	5.42%		
Scope 2: Indirect GHG Emissions from Purchased Energy	2.1 Externally purchased electricity	16,045.18	83.10%	16,045.18	83.10%

In accordance with the EPA's announcements with respect to general air pollutant emissions, the Company is categorized as the fourth group of emission sources involved in pharmaceutical and general manufacturing procedures for which the issuance of installation/modification permits and operating permits shall be applied. Due to the nature of our industry, our boilers and furnaces are fired using natural gas, which produces air pollutants containing nitrogen oxide and hydrocarbon. Air pollutants emitted from production processes are processed through two rows of condensers (which are filled with different types of refrigerant to supply the required cooling temperature) to remove volatile organic compounds, and then through a scrubber to remove acidic gases or alkaline pollutants. To manage fugitive emissions from storage facilities and equipment components, we outsource inspection services on a quarterly basis as required by law and also carry out inspection works from time to time to check equipment components for leaks and request for repairs when a leak is detected.

With respect to the use and emission of ozone depleting substances (ODS), the Company is planning to use chlorodifluoromethane (better known as HCFC-22, or R-22) as a raw material to manufacture specific products. Although HCFC-22 has a comparatively lower ozone depletion potential of 0.055, compared with other hydrochlorofluorocarbons (HCFC), we still attempted to mitigate its ozone-depleting effect by continuously optimizing our manufacturing processes so that in 2018 we only needed to use HCFC-22 at a ratio of 1.8:1 per unit of product, instead of 20:1 in the original manufacturing process. We will also continue to assess other feasible reaction pathways to search for an alternative to HCFC-22.

Air Pollutant Emissions Record Sheet

Unit: (metric tons/year)

	2020		2021		2022	
	Total Emissions (metric tons)	Emissions Intensity	Total Emissions (metric tons)	Emissions Intensity	Total Emissions (metric tons)	Emissions Intensity
SOx	0	0	0	0	0	0
NOx	8.64	0.312	9.16	0.414	8.82	0.334
TSP	0.07	0.003	0.07	0.003	0.07	0.003
CO	1.32	0.048	1.4	0.063	1.35	0.051
THC	9.99	0.361	7.43	0.336	7.23	0.274
Annual Production (metric tons)	27.7		22.098		26.415	

Note: The Company has an extensive product portfolio. Our air pollutant emissions therefore vary according to product schedules for the year and annual production output. We will nevertheless continuously optimize our manufacturing processes to reduce air pollution.

Use of HCFC-22

Unit: (metric tons/year)

	2016	2017	2018	2021	2022
Usage of HCFC-22	4	4.2	5.5	1.6	0 (Unused)

Generation of Green Energy

In 2022, the solar panels on the roof of the administration building of ScinoPharm generated 35,428 kWh of electricity, and the revenue from the sale of green electricity was NT\$227,412, which was equivalent to a 17,536.86 kg CO₂e reduction in GHG emissions. In 2020, we invested NT\$5,985,000 in installing solar panels at the injectable plant for self-use. In 2022, the solar panels generated 196,428 kWh of electricity in total, and reduced GHG emissions by 97,231.86 kg CO₂e. In 2022, the amount of electricity generated from solar energy totaled 231,856 kWh. After solar panels were installed at the injectable plant, nearly five times more green electricity were generated compared with when solar panels were not installed. The Company offers shuttle services. We encourage employees to take public transport so as to reduce fuel consumption, conserve energy, and reduce carbon emissions.

2022 Electricity Generated by the Photoelectric System in the Administration Building

Month	kWh of Power Generated	Unit Price (NT\$)	Amount	Carbon Reduction	
				Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)
2022/1	2,428	6.419	15,585	1,201.86	0.12
2022/2	2,332	6.419	14,969	1,154.34	0.12
2022/3	3,216	6.419	20,644	1,591.92	0.16
2022/4	3,408	6.419	21,876	1,686.96	0.17
2022/5	2,780	6.419	17,845	1,376.10	0.14
2022/6	3,512	6.419	22,544	1,738.44	0.18
2022/7	3,600	6.419	23,108	1,782.00	0.18
2022/8	3,296	6.419	21,157	1,631.52	0.16
2022/9	3,012	6.419	19,334	1,490.94	0.15
2022/10	2,824	6.419	18,127	1,397.88	0.14
2022/11	2,440	6.419	15,662	1,207.80	0.12
2022/12	2,580	6.419	16,561	1,277.10	0.13
Total for the Year	35,428	-	227,412	17,536.86	1.77

Note 1: According to the annual electricity emission factor announced by the Bureau of Energy in 2022, the electricity GHG emission factor was 0.495 kg CO₂e/kWh.

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

2022 Electricity Generated in the Injectable Plant

Month	kWh of Power Generated	Carbon Reduction	
		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)
2022/1	15,084	7,466.58	0.75
2022/2	10,740	5,316.30	0.54
2022/3	17,832	8,826.84	0.89
2022/4	20,526	10,160.37	1.03
2022/5	15,828	7,834.86	0.79
2022/6	20,706	10,249.47	1.04
2022/7	17,298	8,562.51	0.86
2022/8	15,774	9,762.39	0.99
2022/9	19,638	7,766.55	0.78
2022/10	15,402	7,623.99	0.77
2022/11	14,748	7,300.26	0.74
2022/12	12,852	6,361.74	0.64
Total for the Year	196,428	97,231.86	9.82

Electricity Generated from Solar Panels During Recent 3 years

	Sale of renewable electricity	Self-generated and for self-use electricity
2020		
Electricity (kWh)	38,684	-
Electricity in total (kWh)	38,684	
2021		
Electricity (kWh)	36,216	136,002
Electricity in total (kWh)	172,218	
2022		
Electricity (kWh)	35,428	196,428
Electricity in total (kWh)	231,856	

After solar panels were installed at the injectable plant, nearly five times more green electricity were generated compared with when solar panels were not installed.



3.4 | Pollution Prevention

Waste Disposal

ScinoPharm has established the Procedures for Industrial Waste Management to ensure a clean operating environment, prevent environmental pollution inside and outside the plant, keep abreast of the status of wastes, protect employee health, and fulfill social responsibilities. The procedures are used as guidelines for ensuring that the way we dispose of industrial wastes in accordance with environmental laws and regulations. ScinoPharm is able to treat or clean all the waste generated within the plants, including biodegradable wastewater, waste solvents, solid waste, and air pollutants. Biodegradable wastewater is treated on-site until it meets the park's required standards before it is transported to the park's wastewater treatment plant for processing. Other liquid waste or solid wastes are transported to the park's resource recycling center or incinerated by an outsourced waste disposal company. Our wastes are not transported overseas.

ScinoPharm is a pharmaceutical manufacturing company. We use a considerable amount of solvents during process and equipment cleaning in order to meet GMP regulations and also to prevent cross-contamination problems, which rendered solvents unrecyclable for reuse. Therefore, our wastes consisted largely of solvents. To conserve energy, reduce carbon emissions, and cut down waste disposal costs while taking into consideration the circular economy, carbon footprints, and other international environmental requirements, we are planning to adopt the following practices:

- 1 Assess the feasibility of reusing recycled solvents in manufacturing processes.
- 2 Thoroughly examine and optimize industrial cleaning procedures and equipment, so that use of methanol and acetone is reduced by 93 and 10 metric tons, respectively, representing an 8% reduction in use of cleaning solvents throughout the year.
- 3 Collaborate with recycling and reuse companies to treat and process high-purity liquid waste (e.g., commonly used solvents such as methanol, acetone, and ethyl acetate) which cannot be recycled for reuse in processes.
- 4 Allocate a capital expenditure of approximately NT\$15 million for environmental protection, and make plans to set up an in-plant liquid waste recovery process in accordance with the EPA's announcements regarding the eighth group of waste recycling or disposal procedures for which the issuance of installation, modification, and operating permits shall be apply for use in public spaces. In this recovery process, liquid waste from pharmaceutical manufacturing processes is purified into secondary products by air stripping or distillation, which are then reused by other industries. Alternatively, we can collaborate with other recycling companies to recycle and recover liquid waste for reuse.

Supplier Environmental Assessments and Audits

The Company conducts a questionnaire survey on its suppliers to ensure proper and safe handling by suppliers during the manufacturing and distribution of products. The survey is focused the suppliers' safety, health, and environmental management systems to elucidate the safety, health, and environmental awareness of our suppliers and their managerial capability. Suppliers' production sites are inspected either by an online review or onsite visit to check the environmental compliance of their production operations, including how they manage and treat their wastes, emissions, and energy sources. Suppliers are also assessed on their environmental performance and continuous improvement capabilities to ensure that they are proactive in protecting the environment and capable of complying with environmental laws and standards. In 2022, we completed quality audits on 42 suppliers, and audited a waste disposal company once. (Note: Items of supplier quality audit included warehouse, shipment release, quality system, production process, and inspection records.)

Prevention and Control of Soil Pollution

ScinoPharm strives to ensure that its plant operations do not cause soil and groundwater pollution in neighboring areas. For this reason, the Company has actively installed five water wells near its plant since 1999 when the plant was completed. We regularly monitor the quality of groundwater samples to prevent soil or groundwater pollution.

Toxic Chemical Management

ScinoPharm avoids the use of domestically or internationally regulated substances in product production/R&D processes as much as possible, using their alternative counterpart instead. The Company also reduces its use of solvents and hazardous substances to reduce environmental impact and minimize the possibility of exposing operators to hazardous chemicals or active substances. Regarding toxic chemical management, the Company has set up dedicated personnel in accordance with the law and appointed a person to be in charge of management for their respective department. In accordance with the law, details concerning the handling of toxic chemical substances are recorded, their storage location is clearly marked, and the storage cabinet is locked after working hours.

Recalling Rates of Sold Products and Packaging Materials

ScinoPharm products are highly reactive APIs and are mostly exported overseas, meaning that the entire process from production to sales must comply with the CGMP regulations. Once a product is packaged, the packaging materials should not be reused to prevent cross-contamination between products.

Waste Generation

ScinoPharm Waste Disposal was off-site in 2022

Hazardous Waste		
Item	Weight (metric tons)	Treatment Method
General solvent waste (C-0301)	1,726.440	Incineration method
General solvent waste (C-0301)	536.230	Liquid waste and reuse
Liquid waste with high water content (C-0301)	92.180	Incineration method
Inflammable halogenated solvent waste (C-0301)	27.770	Incineration method
Hazardous filter (B-0399)	5.120	Incineration method
Empty barrel for toxic chemical waste (B-0399)	1.360	Process and reuse
Empty barrel for general waste (C-0301, C-0201, C-0202)	127.760	Process and reuse
Other hazardous waste	0.080	Incineration method
Infectious waste (C-0514)	0.796	Incineration method

Non-Hazardous Waste		
Item	Weight (metric tons)	Treatment Method
Halogenated solvent waste (D-2301)	47.710	Incineration method
Organic sludge (D-0901)	137.650	Incineration method
Drug waste (D-2409)	9.656	Incineration method
General solid waste (D-2399)	83.110	Incineration method
Domestic waste (D-1801)	27.000	Incineration method
Wood waste (R-0701)	4.230	Waste/Scraps and reuse
Activated carbon waste (D-2403)	0.380	Incineration method
Precious metals waste (D-2624)	0.051	Process and reuse
Mixed waste paper (D-0699)	1.450	Incineration method
Mixed waste oil (D-1799)	1.300	Incineration method
Waste glass (R-0401)	4.280	Process and reuse

Note:

1. Data on the output/disposal/storage of significant industrial waste produced by the Company are obtained from the actual source of production and reported online every month as required by law.
2. Hazardous wastes are wastes in Categories A, B, and C; non-hazardous wastes are wastes in Category D or R, such as domestic waste, wood waste, oil waste, halogenated solvent waste, and sludge.
3. Incineration method excludes energy recovery.
4. Source: Business waste reporting and management information system of the Environmental Protection Administration, Executive Yuan.



CH4

Friendly Workplace

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4.1 | Workforce Overview

ScinoPharm has invested in the pharmaceutical industry for more than two decades. In terms of industry characteristics, ScinoPharm is a knowledge- and technology-intensive company that is home to a pool of high-caliber talents. The Company offers competitive salaries and benefits, smooth job rotation mechanisms, and a comprehensive training system, creating a friendly, stable workplace environment that motivates talented employees to remain in the organization. We also recruit talented biomedicine researchers from various professional fields, and maintain positive relations with universities to promote industry-academia collaboration and entice talents to join our organization. As of December 31, 2022, ScinoPharm has a total of 675 employees, more than 80% of which have a bachelor's degree or above and over 40% have a master's or doctorate degree. Our workforce constitutes a team of professionals who inject momentum in the growth of the company. ScinoPharm has devoted years to recruiting outstanding talents in Taiwan. More than 60% of our employees have their household registration in Tainan City, and over 80% are from southern Taiwan (Tainan, Kaohsiung, and Pingtung). The Division-level manager or above account for 95% are nationalities. In 2022, workforce allocation was based on the number of product orders received and career development needs; therefore, more than 100 employees were employed, and the overall turnover rate was 18.1%.

