



2023 Sustainability Report

Work together to create prosperity

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About this Report

Editorial Outline

ScinoPharm Taiwan, Ltd. was founded in 1997. Its main factory is located in Southern Taiwan Science Park. It is an international API company that engages in the development and manufacturing of APIs and intermediates, supplying not only products and services to major pharmaceutical companies around the world, but also API CDMO services for new drug development companies and large patented pharmaceutical companies. In recent years, ScinoPharm ventured into the downstream sector of injectable formulations, providing customers a vertically integrated, one-stop-shopping service for APIs and injectables. Committed to developing special high-end APIs and formulations 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 ScinoPharm's specific approaches to and performance in environmental sustainability, social prosperity, and corporate governance (ESG) between January 1 and December 31 of 2023.

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, impacts, and performance in environmental, social, and economic aspects during the development process. Relevant information disclosed in this report pertains mainly to ScinoPharm Taiwan. Topics material to the Company were identified by Sustainable Development Committee, representatives, and external experts by assessing the actual or potential negative/positive impact of a topic on the economy, environment, and people (including their 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. There were no significant changes in the size, structure, or ownership of the Company during the reporting period. Restatements of information, if any, will be provided in text. Refer to the 2023 Annual Report for details of the organizational structure of ScinoPharm and its subsidiaries.

Compilation Guideline

This sustainability report is prepared by referring to the Universal Standards, Sector Standards, and Topic Standards issued by the Global Reporting Initiatives (GRI). The report discloses material topics identified by the company concerning and its impacts on the economy, environment, and people (including their human rights), its topic-specific disclosures for each material topic, and the reporting requirements for those disclosures. The Sustainability Accounting Standards Board (SASB) Standards and index for sector-specific disclosure are also adopted as the basis for preparing this report. 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 September 2023. The current issue was published in August 2024.

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Message from Management

Sustainability, at its core, encompasses a more comprehensive consideration of a company's operations, emphasizing the balance between economic, social, and environmental factors. Given the global sustainability trend, the rise in global awareness of net-zero emissions, and Taiwan's 2050 net-zero goals, ScinoPharm Taiwan has a duty to contribute its strength as a corporate body. In recent years, we have ramped up our sustainability efforts, placing emphasis on strengthening our competitiveness with effective carbon reduction strategies and goals. ScinoPharm Taiwan began compiling corporate social responsibility reports in 2013 to disclose our achievements in economic, social, and environmental aspects. We have continued to do so every year to not only keep stakeholders informed of the Company's development, plans, and outcomes in relation to corporate sustainability but also provide a basis for the company to review its ESG progress and performance.

ScinoPharm has always operated its pharmaceutical business by adhering to a people-centered, honest, and pragmatic approach, and enforces the most stringent quality control to ensure products of the greatest quality. Because we submitted a license application for our injectable product, the product in question developed in ScinoPharm's injectable plant underwent an inspection by the U.S. Food and Drug Administration (FDA) in late March of 2024. ScinoPharm Changshu was subject to GMP inspection and three main products. Both inspections

were passed with zero 483 observations, indicating that the product production and quality control procedures adopted by ScinoPharm are in line with the highest audit standards of the U.S. FDA.

Regarding environmental issues, we have taken actions to respond to international customers' expectations for sustainability. In 2023, we completed the annual greenhouse gas (GHG) inventory for 2022, passed ISO 14064-1 third-party verification, and completed quantifying the carbon footprint of one of our core products—Irinotecan Hydrochloride—in accordance with ISO 14067 standards. To further align with international standards and customer requirements for environmental sustainability, ScinoPharm adopts standards developed by the Science-Based Targets initiative (SBTi), and has made plans to complete the inventory and verification of Scopes 1–3 emissions for 2023 by December 31, 2024. The results will provide an overview of the company's energy usage and energy performance to facilitate the adoption of more appropriate measures and process improvement plans for emission reduction. We also plan to propose Scope 3 reduction targets in 2025.