An Inclusive, Equality-Embracing Workplace

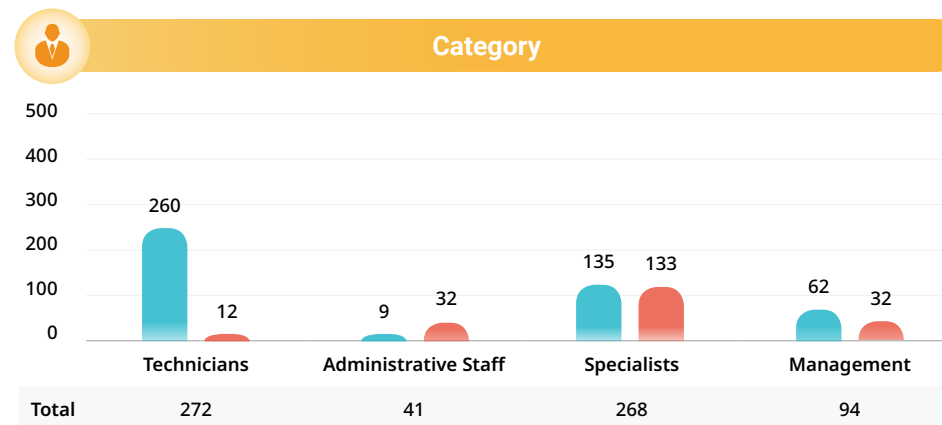
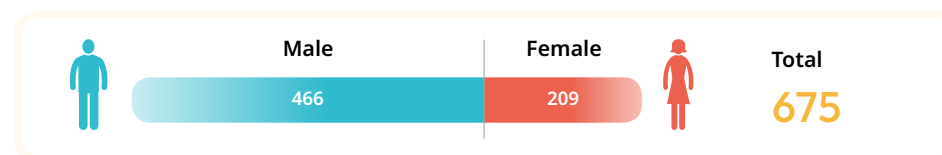
ScinoPharm operates businesses across the globe. Our policy is aimed at creating an internationalized work environment that embraces inclusiveness and equality. Providing equal opportunities in recruitment, employment, and career development, and hire and train talents based on the content of their job and required competencies. The Company does not discriminate against employees based on gender, age, race, religion, nationality, or other factors protected by law. Female employees in managerial role account for 40% of the company's workforce, while the ratio of male to female employees at ScinoPharm was 7:3. The proportion of high-level female executives is as high as 80%, which shows that ScinoPharm implements the employment policy of equal opportunity.

In addition, ScinoPharm provides equal employment opportunities to people with physical and mental disabilities. As of December 31, 2022, the Company has hired 9 full-time employees with physical and mental disabilities, higher than the statutory requirement. These employees are assigned suitable tasks based on the principle of "putting the right person in the right position."

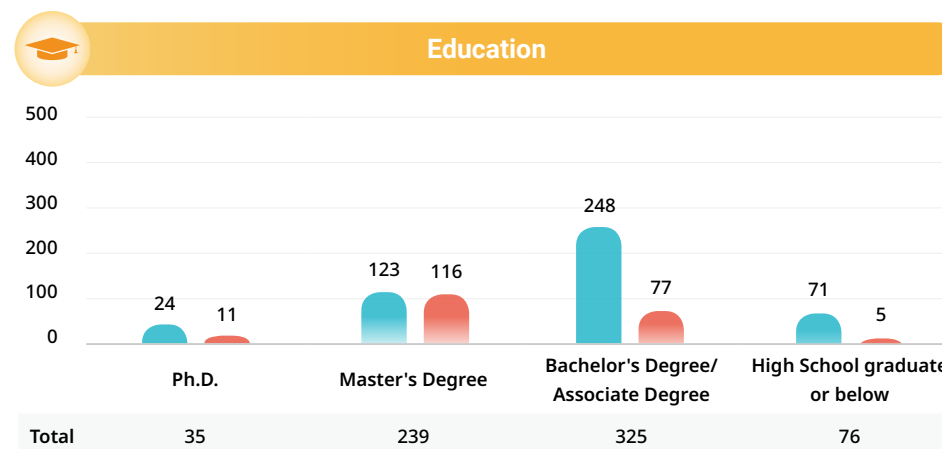
Under a diversity employment policy, ScinoPharm hires not only local talents, but also 64 foreign nationals from Japan, Malaysia, and Indonesia. Foreigners account for 9.5% of our total workforce.

Employee Distribution by Gender in 2022

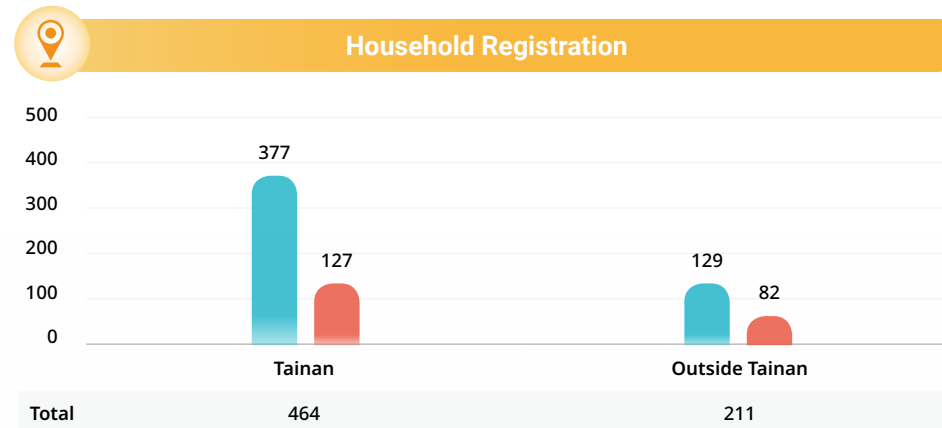
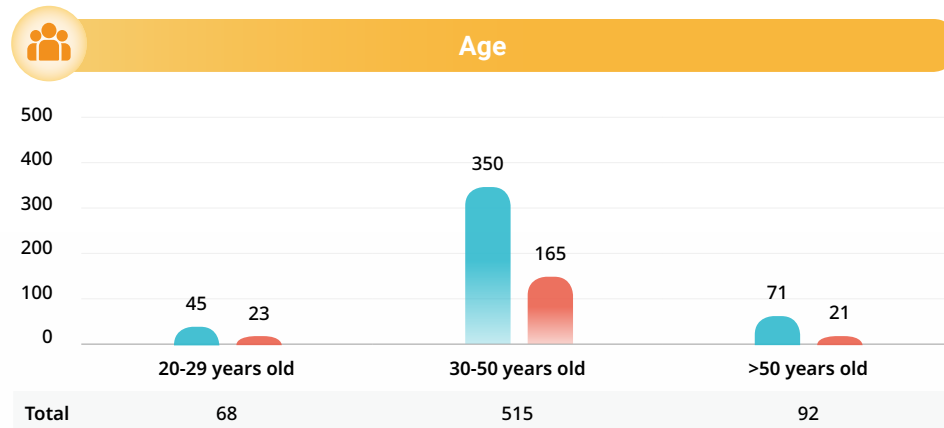
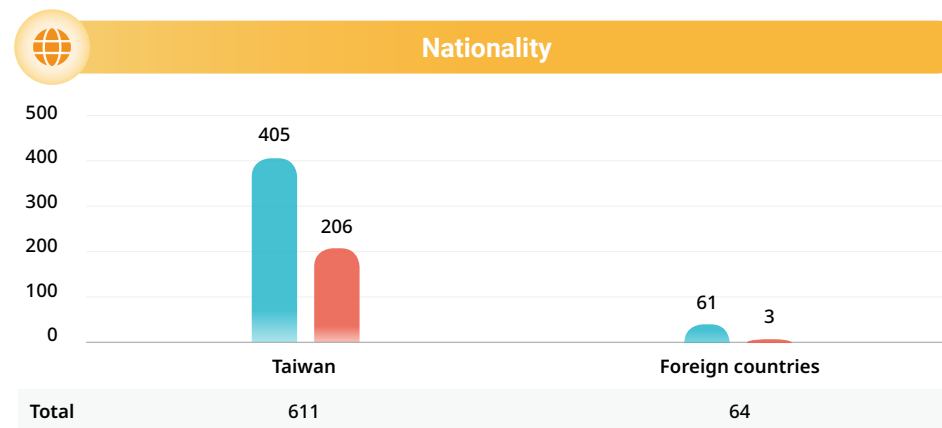
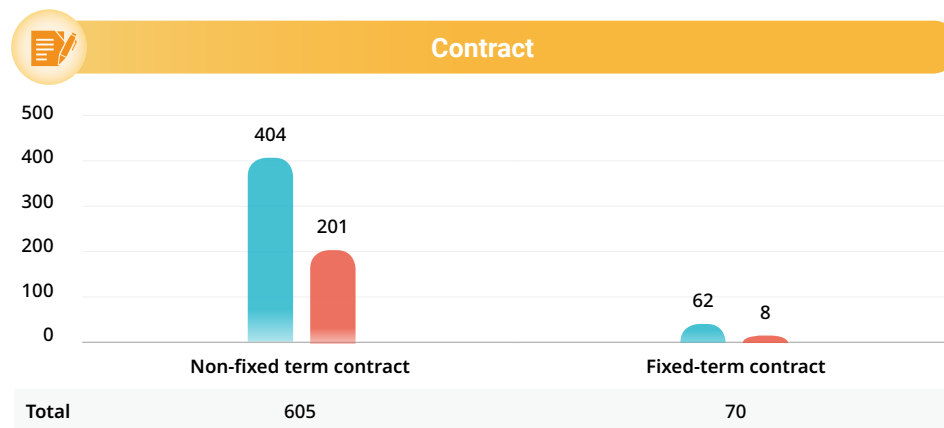
Unit: number of people



Note: Professionals include company-approved persons with professional skills in law, procurement, and research and development.



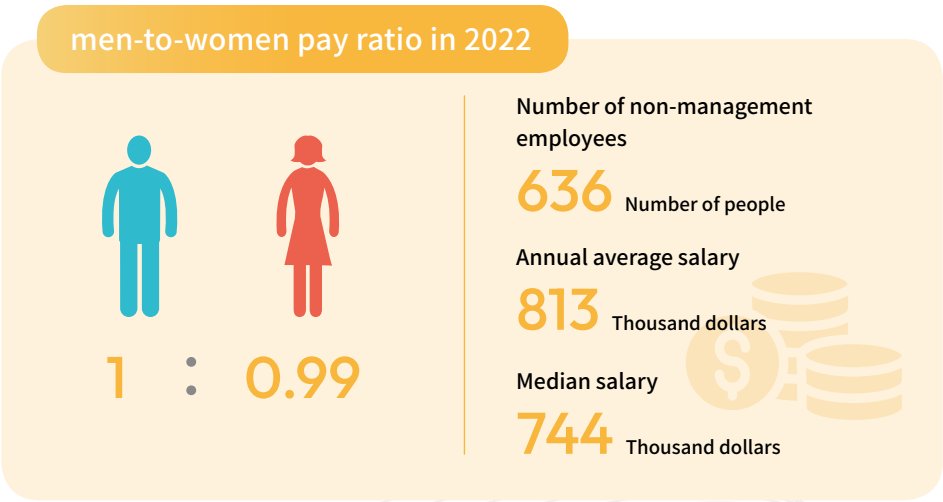
Unit: number of people



Competitive Remuneration and Reward System Linked to Overall Performance

Employees are a company's most valuable asset. For this reason, we place a high regard on the salary and benefits of employees, providing protection that is superior to those stipulated in relevant laws and regulations. ScinoPharm upholds the principle of equal pay for equal work and abides by local labor laws and regulations. Employee salary is based on the responsibilities, professional knowledge, experience, and competencies required of the job position, and also on market salary standard and overall economic indicators, as well as the value and responsibilities in the professional market. Based on the salary data for 2022, men-to-women pay ratio was 1: 0.99, there were 636 full-time employees in non-managerial positions, whose average pay for the year was NT\$813,000 and median pay was NT\$744,000. These data show that ScinoPharm adopts a fair salary structure and offers competitive salaries.