ScinoPharm endeavors to create a friendly workplace by implementing multiple management approaches, including promoting diversity, equity, and inclusion (DEI) in the workplace

Chairman Chih-Hsien Lo

羅智先



and building a positive and inclusive work environment. To maintain steady operations in the company, we continued linking the company's business performance to employee performance and compensation, and motivate employees by offering pay increases or performance bonuses. In 2023, we began taking a more proactive approach for transparent management and timely communication: The publication of our quarterly financial reports occurs in contemporaneous with a meeting with employees where we inform them of the company's current business results. This enables employees to feel more involved in company operations and strengthens cohesion in the workplace.

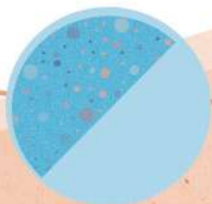
Exercising human rights is important. ScinoPharm leverages its inherent strength and strives to develop orphan drugs and innovative drugs. The Company has been engaged by Bill & Melinda Gates Foundation to optimize manufacturing processes for contraceptive products so that manufacturing costs can be greatly reduced for low-income countries to access birth control drugs. ScinoPharm continues to invest resources for sustainability and community care. In 2023, the company teamed up with a group of placemakers to curate sustainability-themed activities, including a beach cleanup in Yong'an District where we cleared 42 kg of marine debris together with residents of Kaohsiung Xingang Community. We participated in a co-creation activity in Zuo Zhen Old Street

that involved revitalizing artworks made using sustainable materials and bamboo. Our employees volunteered to assist with gardening and make bamboo materials, thereby helping the community reinvigorate its historical street and building business connections.

ScinoPharm promotes corporate sustainability by continuing to improve and review all aspects of its sustainability actions, which is a long-term requirement for corporate sustainability and also a commitment to sustainability aligned with customer expectations, laws and regulations, and global trends. Going forward, the Company will remain committed to improving its performance in corporate governance, making plans for ESG, and implementing those plans. Throughout this process, we will reflect on our actions and make continuous improvements to become better at creating the sustainable value of ScinoPharm and exerting our corporate influence.

President Li-An (Susan) Lu

盧麗安



2023 Highlights

Integrity Governance

ScinoPharm's independent directors are experts in industry practices, finance, and accounting

To establish a sound and efficient board of directors, ScinoPharm has clearly stipulated in its Articles of Incorporation that a candidate nomination system shall be adopted for the election of directors, and that directors shall be elected after approval by shareholders at a shareholders' meeting. Independent directors of ScinoPharm possess professional competency and extensive knowledge of industries, finance, and accounting. They provide advice on company operations from an independent and objective perspective. They meet the board independence and diversity requirements, and are capable of strengthening the board's role as the supervisor and instructor of company operations and assisting managers to conduct reasonable assessment of business decisions and make appropriate decisions. With the concerted efforts of our independent directors, the company is able to grow its business sustainably in the spirit of corporate governance.

ScinoPharm has five independent directors - four are expert scholars and industry leaders with pharmaceutical or medical backgrounds, and one is a professional in finance and accounting (see CH1.5 Corporate Governance for board composition and qualifications).

Stakeholders

ScinoPharm Internship Program as a platform for academic engagement

In 2023, ScinoPharm collaborated with its neighboring universities - Chung Hwa University of Medical Technology and Chia Nan University of Pharmacy & Science to launch a six-month internship program that aims to establish a communication platform for academic communities and cultivate pharmaceutical talents to bridge the gap between industry and academia. The program features practical training and provides opportunities for learning knowledge of the industry and GMP standards. Interns are paid more than the stipulated minimum wage and are entitled to the same privileges as full-time employees (such as attending company-organized activities).

As of the end of 2023, 15 students participated in our internship program. Excluding students who plan to continue their studies after graduation, seven students have been hired to work at ScinoPharm as full-time employees after internship. The retention rate of 87.5% is a testament to their recognition of ScinoPharm.