ScinoPharm upholds the ideal of sharing profits with employees. Where the Company has annual profits at the end of a financial year, not less than two percent (2%) of the profits for such year shall be allocated to employees as employees' compensation. The Company has a performance management system in place, that links the company's business profits to employees' individual performance. Such system serves to motivate well-performing employees to further develop their capabilities as an individual and as a team, so as to enhance their general performance at work.



Diverse Communication Channels to Promote Mutual Prosperity in Labor-Management Relations

The Company adopts e-mail, Intranet, and e-publications to send internal messages and conduct feedback surveys. A suggestion box has been set up in the employee lounge area. Employee Welfare Committee and labor management meetings are held for employees to partake in discussions and make decisions on measures that concern them. In 2022, a total of 5 welfare committee meetings and 4 labor-management meetings will be held; Regular in-house meetings with managers at all levels and departmental meetings are organized to help employees better understand the company's current status and business development. Channels are provided for employees to voice their opinions. The Company strictly complies with and enforces government laws and regulations. We also value two-way communication with employees to ensure harmonious labor-management relationship. There are employee reporting channels and reward and punishment management measures internally. Since its inception, the Company has not sustained any losses due to labor-management dispute. In addition, we have a System for Reporting Unethical Conducts in place to collect feedback from external parties and protect the interest and rights of the Company and its other stakeholders.

Protect Human Rights and the Right to Work

Apart from an emphasis on humanistic management, our human resource system is established in accordance with constitutional mandates regarding human rights protection, the Act of Gender Equality in Employment, Labor Standards Act protects work rights, and the International Bill of Human Rights in order to protect gender equality in right-to-work. Our labor contract is in compliance with relevant local laws and regulations. We prohibit use of child labor and differential treatment or any forms of discrimination on the basis of gender, race, marital status, religion, party affiliation, gender orientation, job rankings, nationality, and age in the appointment, evaluation, and promotion of employees. Our corporate culture attaches importance to mutual respect and gender equality. We have measures and programs in place to prevent, report, and punish sexual harassment and workplace violence. These measures are published on the company's Intranet website so as to maintain harmonious relations in the workplace.

4.2 | Employee Benefits and Care

ScinoPharm plans employee benefits on the basis of the principles of legitimacy and competitiveness, so as to create a harmonious and stimulating work environment that will attract and retain talents, make employees feel more satisfied with work, and improve their productivity. In the past three years, the number of all employees has remained stable at 680±3%, and the retention rate of managers in 2022 is as high as 94%.

New Employees and Employee Turnover

2022 Number of Employees at End of the Year				New Employees						Employees Who Resigned							
				Number of Employees			Percentage of New Hires			Number of Resigned Voluntarily Employees		Number of Resigned Non- voluntary Employees		Number of Departing Employees	Turnover Rate		
Age/Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Male	Female	Subtotal	Male	Female	Total
21-30	62	30	92	41	16	57	66.1%	53.3%	62.0%	31	14	1	0	46	51.6%	46.7%	50.0%
31-40	164	93	257	25	17	42	15.2%	18.3%	16.3%	35	16	0	0	51	21.3%	17.2%	19.8%
41-50	169	65	234	4	4	8	2.4%	6.2%	3.4%	13	3	0	0	16	7.7%	4.6%	6.8%
51-60	65	19	84	2	0	2	3.1%	0.0%	2.4%	3	1	1	0	5	6.2%	5.3%	6.0%
60 or older	6	2	8	0	0	0	0.0%	0.0%	0.0%	4	0	0	0	4	66.7%	0.0%	50.0%
Total	466	209	675	72	37	109	17.4%	15.6%	16.2%	86	34	2	0	122	30.7%	14.8%	18.1%

Note:

1. The above information is based on existing employees as registered in the human resource system on December 31, 2022. There is no assumption of any data.
2. Number of new hires/employees who resigned includes foreign employees. The number of new hires does not exclude new employees who resigned during the year.
3. Percentage of new employees (%) = Number of new employees / Total number of employees at the end of the year.
4. Turnover rate (%) = Number of employees in said category who resigned on the said year / Total number of employees at the end of the year.
5. Number of employees who resigned includes those that resigned voluntarily or were dismissed and those that retired.

Workplace Environment with a Focus on Work - Life Balance

The Company offers flexible work arrangements for employees to meet family needs. In other words, employees may start and finish their workday when they want, as long as they work eight hours a day. For employees who have to work overtime outside normal working hours due to busy seasons or shift preparation, the Company will extend the working hours with the approval of a labor-management conference. Overtime pay and severance pay are calculated in accordance with government labor regulations. There were neither labor-related violations in 2022 nor forced overtime.

Regarding other work - life balance promoting measures, the Company has an annual paid leave policy that is superior to the Labor Standards Act. For example, employees are entitled to annual

paid leave in the first year of employment to give them time to recharge. Our general sick leave policy is also superior to statutory requirements. Employees are entitled to other types of paid leaves in accordance with law. These include marriage leave, prenatal check-up leaves, maternity leave, paternity leave, menstrual leave, personal leave, family care leave, funeral leave, official leave, as well as pandemic prevention leave and vaccination leave during the COVID-19 pandemic.

The Company implements an unpaid parental leave policy to help employees meet their family and career needs. In 2022, 15 employees applied for unpaid parental leave, 78.6% of which were reinstated and returned to their original job position.

Unpaid Parental Leave in the Past 3 Years

	2020			2021			2022		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of employees that actually applied for unpaid parental leave in the current year (A)	1	3	4	1	4	5	7	8	15
Number of employees expected to return from unpaid parental leave in the current year (B)	0	2	2	2	6	8	6	8	14
Number of employees reinstated after taking a parental leave in the current year (C)	0	1	1	1	4	5	5	6	11
Number of employees reinstated after taking a parental leave in the previous year (D)	2	2	4	0	1	1	1	4	5
No. of employees reinstated from unpaid parental leave in the previous year and who have worked for one year since (E)	2	2	4	0	1	1	1	4	5
Reinstatements after unpaid parental leave % (C/B)	-	50%	50%	50%	66.7%	62.5%	83%	75%	78.6%
Retention rate % (E/D)	100%	100%	100%	-	100%	100%	100%	100%	100%

Note:

1. Reinstatement after Unpaid Parental Leave in 2022 = Number of employees reinstated after taking a parental leave in 2022 / Number of employees expected to be reinstated after taking a parental leave.
2. Retention rate = (Number of employees reinstated who continued to work for more than one year after unpaid parental leave in 2021) / (Number of employees reinstated after unpaid parental leave in 2021). The company's retention rate in 2022 was 100%.

3. Number of employees who were eligible to apply for unpaid parental leave in 2022 = number of employees who applied for maternity leave and paternity leave in 2020-2022. There were 65 employees.

Retirement System

ScinoPharm has established a retirement system for employees in accordance with law. Employees who joined the company on or before June 30, 2005 may opt for the old pension system, in which case the Company contributes at least 2% of employees' monthly salary as pension to their labor pension account. We have also established a Labor Retirement Reserve Supervision Committee to oversee pension operations and management and ensure that the relevant pension reserve is sufficient to cover the pension funds to be paid to employees who are eligible to retire in 2022. For employees who joined ScinoPharm after July 1, 2005, the Company contributes not less than 6% of their monthly salary in accordance with the law. These employees may choose to appropriate 0% to 6% of their salary to their individual pension account.

Employee Health

The Company purchases labor insurance and national health insurance for all employees in accordance with law and regulations. We also purchase liability insurance, life insurance, medical insurance, and business travel insurance. Employees are given the option to increase their coverage at a lower premium at their own expense, or include their dependents in their insurance policy.

ScinoPharm also helps employees to stay healthy. We cooperated with the Hope-Light Counseling Clinic in Tainan to introduce an employee service program and provide a comfortable counseling environment, in which employees can access professional psychological consultation services in private. Additional resources are offered as well so that employees can use different channels to relieve the stress from work or life. The Company subsidizes employee club activities as a means of encouraging employees to develop hobbies, engage in leisure fitness activities, and expand their social networks to enrich their life outside of work.

Other Benefits

ScinoPharm is committed to creating a happy workplace and establishing a variety of employee welfare measures. The Company has established the Employee Welfare Committee in accordance with the Employee Welfare Fund Act to provide employees with various benefits. We organize different activities to promote employee relations, and offer them the following incentives and benefits:



▲ Badminton Club



▲ Hiking Club



▲ Fun contest



▲ Plant anniversary



▲ Lottery drawing during year-end banquet



▲ Food/beverage vending machines for employees

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

Cafeteria, light meal station, vending machines

Transportation allowances

Free employee parking, and shuttle buses for daily commutes and for transport to Taiwan High Speed Railway station

In-plant rest facilities

Employee lounge, KTV room, and library

Recreational activities

Employee trips, plant anniversary events, ScinoPharm Art Forum, Walk to Win Apple Watch event, online year-end banquet event, club activities (Note)

Grants/ Subsidies

Subsidies for employee travel, domestic / international continuing education, childcare, childbirth, scholarships for employees and their children, and senior employee bonuses

Discounts at partnering businesses

ScinoPharm has partnered with many businesses to provide employees with goods and services at a discounted rate, including 27 restaurants, 72 lodging establishments, 48 health care institutions, 4 entertainment stores, and 5 transportation service providers

On-site services

Banking, insurance, and many other on-site services

Note: The Company's Welfare Committee funds a variety of employee 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

ScinoPharm manages its pool of talents by adhering to the principles of "accountability, transparency in communication, and putting the right person in the right position," and by placing equal emphasis on "target performance, code of conduct, and employee development." We conduct annual performance evaluations on all employees, including new recruits, the proportion of regular performance appraisals is 100%, and Employees (including new employees) are also entitled to employee remuneration. By offering a wide range of training courses, the Company helps employees at all level continuously to improve their productivity and engage in conducts that align with the company's corporate culture and value. Depending on their evaluation results, employees are given either professional guidance or training programs required for their personal career development, and also opportunities to put their knowledge into practice. Diverse learning channels and development resources are made available to employees, including professional occupational training, general skills training, online courses on CGMP and laws and regulations, personal work guidance, etc. In addition, the Company offers educational subsidies to encourage employees to continue their education at a university, thereby improving the professional knowledge and skills of in-service employees.

To build a pool of management talents, the Company has established professional management training (PMT) courses to improve the ability of management at all levels to manage and lead organizational operations. Based on a competency-based system, a learning and development map highlighting the core competency requirements for general staff members has been established. This map helps employees to improve the abilities they need at work, deliver performance, and expand the scope of their work so as to capture more career opportunities in the future.

Course designs are aligned with the core values and development strategies of ScinoPharm, placing particular focus on strengthening employee competencies, their professional functionality, and performance evaluation results. ScinoPharm customizes Individual Development Plan for employees. The plan details practical exercises, guidance and interactive learning processes, as well as a complete range of training courses to facilitate employees' adaptive development and career advancement.

Talent Management at ScinoPharm



ScinoPharm Employee Competency Model



In addition, the Company has a complete reward system and career development roadmap in place to motivate employees to strive for excellence and pursue diverse development. As of December 31, 2022, more than 90% of managers or above were promoted in-house.

Improving individual productivity is important. For this reason, the Company organizes workshops and training programs to improve learning performance. Other training courses on professional knowledge and skills, regulatory compliance, and self-efficacy are also offered.

Professional management training

Basic leadership concepts and techniques, basic management concepts and techniques, labor-related laws and regulations (for executives), organizational management, performance and goal management, problem analysis and solving, conflict management, time management, presentation skills, creative thinking, budgeting and control, trade secrets, and patent protection, etc.

CGMP training

Annual CGMP quality training

Health, safety, and environmental protection training

Workplace health, safety, and environmental protection training, fire-fighting training, CPR training, and annual industrial safety meeting

Professional technical training

Hypoxia operations, forklift operations, specified high-pressure gas equipment, chemical engineering operations, and various testing and analytical instruments

Business-related human rights policy

Employee code of conduct, financial and corporate governance, sexual harassment prevention promotion, and promotion of labor-related laws

Language and other training

Orientation training, language courses, in-house lecturer training, communication skills, target setting, health seminars, compliance with relevant government laws, and industry-related lectures

At ScinoPharm, every employee participates in training activities according to job requirements, personal ability and development needs, and personal interests. Statistics show that 6,434 employees participated in 24,666 hours of training in 2022. Hours of training on CGMP and health, safety, and environmental protection totaled 17,737 hours.