For the betterment of our internship program, we plan to extend the duration of internship from six months to one year in 2024 to provide interns with more extensive experiences. The scope of the program will also be expanded to include not only undergraduates but also students from vocational technical colleges. By utilizing corporate resources, ScinoPharm strives to foster students and young adults as an indirect means of facilitating the social growth and future development of the pharmaceutical industry.



Informing employees of the Company's business results to strengthen the disclosure and transparency of internal information

ScinoPharm has increased the intensity and frequency of internal communications to improve transparency in management and strengthen cohesion in the workplace. In February 2023, the Company launched a new system for increasing transparency in the workplace: after quarterly revenue reports are disclosed to the board and the general public, an announcement is concurrently made on our internal platform to inform employees of relevant matters, including business results for the previous quarter, recent progress, the President's expectations and words of encouragement, plans for employee remuneration during a profitable year, salary increases for the year, and performance bonus policies. Five announcements concerning the Company's business results have been made to employees as of March 2024.

By making information (e.g., operational status, work priorities, targets) more transparent in the workplace, the Company enables front-line workers to better understand its business directions and become more devoted to their tasks and performance, which strengthens workplace cohesion and shapes a corporate culture that retains talents.

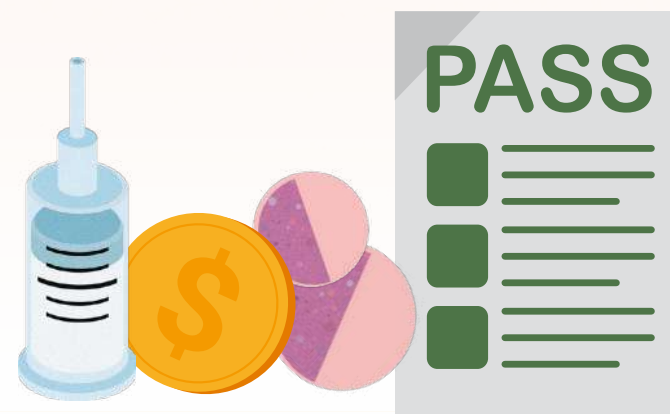


Economic Sustainability

A certified pharmaceutical R&D service company in Taiwan

In 2023, ScinoPharm was listed as a "Pharmaceutical R&D Service Company" by the Ministry of Economic Affairs in accordance with Guidelines on Applicable Investment Credits for Biotechnology and Pharmaceutical Industries Engaging Domestic Pharmaceutical R&D Service Companies to Conduct Research and Development. As of March 8, 2024, only 52 companies in Taiwan have been listed as a Pharmaceutical R&D Service Company. Our inclusion represents a recognition of ScinoPharm's status in industry and professional background. According to the Guidelines, any expenditures on R&D works entrusted to ScinoPharm by biotechnology/pharmaceutical companies in Taiwan are subject to investment tax credit.

In other words, the amount saved from the investment credit can be used toward increasing the pharmaceutical company's R&D capacity, while ScinoPharm is able to secure more business opportunities in the domestic market. This not only creates a mutually beneficial outcome for both parties but also ensures the advancement and sustainability of the biotechnology/pharmaceutical industry.



Environmental Protection

Product carbon inventory is key to reducing emissions and enhancing global competitiveness

Sustainability has been a topic of concern in both global and business communities in recent years, with everyone working together to conserve energy and reduce emissions. In 2023, ScinoPharm, with the assistance of the Green Energy & Environment Research Laboratories (GEL) of the Industrial Technology Research Institute, conducted carbon inventory on its product, Irinotecan Hydrochloride. The objective was to determine the emission hotspots in the production process and obtain reference information for process optimization to save energy, reduce emissions, and increase the competitiveness of our products in the international market.

Irinotecan Hydrochloride, used in the first-line treatment of advanced colorectal cancer, is one of the company's representative products. It is mainly exported to France, the United States, and India. We measured the greenhouse gases produced during the raw material and production/manufacturing stages of the product, while our departments worked together to collate data. Thanks to everyone's efforts, we completed our carbon footprint inventory in 2023, passed third-party verification in November 2023, and obtained the verification certificate in January 2024. The results showed that each kilogram of Irinotecan Hydrochloride emits 2356.29 kg CO₂e, of which 61.48% (1448.71 kg CO₂e) were produced during the raw material stage and 38.52% (907.58 kg CO₂e) during the production/manufacturing stage. The raw material stage had a higher level of emission because a large amount of organic substances is needed to synthesize the product and most of the raw materials are imported. This inventory revealed our emission hotspots; going forward, we intend to reduce our emissions by recovering and purifying solvents to use less solvent and reduce waste.



People/Human Rights

Promoting access to contraceptives in third-world countries

Bill & Melinda Gates Foundation is committed to donating contraceptive products to help third world countries control their population growth. The foundation therefore commissioned ScinoPharm Taiwan to optimize the manufacturing process for Levonorgestrel, a contraceptive pill. The first phase of research and development yielded a new process of synthesis that can greatly reduce the cost of mass, continuous production by 60%, thus making it easier for women in third-world countries to access contraceptives. Easier access means less health risks from unwanted pregnancies (such as, disease, pregnancy complications, premature death) and social/human rights problems (such as, education, food). ScinoPharm is now committed to the second phase of R&D and process optimization to promote drug accessibility in third world countries.



Friendly Workplace

Female employees in senior executives account for 80% of the Company's workforce, which shows that ScinoPharm implements the employment policy of equal opportunity.

ScinoPharm provides equal opportunities in recruitment, employment, and career development, and hires and trains 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. We enforce a policy that ensure equality in employment. In 2023, more than 80% of our top management are women.

The Company ensures gender equality in the workplace. By making our performance management and job promotion policies transparent, ScinoPharm supports and gives employees equal opportunities. We use objective criteria to assess job performance and competencies, eliminate gender discrimination and prejudice, and provide flexible working hours, maternal care, and employee assistance programs, among other workplace-friendly measures to achieve diversity, equity, and inclusion in the workplace.



Social Inclusion

Promoting placemaking and sustainable development

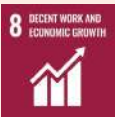
In 2023, ScinoPharm organized a series of exciting sustainability actions that varied on a seasonal basis. We teamed up with local communities and social welfare organizations (e.g., Mogather) in various rural districts (e.g., Liugui, Yong'an) in Kaohsiung and Tainan to launch a range of volunteering activities aimed at supporting the sustainable development of rural areas. Details of the activities are provided below (see 5.2 Community Engagement for more information)

- **Spring** — Sustainable Coastline
Tea-tasting in Liugui, a day of fishing in Yong'an
- **Summer** — Co-Creation on Zuo Zhen Old Street
Revitalizing artworks made using sustainable materials and bamboo
- **Autumn** — A Century-Old Line in Xinzhen
Experiencing local culture and cuisines
- **Winter** — ScinoPharm Art Forum
"Let's Take a Sustainable Trip"



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 5.2 Social Engagement	- Charitable Activities - Month of Love at Southern Taiwan Science Park - Event gifts prepared from products made by social welfare organizations - A Century-Old Line in Xinzhen - experience local culture and promote local economic development
	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 Promoting Workplace Health and Management	- 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
	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 of culture's contribution to sustainable development.	4.1 Workforce Overview 4.2 Employee Benefits and Care 5.1 Giving Back to Society 5.2 Social Engagement	- 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" - Attend the International Advanced Drug Delivery Symposium - Donate instruments and equipment to Kaohsiung Medical University - Provide internship opportunities for students - Adopt local sustainable initiatives
	5.1 End all forms of discrimination against all women and girls everywhere. 5.2 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 18% of the Board 80% of senior managers are women. Our employment policy is based on merit, not on gender. - Men-to-women pay ratio was 1: 0.92, and implemented gender equality in the workplace.