▲ TWI on-site management training course



▲ R&D lecture by an external expert

Employee Training Hours

Employee Training Hours in 2021

Managerial role



Male

Total hours of training
2,738 hrs
65 people

Average training hour
42.12 hrs

Non-managerial role



Male

Total hours of training
13,937 hrs
417 people

Average training hour
33.42 hrs



Female

Total hours of training
698 hrs
34 people

Average training hour
20.53 hrs



Female

Total hours of training
2,560 hrs
172 people

Average training hour
14.88 hrs

Employee Training Hours in 2022

Managerial role



Male

Total hours of training
3,012 hrs
62 people

Average training hour
48.58 hrs ↑

Non-managerial role



Male

Total hours of training
16,807 hrs
404 people

Average training hour
41.60 hrs ↑



Female

Total hours of training
923 hrs
32 people

Average training hour
28.84 hrs ↑



Female

Total hours of training
3,924 hrs
177 people

Average training hour
22.17 hrs ↑

2022

Category	Total number of attendees	Male	Female	Total hours
Business management	985	619	366	3,577
CGMP training	3,284	2,618	666	16,099
Health, safety, and environmental protection training	1,101	741	360	1,638
Professional technical training	664	500	164	1,752
Other	400	240	160	1,600
Total	6,434	4,718	1,716	24,666

Note: Production line operators are mostly male employees; they must receive training before commencing a new round of production because ScinoPharm manufactures a wide range of products. Therefore, training hours for male employees were longer than for female employees.

4.3 | Workplace Health Promotion

Workplace Health Promotion Plan and Management

In 1948, the World Health Organization defined health as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. Health education and health awareness are key to leading a healthy lifestyle. Improving the health of people can be achieved by educating them on health and hygiene practices, promoting healthy behaviors, focusing on mental health, maintaining proper workout routines, engaging in recreational activities, and building a healthy living environment. ScinoPharm established a health promotion organization and members of the taskforce regularly host health-promotion activities. On behalf of the organization, the taskforce encourages and motivates employees to exercise regularly and learn to lead a healthy lifestyle. Based on employees' annual health examination results, health promotion plans that meet employee needs are developed and adjusted annually as needed, depending on the effectiveness of the plans. The Company received the Badge of Accredited Healthy Workplace from the Health Promotion Administration of the Ministry of Health and Welfare in recognition of our commitment to employees' health.

Since December 2019, the world has been in the new crown pneumonia (COVID-19) epidemic for nearly 3 years. On January 30, 2020, ScinoPharm immediately formed a pandemic prevention team to coordinate and oversee emergency response procedures. In coordination with the Guidelines on Business Continuity in Response to the Severe Pneumonia with Novel Pathogens (COVID-19) published by the Central Epidemic Command Center, we set up an internal information communication web page and designated email to disseminate information and knowledge on the prevention and control of infectious diseases. Meanwhile, in cooperation with the government and the company's epidemic prevention policies, each employee implemented the epidemic prevention approaches. Furthermore, the Company provided paid vaccination leave as a way of increasing the rate of vaccination to safeguard the health of employees.

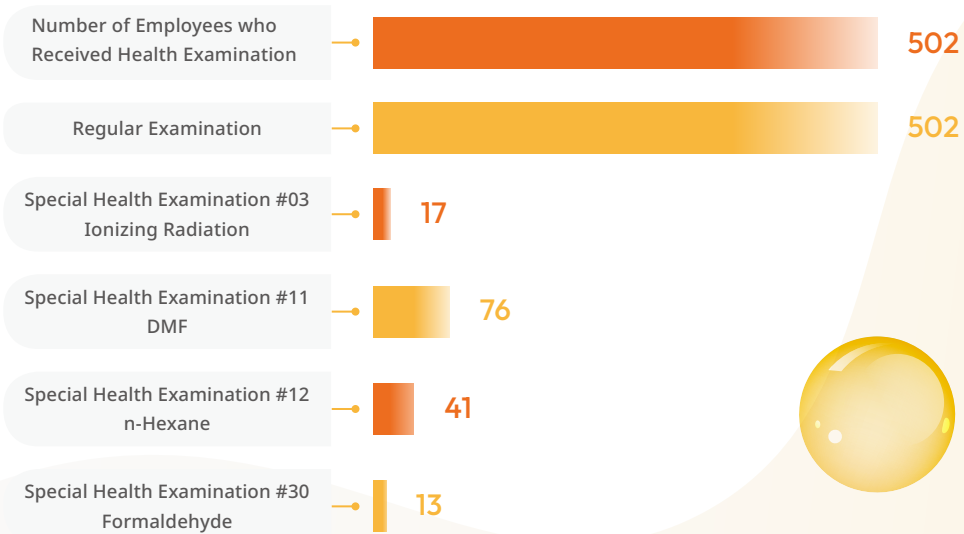
Annual Employee Health Examinations

Employees are a company's most valuable assets. Between November 22-24 of 2022, our employees underwent their annual health examination in groups. A total of 502 employees completed their checkups in 2022. We also conducted online surveys on individual and workplace fatigue and musculoskeletal symptom self-assessment to safeguard the health of employees. In addition, a physician was arranged to provide employees with individual consultation services on-site. For employees who experience severe symptoms of work fatigue and musculoskeletal disorders, we send them emails to express our concern and provide suggestions. Referral our employee living services programs or rehabilitation specialists for further assistance.

According to law, special health examinations must be arranged for specific persons who are involved in R&D, quality control, and production operations. In 2022, special health examinations were arranged for those that handle ionizing radiation, dimethylformamide (DMF), n-Hexane, and formaldehyde. If a specific person who is involved in special operations receives a health examination result that necessitates Level-2 management, personal health guidance will be provided by a health professional. Such guidance will include health education on lifestyle changes, balanced diet, proper exercise, and weight loss plans, or work rearrangements if necessary. These employees will follow the follow-up schedules provided by their doctor, and immediate supervisors and health professionals will jointly keep track of their health condition and arrange secondary checkups for them.

2022 Employee Health Examination Results

Unit: number of people



Workplace Health Promotion Activity

Healthy employees are key to corporate success and sustainability. Therefore, ScinoPharm is committed to employee care and health. The Company conducts case-by-case management for employees with chronic diseases and those in high-risk groups. Our on-site medical room is equipped with a blood pressure monitor, a BMI scale, and forehead thermometers. A health professional will be present to teach and guide employees to measure their body temperatures and perform self-health management. Concurrently, employees are encouraged to lead an active lifestyle and assisted in controlling their BMI and weight; they are constantly reminded that having a correct health concept is key to achieving health promotion goals. In addition to general health promotion activities, a Walking for Health event was also hosted during the 2022 Month of Happiness, the theme of which was "The Key to Happiness is Health and Safety." The event was participated by 251 people and accumulated a total of 39,429,739 steps. A professional fitness trainer was also invited to provide 20 sessions of stretching, relaxation, and core training exercises, helping employees to stay healthy.

• Walking exercises around the perimeter of the company	Daily (self-health management)
• Daily blood pressure measurement	Daily (self-health management)
• Health awareness activity on World Hypertension Day	Once a year
• Health awareness activity on World No Tobacco Day	Once a year
• Health awareness activity on World Hepatitis Day	Once a year
• Information and knowledge on the prevention and control of infectious diseases	As needed
• Influenza prevention promotion and vaccination activity	Every fourth quarter
• On-site consultation service by health professionals	3-Hour session once a month
• Light meals provided by the Welfare Committee	As needed
• Health promotion posters from Public Health Bureau, Tainan City Government	Once a month
• Emergency first aid training for ERT members	Twice a quarter



▲ A workout with a fitness trainer



▲ 2022 Employee Health Examination

Maternal Health Protection and Management

In accordance with the Occupational Safety and Health Act, the Company has established a Maternal Health Protection Plan, which involves performing risk assessments on childbearing, pregnant, and postpartum employees and arranging medical consultation sessions for them. Otherwise, there is a Pumping Room in the factory for maternal use. For pregnant or breastfeeding employees whose nature of work involves cytotoxic chemical substances and are advised by their doctor to make alternative work arrangements, they may submit a request to their immediate supervisor for alternative work arrangements during their pregnancy or within one year after childbirth or breastfeeding. Continuous follow-up will be conducted on these employees for a period of one year after birth or after they stop breastfeeding. At the beginning of each month, a nurse will email information on maternal health protection practices and regulations. Supervisors and employees are also reminded to keep the nurse informed so as to facilitate obstetrics and gynecology referrals after a doctor consultation.



Raising Awareness on Maternal Health Protection – Monthly Topics in 2022

1

Oral health care for young children; maternal health protection in the workplace

2

A father's secret to parenting; maternal health protection in the workplace

3

Common illnesses and treatments for children; maternal health protection in the workplace

4

Road safety for babies and children: The importance of car seats; maternal health protection in the workplace

5

Pandemic prevention for infants; maternal health protection in the workplace

6

What is monkeypox? + maternal health protection in the workplace

7

Monkeypox, a Category 2 communicable disease; maternal health protection in the workplace

8

Teamwork: Starting with pre-natal education; maternal health protection in the workplace

9

Comfort during pregnancy; maternal health protection in the workplace

10

Baby boys and girls; maternal health protection in the workplace

11

Decoding Influenza and Type A influenza; maternal health protection in the workplace

12

Cesarean section knowledge + maternal health protection in the workplace

Employee First Aid Training

To prolong the golden hour in the event of potential emergency injuries and illnesses in the workplace, in 2022, we have set up four AED stations in high-risk areas of the plant. These stations are monitored by the Control Room. Our Control Room responders and emergency response team are trained with greater intensity so that they are capable of making critical decisions and calling 119 for an ambulance when the Control Room receives an emergency call during night shifts. As at the end of 2022, 240 people have completed the first aid training course.

To make employees more aware of the importance of road safety during commutes, we organized two road safety lectures and a scooter riding virtual reality simulation exercise for plant employees in 2022. The objective of these activities is to teach employees road safety practices, standard operating procedures, and other important information, thereby reducing road safety incidents. In 2022, 16 road accidents were reported, which is a drop of 36% compared with the 25 incidents in the previous year.



▲ Employee First Aid Training



▲ Onsite AED device



▲ Safe scooter-riding VR simulation



▲ Road safety lecture by the Second Special Police Corps

2022 Statistics on Occupational Injuries

Statistics and description of employee performance in workplace safety:

Statistics of Employee Performance in Workplace Safety				
Category	Item	2020	2021	2022
Total Work Hours	Total hours worked among women	385,728	405,408	405,812
	Total hours worked among men	958,416	948,576	979,116
	Total hours worked	1,344,144	1,353,984	1,384,928
Number of Deaths Caused by Occupational Injury	Number of deaths caused by occupational injury among women	0	0	0
	Number of deaths caused by occupational injury among men	0	0	0
	Total number of deaths	0	0	0
Occupational Injury-Related Mortality Rate	Occupational injury-related mortality rate among women	0	0	0
	Occupational injury-related mortality rate among men	0	0	0
	Total occupational injury-related mortality rate	0	0	0
Number of Severe Occupational Injuries (Excluding number of deaths)	Total number (frequency) of severe occupational injuries among women	0	0	0
	Total number (frequency) of severe occupational injuries among men	0	0	0
	Total number (frequency) of severe occupational injuries	0	0	0
Severe Occupational Injury Rate (Excluding number of deaths)	Total severe occupational injury rate among women	0	0	0
	Total severe occupational injury rate among men	0	0	0
	Total severe occupational injury rate	0	0	0
Number of Recordable Occupational Injuries (Including number of deaths and number of severe occupational injuries)	Total number (frequency) of occupational injuries among women	3	0	2
	Total number (frequency) of occupational injuries among men	19	8	13
	Total number (frequency) of occupational injuries	22	8	15
Recordable Occupational Injury Rate (Including number of deaths and number of severe occupational injuries)	Total occupational injury rate among women	1.56	0	0.25
	Total occupational injury rate among men	3.96	1.69	1.62
	Total occupational injury rate	3.27	1.18	1.87
Describe Type of Occupational Injury	Every type of occupational injury	● Muscle strain X1 ● Contact with chemical substance X15 ● Burn injury X2 ● Collision X1 ● Slip and fall X1 ● Cuts caused by a sharp object X2	● Cuts X3 ● Contact with chemical substance X3 ● Burn injury X1 ● Slip and fall X1	● Cuts X6 ● Contact with chemical substance X4 ● Burns/Scalds injury X1 ● Collision X1 ● Fall X3

Note:

1. Total Working Hours: Total Working Hours refer to the total number of hours worked by men and women at ScinoPharm. It is calculated based on the ratio of men to women at ScinoPharm.
2. Occupational Injury-Related Mortality Rate = (Number of Occupational Injury-Related Deaths/Total Working Hours) × 200,000 (based on 50 weeks a year and 40-hour working weeks for every 100 employees).
3. Severe Occupational Injury Rate (excluding number of deaths) = (Number of Serious Occupational Injuries/Total Working Hours) × 200,000.
4. Recordable Occupational Injury Rate = (Number of Recordable Occupational Injuries/Total Working Hours) × 200,000.
5. Severe occupational injury is defined as work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
6. There were no work-related injury incidents among contractors in 2022.

On-site Health Service by Occupational Physicians

Pursuant to law, the Company employs an occupational physician to provide 3 hours of on-site health services once a month, including services stipulated in Articles 9, 11, 12, and 13 of the Labor Health Protection Regulations. During these monthly health services, the occupational physician provides work re/arrangements, consultations on maternal health, health examinations for new employees, follow-up examinations for existing employees, health tips, and other health assessments; assists in identifying and assessing hazards in the workplace/work activities; and recommends improvement measures.

4.4 | Safe Work Environment

ScinoPharm is located in the Southern Taiwan Science Park (STSP), which is a key national development area. Before the establishment of STSP, the administrative authority had conducted a general environmental assessment of the science park and its neighboring areas. In compliance with the Verification Regulations Governing Taiwan Occupational Safety and Health Management Systems (TOSHMS), the Company established an occupational safety and health management system, and followed the Plan-Do-Check-Act (PDCA) principle to implement a safety, health and environmental protection policy, which serves as the guideline and code of conduct for environmental and occupational safety and health management.

ScinoPharm adheres to the CGMP and to the Responsible Care® Initiative of the Taiwan Responsible Care Association (TRCA). The Responsible Care® is a voluntary commitment made by the international chemical industry to continuously improve performances on the environment, health, and safety. The Responsible Care® is implemented by having executives sign a Statement of Commitment, implementing the Codes of Management Practices, conducting self-evaluations, implementing management system verification (MSV), requiring that companies submit SHE Performance Indicators Reports, and having chemical companies share their experiences with implementing Responsible Care® with each other to help companies establish a comprehensive set of safety, health, and environmental systems.

The Pharmaceutical Supply Chain Initiative (PSCI), a group of internationally renowned pharmaceutical and healthcare companies, has established the PSCI Principles for Responsible Supply Chain Management, setting the social and ethical standards for supply chain management, which can be used to address five areas of responsible business practice: ethics, labor, health and safety, environment, and management systems. The Company has passed the PSCI audits by our pharmaceutical partners, which is a testament to our adoption of international business practices and standards in our occupational safety, health, and environmental management systems.

Emergency Response



▲ An emergency response drill is regularly held inside our plant

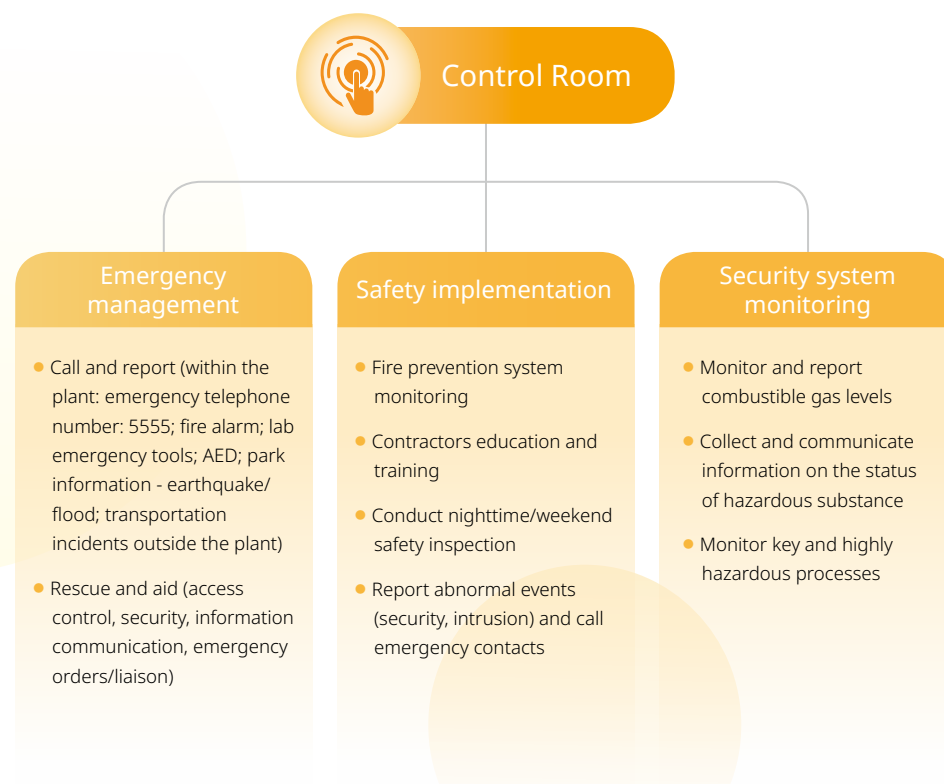


▲ Emergency response personnel participating in an exercise training

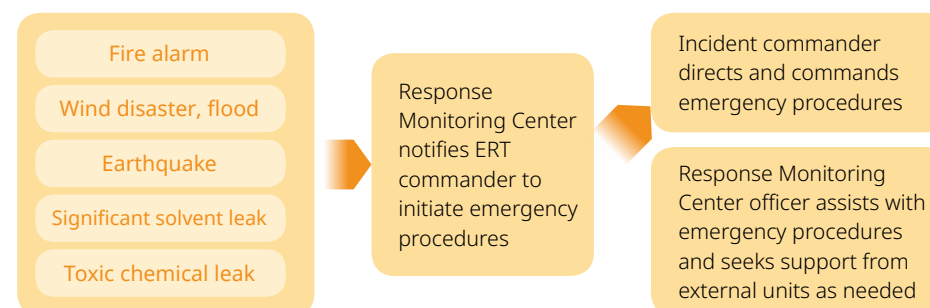
The Company has commissioned a private security company to provide security services in the plant. New security guards are required to receive pre-employment training on the basics of laws, emergency procedures, and workplace etiquettes, so as to ensure their safety and human rights. In addition, we protect the guards from being exploited by mandating that the security company must regularly provide us with proof that they are paying the security guards a reasonable salary and have enrolled them in labor and health insurance policies.

In 2005, ScinoPharm established an onsite emergency response team (ERT) and an Emergency Response Room are used to handle chemical and fire hazards within the plant and minimize any crisis-induced damage and subsequent impact. Our ERT regularly receives professional fire prevention training and participates in themed emergency response drills, during which plant-wide evacuation exercise is conducted so that all in-plant workers (including contractors) can learn the evacuation procedures (e.g., where/how to assemble) and gain more practical experiences. An external fire prevention expert is employed from time to time to train our ERT and improve their emergency response capability. We also have a professional workforce on standby in the plant so that immediate actions can be taken when an emergency incident occurs.

To improve employees' responsiveness to emergency or critical events, a Response Monitoring Center (Control Room) commenced operation in January 2022. We appointed four employees from production and public units, who are knowledgeable about the plant, including its environment and operational status, to be the dedicated personnel in charge of monitoring the plant area. They are also tasked with liaising with units involved in an emergency situation, providing first aid, and assisting the ERT. The three main duties of persons working in the Response Monitoring Center (Control Room) are depicted below:

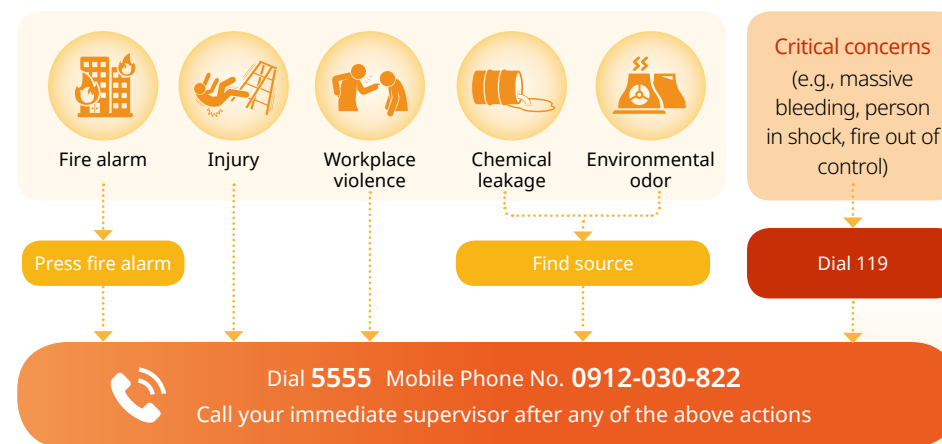


Timing of emergency response by Response Monitoring Center and liaising with the ERT



ScinoPharm seeks to strengthen the rapport between long-term factory-based contractors and our employees during crisis management so as to quickly control and reduce the impact of a disaster. To that end, we require all of our employees and factory-based contractors to undergo firefighting training every year, thereby improving their know-how and responsiveness in the early stage of a fire disaster. Before entering our plant to perform work, any contractors must undergo safety and health training to learn the company's safety rules and evacuation procedures (i.e., evacuate and assemble for roll call at the Security Guard Booth by the entrance in the event of emergency). In addition, the Company provides each employee with a reminder card, which details the Emergency Reporting and Handling Process, to enhance their understanding of emergency reporting mechanisms and, hopefully, prevent any misjudgments that may otherwise occur when they panic during an emergency. The Company has spent NT\$5.42 million in 2021 and 4.41 million in 2022 on buying personal protective equipment to protect workers during plant operations and minimize their exposure to potential health risks.

Emergency Reporting Process



Hazard Management of Chemicals and APIs

ScinoPharm produces a wide range of products, which means that we use a wide variety of chemicals. The Company pays attention to the prevention of chemical hazards to ensure personnel safety. Using chemical assessment methods recommended by the laws and regulations of Taiwan, we assess risks according to "health hazard," "distribution," and "usage" and adopt management measures accordingly.

ScinoPharm subsequently adopts the Saturation Vapor Pressure Model to simulate the dispersion of gas or vapor in a working environment and estimate the concentration of chemicals in the air. The results are used to check if exposure is below the permissible limit, thereby ensuring the health and safety of operators. Moreover, a more accurate quantitative model is used to determine the concentration of chemicals in an operational site.

Procedures for Handling External Complaints

In spirit of the Responsible Care® initiative, ScinoPharm strives to ensure that the entire life cycle of a product is properly handled so as to avoid individual or environmental exposure to pollution. Accordingly, the Company has established relevant work instructions in accordance with the ScinoPharm EHS Management Manual to handle external complaints (from regulatory authorities or neighboring business entities or residents). The scope of application of these work instructions includes the following: reports of smells, smoke, or other environmental or safety concerns, feedback, complaints, or suggestions received from regulatory authorities, neighboring business entities, or residents. These reports are collectively handled by the EHS Department, the Human Resources and Administration Office, and other relevant departments.

Process Safety Management

To reduce unacceptable risks from process hazards during R&D and mass production, ScinoPharm adopts a four-stage process hazard analysis (PHA): process hazard analysis in the lab (Lab PHA), inherent hazard analysis (PHA1), reactivity hazard analysis (PHA2), and operational hazard analysis (PHA3). In addition, safety testing and analysis is performed using various laboratory equipment (e.g., differential scanning calorimeters, reaction calorimeters, and adiabatic calorimeters (PHI-TEC II)) to assess safety issues caused by thermal hazards of chemical reactions. Drug toxicity prediction software (Derek Nexus and Sarah Nexus for Windows) is used to predict the hazardous effects of chemicals for which there are insufficient toxicological data.

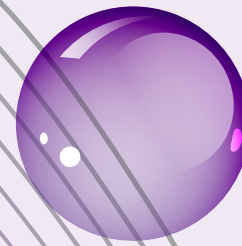
For hazards that may arise from process modifications or engineering changes, change management procedures are adopted to assess and mitigate the potential risks of change. In operational safety control, we have procedures in place for hazardous operations, locking/tagging, and limited space management. Procedures for chemical use, safe inventory, and standard packaging are strictly controlled. A complete range of personal protective equipment has been prepared for operators to ensure their safety when using and storing chemicals.

Hazardous Machines, Equipment/Instrument Management

To use dangerous machines and equipment in the plant, the Company's Occupational Safety and Health Committee and the construction contractor must inspect the machines/equipment and submit an application for re-inspection and completion inspection by a Labor Inspection Agency. Use of the said machines/equipment is permitted only after a qualification certificate of inspection has been issued. To operate dangerous machines and equipment, all operators must pass relevant training. In addition, procedures for the use of dangerous machines and equipment by operators are provided in the Workplace Safety and Health Rules, which also include safety rules for crane, boiler, and specific high-pressure gas equipment operations.