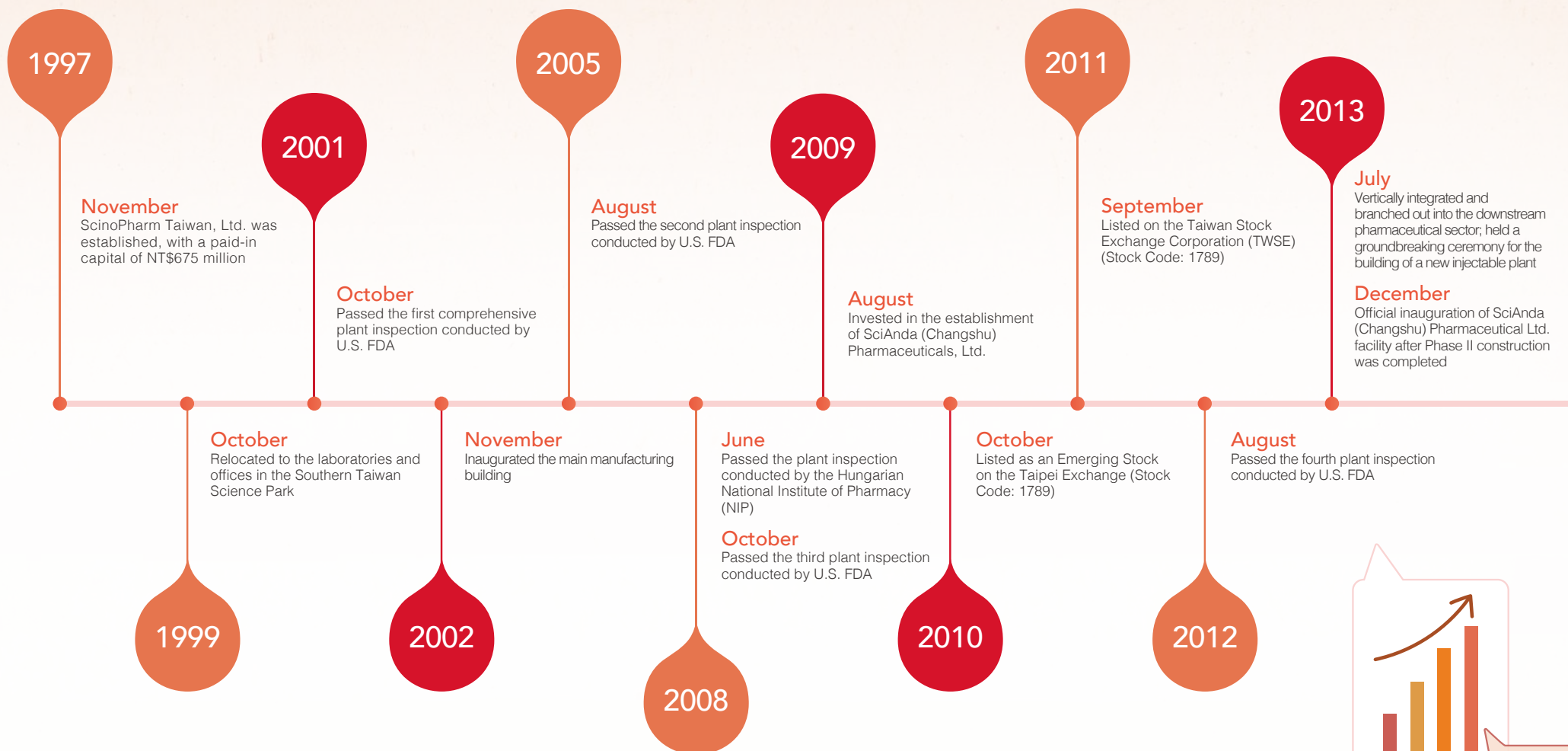
SDG	Targets Relevant to ScinoPharm	Corresponding Chapters/Sections	ScinoPharm's Strategy and Approach
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	3.2 Energy and Resource Use and Management 3.4 Pollution Prevention	- ScinoPharm is a manufacturers 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 2023. - The Company checks processes and wash procedures, and optimizes cleaning equipment to reduce the use of detergents. - Collaborate with recycling and reuse companies to treat and process high-purity liquid waste which cannot be recycled for reuse in processes.
	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	- 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, 2023, ScinoPharm has 8 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, forced labor, human trafficking 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.
	11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	5.2 Social Engagement	ScinoPharm organized a series of exciting sustainability actions that varied on a seasonal basis, and worked with various social welfare organizations to launch volunteering activities for the sustainable development of rural areas.