▲ Personal protective equipment for manufacturing processes

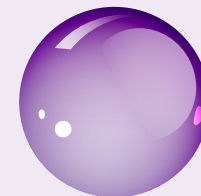


CH5

Social Responsibility

5.1 Giving Back to Society

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5.1 | Giving Back to Society

ScinoPharm values balance between work and life. Apart from encouraging employees to balance career and family, we also attempt to spread the spirit of this concept, hoping to 'work hard and play hard' with our employees in the Southern Taiwan Science Park. The Company has organized the ScinoPharm Art Forum for 13 consecutive years from 2010 to 2022, even during the COVID-19 pandemic (the forum was held online). The Company hosted in-person lectures at the plant in 2022, which were broadcast online, reaching an audience of more than 6,000 viewers. The lectures, themed "An Étude for a Beautiful Life", were based on the UN Sustainable Development Goals (SDGs). During the lectures, Mr. Lee Lee-zen, the greenpeace ambassador, talked about environmental issues, emphasizing that the beauty of life stems from tranquility and feelings of satisfaction, that the beauty of the environment maintains ecological balance, and that education affects our way of life and lived experiences. The lectures revolved around "environment" and "education", encouraging the listeners to protect the environment for a beautiful life. ScinoPharm has collaborated with AAEPON Foundation for many years, making plans each year to exhibit the works and creations of excellent artists in Taiwan. Through these exhibitions, we wish to show our support for local talented artists. The Company began sponsoring these art exhibitions in 2008 and has been doing so each year in the amount of NT\$25,000 for more than 15 consecutive years. Our objective is to create a cultured, artistic work environment and enhance the aesthetic literacy of our employees. In the area of education, the Company has been working with the Chemical Society in Taipei since 2011 to set up the ScinoPharm Thesis Scholarship. ScinoPharm has been an active sponsor of biotechnology and chemical engineering seminars for universities and colleges in Taiwan, donating up to NT\$100,000 annually to facilitate talent development and improve learners' understanding of these sectors.

Community care

In 2022, COVID-19 continued to spread around the world, forcing event organizers, including those of charity organizations, to cancel their events and activities. ScinoPharm, nevertheless, organized its own charitable event, purchasing products from social welfare or sustainability-related organizations to fulfill our corporate social responsibilities and support their cause with our actions. In 2022, we purchased cultural and creative products from green farmers in Taiwan, organic tea products from local farmers, and homemade biscuits from Fly Angel Association, an organization for the care of people with intellectual disabilities. Giving back to local communities has always been at the top of our mind. In 2022, ScinoPharm continued to support the Month of Love at Southern Taiwan Science Park to care for local communities, thereby sustaining a positive social culture.

Emergency Aid

In September 2022, the Company actively supported Uni-President Corporation' clothing donation activity by collecting and donating clothes and books to disadvantaged groups in Taiwan. We encouraged employees to cherish resources by donating any unworn winter and summer clothes, clothes that no longer fit them, and books to charity organizations, thereby doing their part in caring for local communities and providing emergency relief to communities in need. Any employees of ScinoPharm who fell on hard times after an emergency incident, may seek immediate financial support and assistance pursuant to the Emergency Care Regulations adopted by the charity foundation of Kao Ching-yuen, founder of the Uni-President Corporation.

Participation in Charitable Activities in 2022

Activity	Resource Input and Results	Number of People/ Organizations Reached	Social Impact
Month of Love at Southern Taiwan Science Park	Donated NT\$21,562, and Purchased NT\$8,550 worth of products from social welfare organizations	1. Disadvantaged families under long-term care in Tainan 2. World Vision 3. Luway Opportunity Center	As a pharmaceutical company, ScinoPharm and other companies in STSP are responsible for taking care of local communities, especially those who have no access to health care because of poverty.
Supporting the Group's clothing donation activity	Donated 775 pieces of secondhand clothing and 299 books	23 organizations, including Pingtung Association for Indigenous Peoples, Tainan Shyan Home for People with Disabilities, Sacred Heart Home, Taiwan Association of Child Development and Early Intervention (TACDEI), Alang Qowgan (Hualien County Qowgan Sustainable Development Association), and Hualien County Children's Care Association.	We actively supported Uni-President Corporation's clothing donation activity. The Corporation believes that the value of human nature stems from acts of kindness which, along with the willingness to give, is the key ingredient filling the society with warmth.

Activity	Resource Input and Results	Number of People/ Organizations Reached	Social Impact
ScinoPharm Art Forum	NT\$285,000 in funding (including event gifts)	1. This activity has been held for 13 consecutive years, with Mr. Lee Lee-zen, the greenpeace ambassador, acting as the keynote speaker in 2022. His speech reached an audience of more than 6,000 people. 2. Cultural and creative products from green farmers in Taiwan 3. Organic farmers	ScinoPharm has been a long-time sponsor of art-related events and activities. In 2022, the forum was held at the plant and also online due to the pandemic, so that anyone interested in this forum is able to attend.
Regular ScinoPharm Art Gallery Exhibitions	NT\$25,000 in sponsorship	Number of people reached: 723 employees and long-term contractors of ScinoPharm	ScinoPharm supports local artists by sponsoring public art promotions in Taiwan and organizing painting/ photography exhibitions in our plant.
Social Media Exposure for Charity, a carnival event in celebration of the plant's anniversary	Purchased NT\$5,000 worth of products (100 units) from social welfare organizations.	1. Zhanyi Sheltered Workshop 2. 723 employees and long-term contractors of ScinoPharm	We purchased products from social welfare organizations to boost the income of disadvantaged groups, so that the groups can make the products without having to worry about their livelihood.
ScinoPharm Thesis Scholarship	NT\$100,000	Science and engineering students in universities and colleges	The scholarship encourages students to gain a better understanding of the pharmaceutical and biotechnology industry, thereby facilitating talent development.



Helping local disadvantaged groups during the Month of Love at Southern Taiwan Science Park



Donating clothes and books



The ScinoPharm Art Forum organized for 13 consecutive years



Event gifts prepared from products made by local farmers



ScinoPharm Art Gallery



A group photo of winners of the ScinoPharm Chemical Analysis Thesis Award

Active social participation

ScinoPharm is an active participant of activities organized by industry-related associations. The Company strives to promote industry development and exchange, by serving as a director or supervisor of various associations and attending and sponsoring events held by these associations. Executives of ScinoPharm are also the director of Taiwan Pharmaceutical Manufacturer's Association, the supervisor of Taiwan Generic Pharmaceutical Association (TGPA), Taiwan Bio Industry Organization, and the director of Chemical Society Located in Taipei.

Group members

1

The Allied Association
for Science Park
Industries

2

Taiwan Pharmaceutical
Manufacturer's
Association

3

Taiwan Pharmaceutical
Manufacture and
Development Association

4

Taiwan Generic
Pharmaceutical
Association

5

Taiwan Parenteral
Drug Association

6

Taiwan Bio Industry
Organization

7

Cross-Strait CEO
Summit

8

Chemical Society
Located in Taipei



Appendix

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Appendix 1 GRI Standards Comparison Table

Statement of Use	ScinoPharm has reported in accordance with the GRI Standards for the period 2022/01/01 to 2022/12/31.
GRI1 used	GRI 1: Foundation 2021
Sector standards	Not yet published

★ Material topics

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
1. The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	About this Report	03	
	2-2	Entities included in the organization's sustainability reporting	1.2 Major Shareholder Structure	13	
	2-3	Reporting period, frequency and contact point	About this Report	03	
	2-4	Restatements of information	About this Report	03	
	2-5	External assurance	About this Report	03	
2. Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 Company Overview	13	
	2-7	Employees	4.1 Workforce Overview 4.2 Employee Benefits and Care	65 68	
	2-8	Workers who are not employees	2.3 Supplier/Contractor and Material Management	46	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	1.5 Corporate Governance	21	
	2-10	Nominating and selecting the highest governance body	1.5 Corporate Governance	21	
	2-11	Chair of the highest governance body	1.5 Corporate Governance	21	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.7 Stakeholder and Material Topics Identified	27	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	1.7 Stakeholder and Material Topics Identified	27	
	2-14	Role of the highest governance body in sustainability reporting	1.7 Stakeholder and Material Topics Identified	27	
	2-15	Conflicts of interest	1.5 Corporate Governance 1.6 Business Integrity	21 25	
	2-16	Communication of critical concerns	1.5 Corporate Governance	21	
	2-17	Collective knowledge of highest governance body	1.5 Corporate Governance	21	
	2-18	Evaluation of the performance of the highest governance body	1.5 Corporate Governance	21	
	2-19	Remuneration policies	1.5 Corporate Governance	21	
	2-20	Process to determine remuneration	1.5 Corporate Governance	21	
4. Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from Management	04	
	2-23	Policy commitments	1.10 Sustainable Development Policies	41	
	2-24	Embedding policy commitments	1.10 Sustainable Development Policies	41	
	2-25	Processes to remediate negative impacts	4.1 Workforce Overview	65	
	2-26	Mechanisms for seeking advice and raising concerns	1.6 Business Integrity	25	
	2-27	Compliance	3.1 Safety, Health, and Environmental Policies 4.2 Employee Benefits and Care	53 68	
	2-28	Membership of associations	5.1 Giving Back to Society	81	
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.7 Stakeholder and Material Topics Identified	27	
	2-30	Collective bargaining agreements	4.1 Workforce Overview	65	
6. Material Topics					
GRI 3: Material Topics 2021	3-1	Determined the Material Topics	1.7 Stakeholder and Material Topics Identified	27	
	3-2	List of material topics	1.7 Stakeholder and Material Topics Identified	27	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
GRI 3: Material Topics 2021	3-3	Economic Performance	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Energy	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Waste/Scraps	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Occupational Health and Safety	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Training and Education	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Customer Health and Safety	1.7 Stakeholder and Material Topics Identified	27	
	3-3	Marketing and Labeling	1.7 Stakeholder and Material Topics Identified	27	
Topic-specific standards: 200 (Economic topics)					
★ Economic Performance					
GRI 201 Topic-specific disclosures - Economic Performance 2016	201-1	Direct economic value generated and distributed	1.3 Financial Performance	14	
	201-2	Financial implications and other risks and opportunities due to climate change	1.9 Risks and opportunities due to climate change	35	
	201-3	Defined benefit plan obligations and other retirement plans	4.2 Employee Benefits and Care	68	
	201-4	Financial assistance received from government	1.3 Financial Performance	14	
Market Presence					
GRI 202 Topic-specific disclosures - Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1 Workforce Overview	65	
	202-2	Proportion of senior management hired from the local community	4.1 Workforce Overview	65	
Indirect Economic Impacts					
GRI 203 Topic-specific disclosures - Indirect impacts on the economy 2016	203-1	Extent of development and impact of significant infrastructure investments and services supported	5.1 Giving Back to Society	81	
	203-2	Indirect economic impacts significantly	5.1 Giving Back to Society	81	
Procurement Practices					
GRI 204 Topic-specific disclosures - Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.3 Supplier/Contractor and Material Management	46	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Anti-Corruption					
GRI 205 Topic-specific disclosures - Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	1.6 Business Integrity	25	
	205-2	Communication and training about anti-corruption policies and procedures	1.6 Business Integrity	25	
	205-3	Confirmed incidents of corruption and actions taken	1.6 Business Integrity	25	
Anti-Competitive Behavior					
GRI 206 Topic-specific disclosures - Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.6 Business Integrity	25	
Tax					
GRI 207 Management approach disclosures 2019	207-1	Tax approach	1.3 Overview of Operations	14	
	207-2	Tax governance, control, and risk management	1.3 Overview of Operations	14	
	207-3	Stakeholder engagement and management of concerns related to tax	1.3 Overview of Operations	14	
GRI 207 Topic-specific disclosures - Tax 2019	207-4	Country-by-country reporting	1.3 Overview of Operations	14	
Topic-specific standards: 300 (Environmental topics)					
Materials					
GRI 301 Topic-specific disclosures - Materials 2016	301-1	Materials used by weight or volume	2.3 Supplier/Contractor and Material Management	46	
	301-2	Recycled input materials used	3.4 Pollution Prevention	62	
	301-3	Reclaimed products and their packaging materials	3.4 Pollution Prevention	62	
★ Energy					
GRI 302 Topic-specific disclosures - Energy 2016	302-1	Energy consumption within the organization	3.2 Management and Use of Energy and Resources	54	
	302-3	Energy Intensity	3.2 Management and Use of Energy and Resources	54	
	302-4	Reduction of energy consumption	3.2 Management and Use of Energy and Resources	54	
	302-5	Reductions in energy requirements of products and services	3.2 Management and Use of Energy and Resources	54	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Water and Effluents					
GRI 303 Management approach disclosures 2018	303-1	Interactions with water as a shared resource	3.2 Management and Use of Energy and Resources	54	
	303-2	Management of water discharge-related impacts	3.2 Management and Use of Energy and Resources	54	
GRI 303 Topic-specific disclosures - Water and Effluents 2018	303-3	Water Withdrawal	3.2 Management and Use of Energy and Resources	54	
	303-4	Water Discharge	3.2 Management and Use of Energy and Resources	54	
	303-5	Water Consumption	3.2 Management and Use of Energy and Resources	54	
Emissions					
GRI 305 Topic-specific disclosures - Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-3	Other indirect (Scope 3) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-4	Greenhouse Gas (GHG) Emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-5	Reduction of GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-6	Emissions of ozone-depleting substances (ODS)	3.3 Greenhouse Gas (GHG) Emissions	59	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3 Greenhouse Gas (GHG) Emissions	59	
★ Waste/Scraps					
GRI 306 Management approach disclosures 2020	306-1	Waste generation and significant waste-related impacts	3.4 Pollution Prevention	62	
	306-2	Management of significant waste-related impacts	3.4 Pollution Prevention	62	
GRI 306 Topic-specific disclosures - Waste 2020	306-3	Waste generation	3.4 Pollution Prevention	62	
	306-4	Waste diverted from disposal	3.4 Pollution Prevention	62	
	306-5	Waste directed to disposal	3.4 Pollution Prevention	62	
GRI 306 Topic-specific disclosures - Effluents and Waste 2016	306-3	Significant spills	3.2 Management and Use of Energy and Resources	54	
Supplier Environmental Assessments					
GRI 308 Topic-specific disclosures - Supplier Environmental Assessments 2016	308-1	New suppliers that were screened using environmental criteria	3.4 Pollution Prevention	62	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.4 Pollution Prevention	62	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Topic-specific standards: 400 (Social topics)					
Employment					
GRI 401 Topic-specific disclosures - Employment 2016	401-1	New employee hires and employee turnover	4.2 Employee Benefits and Care	68	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee Benefits and Care	68	
	401-3	Parental leave	4.2 Employee Benefits and Care	68	
Labor/Management Relations					
GRI 402 Topic-specific disclosures - Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.2 Employee Benefits and Care	68	
★ Occupational Health and Safety					
GRI 403 Occupational health and safety Management approach disclosures 2018	403-1	Occupational Safety and Health Management Systems	4.4 Safe Work Environment	77	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4 Safe Work Environment	77	
	403-3	On-site Health Service	4.3 Workplace Health Promotion	73	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Workplace Health Promotion	73	
	403-5	Worker training on occupational health and safety	4.4 Safe Work Environment	77	
	403-6	Worker health	4.3 Workplace Health Promotion	73	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	4.4 Safe Work Environment	77	
GRI 403 Topic-specific disclosures - Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	4.4 Safe Work Environment	77	
	403-9	Occupational injury	4.3 Workplace Health Promotion	73	
	403-10	Work-related ill health	4.3 Workplace Health Promotion	73	
★ Training and Education					
GRI 404 Topic-specific disclosures - Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Employee Benefits and Care	68	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee Benefits and Care	68	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Employee Benefits and Care	68	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Diversity and Equal Opportunity					
GRI 405	405-1	Diversity of governance bodies and employees	1.5 Corporate Governance	21	
Topic-specific disclosures - Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	4.1 Workforce Overview	65	
Non-Discrimination					
GRI 406	406-1	Incidents of discrimination and corrective actions taken	4.1 Workforce Overview	65	
Topic-specific disclosures - Non-Discrimination 2016					
Freedom of Association and Collective Bargaining					
GRI 407	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2 Employee Benefits and Care	68	
Topic-specific disclosures 2016 - Freedom of Association and Collective Bargaining					
Child Labor					
GRI 408	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Workforce Overview	65	
Topic-specific disclosures - Child Labor 2016					
Forced or Compulsory Labor					
GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Workforce Overview	65	
Topic-specific disclosures - Forced or Compulsory Labor 2016			4.2 Employee Benefits and Care	68	
Security Practices					
GRI 410	410-1	Security staff training on human rights policies or procedures	4.4 Safe Work Environment	77	
Topic-specific disclosures - Security Practices 2016					
Rights of Indigenous Peoples					
GRI 411	411-1	Incidents of violations involving rights of indigenous peoples	-	-	Not-involved
Topic-specific disclosures - Rights of Indigenous Peoples 2016					

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Local Communities					
GRI 413 Topic-specific disclosures - Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.1 Giving Back to Society	81	
	413-2	Operations with significant actual and potential negative impacts on local communities	5.1 Giving Back to Society	81	
Supplier Social Assessment					
GRI 414 Topic-specific disclosures - Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.3 Supplier/Contractor and Material Management	46	
	414-2	Negative social impacts in the supply chain and actions taken	2.3 Supplier/Contractor and Material Management	46	
Public Policy					
GRI 415 Topic-specific disclosures - Public Policy 2016	415-1	Political contributions	-	-	Non-participation
★ Customer Health and Safety					
GRI 416 Topic-specific disclosures - Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.2 Product Safety and Customer Satisfaction	44	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2 Product Safety and Customer Satisfaction	44	
★ Marketing and Labeling					
GRI 417 Topic-specific disclosures - Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.2 Product Safety and Customer Satisfaction	44	
	417-2	Incidents of non-compliance concerning product and service Information and labeling	2.2 Product Safety and Customer Satisfaction	44	
	417-3	Incidents of non-compliance concerning marketing communications	2.2 Product Safety and Customer Satisfaction	44	
Customer Privacy					
GRI 418 Topic-specific disclosures - Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.8 Risk Management	33	
★ Innovative Technology and Patents					
GRI 3: Material Topics: 2021	3-3	Management of material topics	1.7 Stakeholder and Material Topics Identified	27	
★ Risk Management					
GRI 3: Material Topics: 2021	3-3	Management of material topics	1.7 Stakeholder and Material Topics Identified	27	

Appendix 2 Comparison Table for SASB Standards

Topics	Accounting Indicator	Category	Number	Explanation from ScinoPharm
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	HC-BP-210a.1	N/A. The Company does not conduct clinical trials.
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated(VAI), (2) Official Action Indicated (OAI)	Quantitative	HC-BP-210a.2	N/A. The Company does not conduct clinical trials.
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	HC-BP-210a.3	None
Access to Medicine	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	HC-BP-240a.1	N/A. The Company's main products are APIs, not pharmaceutical drugs.
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	HC-BP-240a.2	N/A. The Company's main products are APIs, not pharmaceutical drugs.
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantitative	HC-BP-240b.1	None
	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Quantitative	HC-BP-240b.2	N/A. The Company does not have products launched in the U.S. market.
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	HC-BP-240b.3	N/A. ScinoPharm develops products in collaboration with customers and therefore has no need for market pricing.
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Discussion and Analysis	HC-BP-250a.1	None
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Quantitative	HC-BP-250a.2	None recently
	Number of recalls issued, total units recalled	Quantitative	HC-BP-250a.3	The Company has established pharmacovigilance mechanisms and will continue to monitor the safety and risk management of new drugs after they are launched. Significant instances of non-compliance in 2022.

Topics	Accounting Indicator	Category	Number	Explanation from ScinoPharm
Drug Safety	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	HC-BP-250a.4	The Company has established operating procedures. When a drug is reported to have a known or probable manufacturing defect, deterioration, or any other serious quality problem, our QA department will launch an investigation and initiate product recall procedures and takeback actions. The Company recalled 1 product in 2022.
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Quantitative	HC-BP-250a.5	The Company strives to be a pharmaceutical company that conforms to the cGMP standards of the United States. For this reason, the Company has passed multiple on-site inspections by the U.S. FDA and is not in violation of cGMP regulations.
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	HC-BP-260a.1	The Company has established operating procedures. When a drug is reported to have a known or probable manufacturing defect, deterioration, counterfeits or any other serious quality problem, our QA department will launch an investigation and initiate product recall procedures and takeback actions. Furthermore, according to the drug hazard level, we remove the drugs from the user-end within a certain period, properly dispose of the recalled product, and notify the local competent authority.
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Discussion and Analysis	HC-BP-260a.2	The Company has established operating procedures. When a drug is reported to have a known or probable manufacturing defect, deterioration, counterfeits or any other serious quality problem, our QA department will notify the customers concerned within the specified number of days and take the necessary actions.
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	HC-BP-260a.3	None
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	HC-BP-270a.1	None
	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	HC-BP-270a.2	ScinoPharm adheres to the code of ethics of the original manufacturers
Employees recruitment, development and retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	HC-BP-330a.1	See section 4.1 Workforce Overview The Company offers competitive salaries and benefits, smooth job rotation mechanisms, and a comprehensive training system, creating a friendly, stable workplace environment that motivates talented employees to remain in the organization. We also recruit talented biomedicine researchers from various professional fields, and maintain positive relations with universities to promote industry-academia collaboration and entice talents to join our organization.
	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Quantitative	HC-BP-330a.2	See section 4.2 Employee and Benefits The total number of employees at ScinoPharm has been maintained at 680±3% in the past three years. The retention rate of executives/senior managers was 94% in 2022.

Topics	Accounting Indicator	Category	Number	Explanation from ScinoPharm
Supplier Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	Quantitative	HC-BP-430a.1	ScinoPharm did not participate in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program. ScinoPharm strictly monitors the selection, assessment, and approval of suppliers of raw materials, packaging materials, instruments/equipment by following rigorous internal procedures according to supplier attributes. In terms of quality control, we follow standard operating procedures to regularly conduct supplier audits, and adopt internal performance review, quality document review, and on-site audits to assess suppliers. All of our suppliers have been assessed.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	HC-BP-510a.1	None
	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	HC-BP-510a.2	None, as ScinoPharm has no need to interact with health care professionals at the moment. In addition, the Company has stipulated clauses in the Code of Operation Integrity and Employee Code of Conduct, prohibiting offering or accepting bribes and any other improper benefits. Ethical Corporate Management Best Practice Principles disclosed on the Company's website.
Activity Metrics		Category	Number	Explanation from ScinoPharm
Number of patients treated		Quantitative	HC-BP-000.A	Information unavailable/incomplete
(1) Number of drugs in portfolio (2) In research and development (Phases 1-3)		Quantitative	HC-BP-000.B	(1) Number of drugs in portfolio: 74 (2) There are no products in research and development (Phases 1-3)

Appendix 3 Climate-related Information of TWSE/TPEX Listed Companies

No.	Item	Corresponding chapters/ sections	Page
1	Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	1.9 Climate change risks and opportunities	35
2	Describe how the climate risks and opportunities identified affect the Company's business, strategies (short-term, mid-term, long term).	1.9 Climate change risks and opportunities	35
3	Describe the impact of extreme weather events and transition actions on the Company's financial position.	1.9 Climate change risks and opportunities	35
4	Describe how the identification, assessment, and management process of climate risks are integrated in the overall risk management system.	1.9 Climate change risks and opportunities	35
5	If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	1.9 Climate change risks and opportunities	35

No.	Item	Corresponding chapters/ sections	Page
6	If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	1.9 Climate change risks and opportunities	35
7	If internal carbon pricing is used as a planning tool, describe the basis for pricing.	-	-
8	If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	1.9 Climate change risks and opportunities	35
9	GHG inventory and assurance.	Appendix 4	96

Appendix 4 GHG Inventory and Assurance

Background Information of the Company	☐ Company with capital of NT\$10 billion and above, steel industry, cement industry ☒ Capital of NT\$5 billion or more but less than NT\$10 billion ☐ Capital of less than NT\$5 billion	Pursuant to the sustainable development roadmap of TWSE/ TPEX-listed companies, at least the following shall be disclosed	☒ Individual inventory of the parent company – expected to complete in 2025 following regulation ☐ Individual certainty of the parent company ☐ Inventory of subsidiaries in the consolidated financial statements ☐ Assurance of subsidiaries in the consolidated financial statements
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Scope 1	Total Emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/ NT\$ thousand)	Certification body	Description of assurance
Parent company	3,262.84	0.0011	AFNOR Asia Ltd.	The Company completed the 2022 greenhouse gas inventory and external verification in August 2023. It desires to obtain reasonable assurance of Scope 1 and Scope 2 emissions in September 2023.
Subsidiaries	-	-		
Total	3,262.84	0.0011		
Scope 2	Total Emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/ NT\$ thousand)		
Parent company	16,045.18	0.0052		
Subsidiaries	-	-		
Total	16,045.18	0.0052		
Scope 3 (Voluntary disclosure)	-	-		

Instructions for filling out the form:

1. The company conducts GHG inventory in accordance with the ISO 14064-1 standards issued by the International Organization for Standardization.
2. The assurance body meets the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.
3. The intensity of greenhouse gas emissions is calculated using a revenue of NT\$3,069,434 thousand per unit of product for 2022.