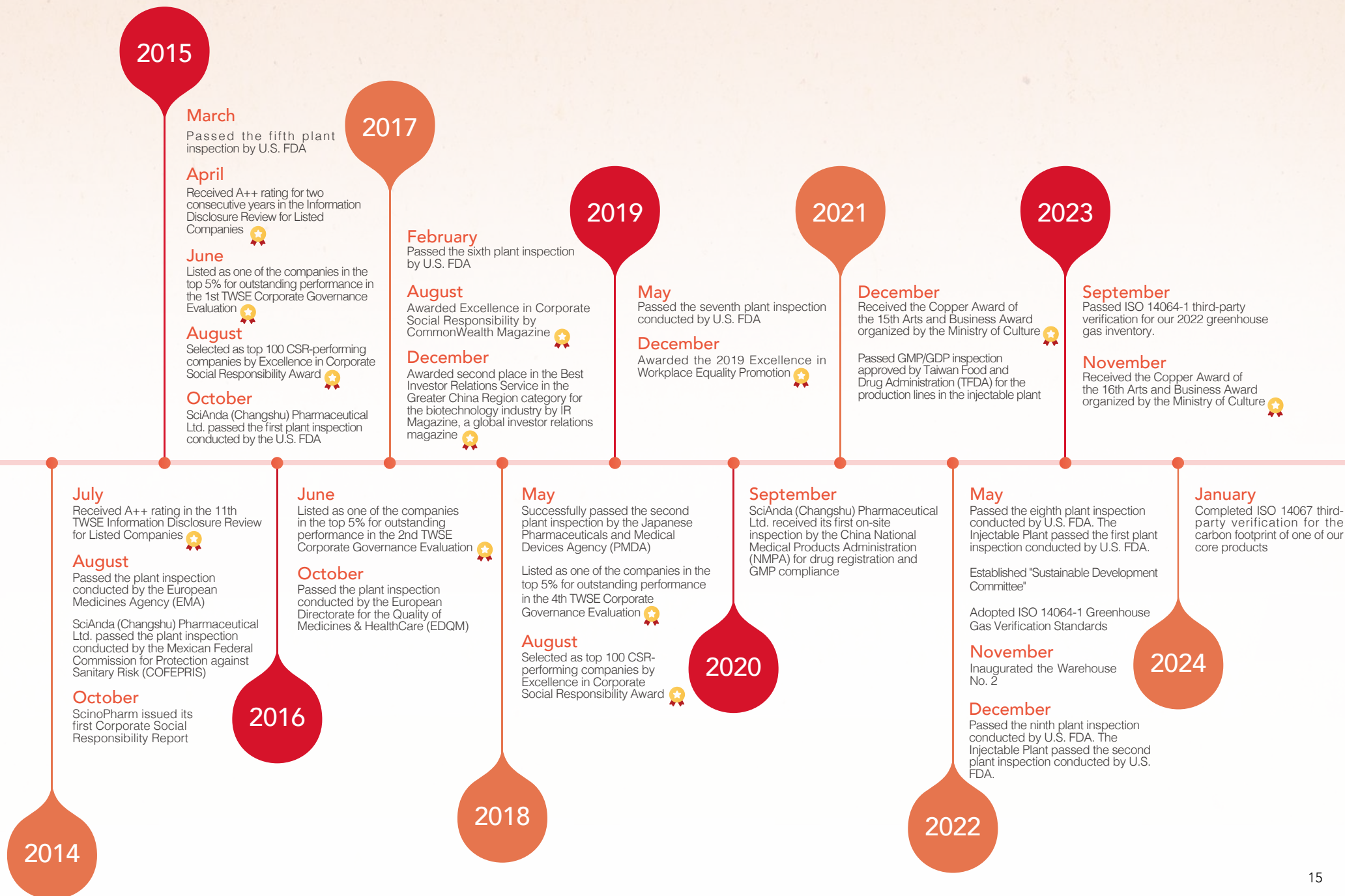
SDG	Targets Relevant to ScinoPharm	Corresponding Chapters/Sections	ScinoPharm's Strategy and Approach
	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their 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. 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	About this Report 3.4 Pollution Prevention 5.2 Social Engagement	• 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. • ScinoPharm organized a series of exciting sustainability actions that varied on a seasonal basis, and worked with various social welfare organizations to launch volunteering activities for the sustainable development of rural areas.
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries. 13.2 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 Identifying and Engaging with Stakeholders	• 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







CH1

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. ScinoPharm's injectable plant underwent an inspection by the U.S. Food and Drug Administration (FDA) in late March of 2024 and passed with zero 483 observations. Our injectable plant has different production lines for injectable products. To date, the plant has passed three U.S. FDA inspections, and this will be conducive to the vertical integration and development of the company's businesses.

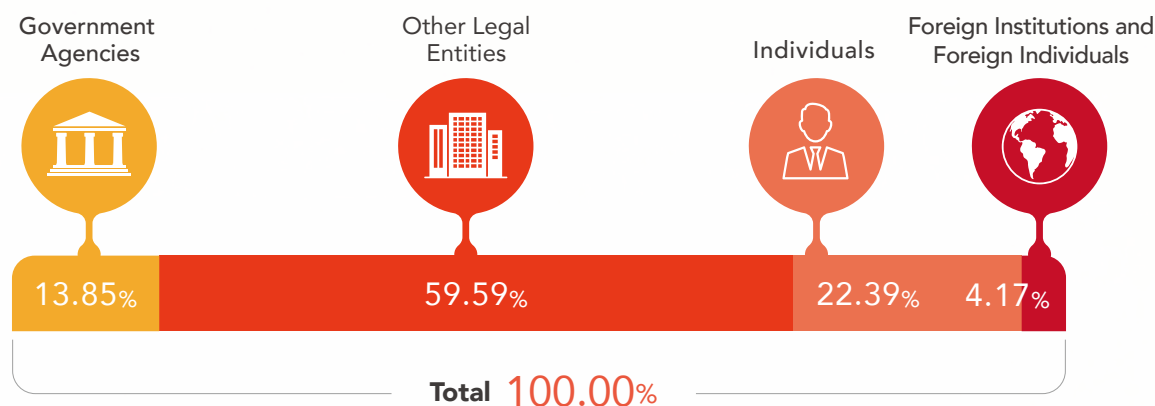
A pharmaceutical business is a business that serves the interests of the public and society. ScinoPharm is not only fully committed to developing high-quality APIs, but we are also focused on ensuring the sustainable development of the company. With the hope of achieving corporate sustainability, the Company established a Sustainable Development Committee in May 2022 to promote and implement plans related to sustainability.

1.2 Major Shareholder Structure

As of March 31, 2024, ScinoPharm has issued 790,739,222 shares in total and registered 28,165 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, 2024

Shareholder Composition	Shareholding (%)
Government Agencies	13.85
Other Legal Entities	59.59
Individuals	22.39
Foreign Institutions and Foreign Individuals	4.17
Total	100.00