Appendix 5 Summary of Assurance Item

Number		Subject Matter Information	Applicable Standard	Page																																																																																																																																								
1	Water withdrawal, water discharge, and total water consumption	Overview of Annual Water Withdrawal by ScinoPharm	According to the company's water usage as shown by the 2022 monthly water meter statistics, and total water discharge calculated monthly by the wastewater treatment unit, and the total water consumption calculated and disclosures in accordance with GRI regulations	54																																																																																																																																								
		<table><tr><th></th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Water Withdrawal (million liters)</td><td>147.25</td><td>148.51</td><td>151.66</td></tr><tr><td>Water Discharge (million liters)</td><td>59.92</td><td>74.18</td><td>81.89</td></tr><tr><td>Water Consumption (million liters)</td><td>87.33</td><td>74.33</td><td>69.77</td></tr></table>				2020	2021	2022	Water Withdrawal (million liters)	147.25	148.51	151.66	Water Discharge (million liters)	59.92	74.18	81.89	Water Consumption (million liters)	87.33	74.33	69.77																																																																																																																								
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2	Electricity generated from solar panels and income for sale of renewable electricity	Generation of Green Energy	The total kWh of electricity generated from rooftop solar panels installed on the Company's administration building and injectable plant and income from sale of renewable electricity to Taipower in 2022, and total carbon reduction calculated using the latest electricity GHG emission factor announced by the Bureau of Energy of Ministry of Economic Affairs	60,61																																																																																																																																								
		2022 Electricity Generated by the Photoelectric System in the Administration Building <table><tr><th rowspan="2">Month</th><th rowspan="2">KWh of Power Generated</th><th rowspan="2">Unit Price (NT\$)</th><th rowspan="2">Amount</th><th colspan="2">Carbon Reduction</th></tr><tr><th>Emissions Reduced (kg of CO₂e)</th><th>Benefit in terms of Afforestation (ha)</th></tr><tr><td>2022/1</td><td>2,428</td><td>6,419</td><td>15,585</td><td>1,207.86</td><td>0.12</td></tr><tr><td>2022/2</td><td>2,392</td><td>6,419</td><td>14,969</td><td>1,154.34</td><td>0.12</td></tr><tr><td>2022/3</td><td>3,216</td><td>6,419</td><td>20,644</td><td>1,591.62</td><td>0.16</td></tr><tr><td>2022/4</td><td>3,408</td><td>6,419</td><td>21,876</td><td>1,696.96</td><td>0.17</td></tr><tr><td>2022/5</td><td>2,790</td><td>6,419</td><td>17,945</td><td>1,376.10</td><td>0.14</td></tr><tr><td>2022/6</td><td>3,512</td><td>6,419</td><td>22,544</td><td>1,728.44</td><td>0.18</td></tr><tr><td>2022/7</td><td>3,620</td><td>6,419</td><td>23,188</td><td>1,792.00</td><td>0.19</td></tr><tr><td>2022/8</td><td>2,298</td><td>6,419</td><td>14,757</td><td>1,131.52</td><td>0.16</td></tr><tr><td>2022/9</td><td>3,612</td><td>6,419</td><td>23,184</td><td>1,790.94</td><td>0.15</td></tr><tr><td>2022/10</td><td>2,824</td><td>6,419</td><td>18,127</td><td>1,397.88</td><td>0.14</td></tr><tr><td>2022/11</td><td>2,440</td><td>6,419</td><td>15,662</td><td>1,207.80</td><td>0.12</td></tr><tr><td>2022/12</td><td>2,580</td><td>6,419</td><td>16,561</td><td>1,277.10</td><td>0.13</td></tr><tr><td>Total for the Year</td><td>35,428</td><td>-</td><td>227,412</td><td>17,536.86</td><td>1.77</td></tr></table> 2022 Electricity Generated in the Injectable Plant <table><tr><th rowspan="2">Month</th><th rowspan="2">KWh of Power Generated</th><th colspan="2">Carbon Reduction</th></tr><tr><th>Emissions Reduced (kg of CO₂e)</th><th>Benefit in terms of Afforestation (ha)</th></tr><tr><td>2022/1</td><td>15,264</td><td>1,148.38</td><td>0.15</td></tr><tr><td>2022/2</td><td>11,740</td><td>875.18</td><td>0.14</td></tr><tr><td>2022/3</td><td>17,312</td><td>1,302.04</td><td>0.16</td></tr><tr><td>2022/4</td><td>20,126</td><td>1,514.21</td><td>0.19</td></tr><tr><td>2022/5</td><td>13,328</td><td>1,004.36</td><td>0.12</td></tr><tr><td>2022/6</td><td>15,756</td><td>1,191.47</td><td>0.14</td></tr><tr><td>2022/7</td><td>17,708</td><td>1,342.51</td><td>0.16</td></tr><tr><td>2022/8</td><td>15,714</td><td>1,192.38</td><td>0.14</td></tr><tr><td>2022/9</td><td>19,620</td><td>1,483.08</td><td>0.17</td></tr><tr><td>2022/10</td><td>14,708</td><td>1,100.48</td><td>0.14</td></tr><tr><td>2022/11</td><td>13,812</td><td>1,046.74</td><td>0.14</td></tr><tr><td>Total for the Year</td><td>196,428</td><td>14,731.86</td><td>1.83</td></tr></table>			Month	KWh of Power Generated	Unit Price (NT\$)	Amount	Carbon Reduction		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)	2022/1	2,428	6,419	15,585	1,207.86	0.12	2022/2	2,392	6,419	14,969	1,154.34	0.12	2022/3	3,216	6,419	20,644	1,591.62	0.16	2022/4	3,408	6,419	21,876	1,696.96	0.17	2022/5	2,790	6,419	17,945	1,376.10	0.14	2022/6	3,512	6,419	22,544	1,728.44	0.18	2022/7	3,620	6,419	23,188	1,792.00	0.19	2022/8	2,298	6,419	14,757	1,131.52	0.16	2022/9	3,612	6,419	23,184	1,790.94	0.15	2022/10	2,824	6,419	18,127	1,397.88	0.14	2022/11	2,440	6,419	15,662	1,207.80	0.12	2022/12	2,580	6,419	16,561	1,277.10	0.13	Total for the Year	35,428	-	227,412	17,536.86	1.77	Month	KWh of Power Generated	Carbon Reduction		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)	2022/1	15,264	1,148.38	0.15	2022/2	11,740	875.18	0.14	2022/3	17,312	1,302.04	0.16	2022/4	20,126	1,514.21	0.19	2022/5	13,328	1,004.36	0.12	2022/6	15,756	1,191.47	0.14	2022/7	17,708	1,342.51	0.16	2022/8	15,714	1,192.38	0.14	2022/9	19,620	1,483.08	0.17	2022/10	14,708	1,100.48	0.14	2022/11	13,812	1,046.74	0.14
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Number

Subject Matter Information

Applicable Standard

Page

3 Total waste declared

ScinoPharm Waste Disposal was off-site in 2022

Hazardous Waste			Non-Hazardous Waste		
Item	Weight (metric tons)	Treatment Method	Item	Weight (metric tons)	Treatment Method
General solvent waste (C-0301)	1,726.44	Incineration method	Halogenated solvent waste (D-2301)	47.710	Incineration method
General solvent waste (C-0301)	136.230	Liquid waste and reuse	Organic sludge (D-0901)	127.680	Incineration method
Liquid waste with high water content (C-0301)	92.180	Incineration method	Drug waste (D-2405)	9.656	Incineration method
Inflammable halogenated solvent waste (C-0301)	27.770	Incineration method	General solid waste (D-2309)	63.110	Incineration method
Hazardous filter (B-0309)	5.130	Incineration method	Domestic waste (D-1801)	27.000	Incineration method
Empty barrel for toxic chemical waste (B-0309)	1.360	Process and reuse	Wood waste (B-0701)	4.230	Waste/Scraps and reuse
Empty barrel for general waste (C-030, C-0201, C-0202)	127.760	Process and reuse	Activated carbon waste (D-2403)	0.380	Incineration method
Other hazardous waste	0.080	Incineration method	Precious metals waste (D-2624)	0.051	Process and reuse
Infectious waste (C-0514)	0.795	Incineration method	Mixed waste paper (D-0609)	1.450	Incineration method
			Mixed waste oil (D-1799)	1.300	Incineration method
			Waste glass (B-0401)	4.280	Process and reuse

Notes:

1. Data on the output/disposal/management of significant industrial waste produced by the Company are obtained from the actual waste of production and reported online every month as required by law.

2. Hazardous waste and wastes in Categories A, B, and C; non-hazardous waste are wastes in Category D or E, such as domestic waste, wood waste, oil waste, halogenated solvent waste, and sludge.

3. For hazardous waste, the weight of waste is calculated as follows: (Weight of waste) × (Percentage of hazardous waste) = Hazardous waste weight.

Total industrial waste disposed of in 2022 as registered by the company on the industrial waste reporting and management information system in accordance with competent authority's reporting regulations and the Waste Disposal Act

63

4 Male-to-female employees pay ratio



Male-to-female employees pay ratio was calculated using male employees' pay for 2022 as 100% baseline.

67

5 Retention rate after unpaid parental leave

Unpaid Parental Leave in the Past 3 Years

	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of employees that actually applied for unpaid parental leave in the current year (A)	1	3	4	1	4	5	7	8	15
Number of employees expected to return from unpaid parental leave in the current year (B)	0	2	2	2	6	8	6	8	14
Number of employees reinstated after taking a parental leave in the current year (C)	0	1	1	1	4	5	5	6	11
Number of employees reinstated after taking a parental leave in the previous year (D)	2	2	4	0	1	1	1	4	5
No. of employees reinstated from unpaid parental leave in the previous year and who have worked for one year since (E)	2	2	4	0	1	1	1	4	5
Reinstatement rate after unpaid parental leave % (C/E)	-	33%	33%	50%	66.7%	62.5%	83.3%	75%	78.6%
Retention rate % (E/D)	100%	100%	100%	-	100%	100%	100%	100%	100%

Notes:

1. Reinstatement after Unpaid Parental Leave in 2022 = Number of employees reinstated after taking a parental leave in 2022 / Number of employees expected to be reinstated after taking a parental leave.

2. Retention Rate = (Number of employees reinstated who continued to work for more than one year after unpaid parental leave in 2022) / (Number of employees reinstated after unpaid parental leave in 2022). The company's retention rate in 2022 was 100%.

3. Number of employees who were eligible to apply for unpaid parental leave in 2022 = Number of employees who applied for maternity leave and paternity leave in 2020-2022. There were 85 employees.

Retention rate was calculated using the formula recommended in the GRI standards and with reference to the company's list of employees who applied for extended unpaid leave as of December 31, 2022 and to the number of employees that did return to work after parental leave. The formula is as follows:

69

$$\frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

Total number of employees returning from parental leave in the prior reporting period(s)

Appendix 6 Limited Assurance Report of the Independent Auditor



會計師有限確信報告

(112)資會綜字第 23003681 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 2022 永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）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。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司 2022 永續報告書第 97 至 98 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 3 頁之「報告書範疇」與「邊界與重大考量面」段落說明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵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 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，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，包括辨認所選定之關鍵績效指標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：

- 對參與編製所選定之關鍵績效指標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，以及依關之內部控制，以辨認重大不實表達之領域。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
701024 臺南市東區林森路一段 395 號 12 樓
12F, No. 395, Sec. 1, Linsen Rd., East Dist., Tainan 701024, Taiwan
T: +886 (6) 2343111, F: +886 (6) 275 2598, www.pwc.tw



- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標進行分析性程序，並選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

此報告不對 2022 永續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理規範

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、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，因此維持完備之品質管理制度，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，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依適用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所選定之關鍵績效指標或適用基準之變更，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 葉 芳 婷



中華民國 112 年 8 月 17 日



Independent Limited Assurance Report

To ScinoPharm Taiwan, Ltd.

We have been engaged by ScinoPharm Taiwan, Ltd. ("Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2022 Sustainability Report (hereinafter referred to as the "Subject Matter Information"), and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information identified by the Company and the respective applicable criteria are stated in the "Summary of Assurance Item" on page 97 to 98 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the "Reporting Scope" and "Boundary and Material Aspects" on page 3 of the Sustainability Report.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Subject Matter Information and performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Management Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Inherent Limitations

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria."

Other Matter

The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

Yeh, Fang-Ting
Independent Accountants
PricewaterhouseCoopers, Taiwan
Republic of China
August 17th, 2023

For the convenience of readers and for information purpose only, this document has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.



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