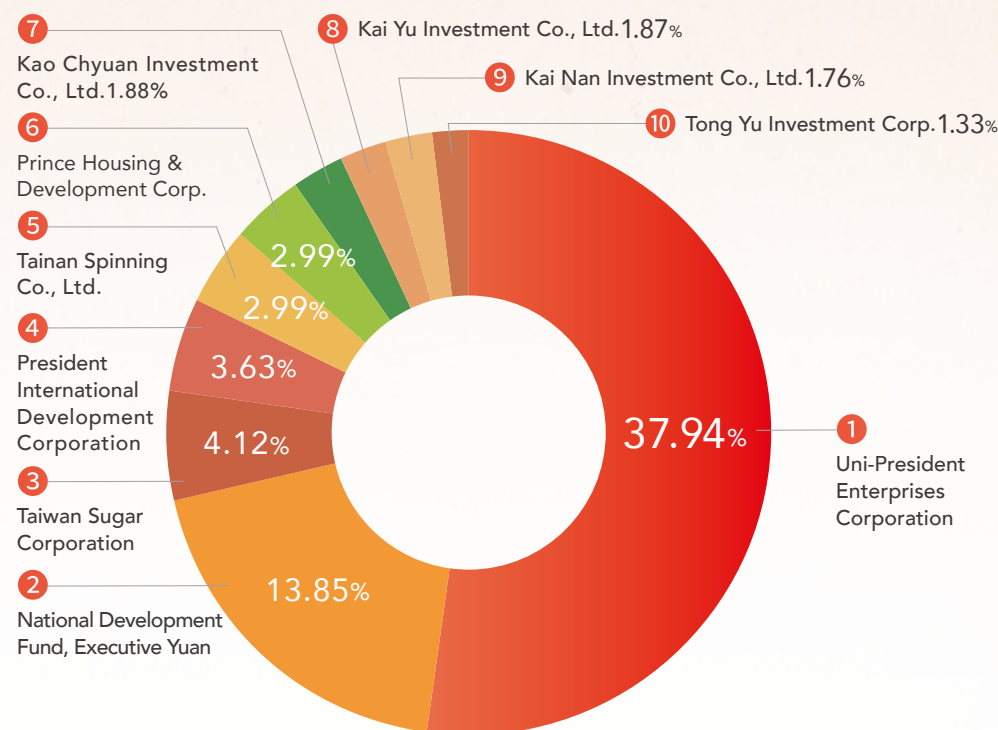


ScinoPharm's Top Ten Shareholders

March 31, 2024

Name of Major Shareholders	Shares	Shares Held	Shareholding (%)
1 Uni-President Enterprises Corporation		299,968,639	37.94
2 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.		10,611,166	1.33

Source: Stock agency statistics



1.3 Overview of Operations

2023 was a year in which ScinoPharm deepened its investment deployment. We comprehensively reviewed all operations. The Company also introduced a new quality system to enforce strict product quality control. We refurbished our production plant, and invested in production line facilities, making full preparations for enhancing and optimizing our production capacity. As the global supply chain moves toward market segmentation in light of geopolitical development, ScinoPharm remains committed to consolidating its foundation in generic APIs, and has completed DMF submissions for new APIs to expand our API product lines for greater market visibility. We continued to implement production and marketing plans for main APIs and provide customers with stable supply of products that meet expectation and both quality and quantity requirements. Meanwhile, we endeavored to improve our overall competitiveness in the industry by leveraging the flexible production capabilities of our manufacturing sites in Tainan, Taiwan and Changshu, China.

In developing and manufacturing new drugs for clients, ScinoPharm assisted many customers to successfully obtain drug permits and launch products in Europe, the United States or China. In 2023, our revenues were generated from drugs for advanced liver cancer, thyroid cancer, prostate cancer as well as epilepsy drugs and also from antidepressant products and rare disease drugs. In the future, we will tap into our extensive R&D experiences to continually expand our businesses in contract manufacturing and developing new drugs and APIs.

ScinoPharm operates its pharmaceutical business by adopting a dual-track model that involves product and strategic collaborations. ScinoPharm is focused on compound injectables which are extremely complex. Presently, we have submitted Abbreviated New Drug Applications (ANDAs) for five of our products. One product has been approved in 2023, and we will actively facilitate the FDA's review of other products to speed up our process of obtaining drug permit licenses. In terms of strategic collaboration, we officially launched our contract development and manufacturing service after our injectable plant passed the FDA's inspection. In 2023, we completed the commercial production and shipment of generic injectables developed for our clients, while other contracted products are still making progress at different stages of production.

ScinoPharm Taiwan used its diverse API product lines to increase the value of the API industry. We developed sterile injection preparations for vertical integration, and continue to drive research and development efforts to strengthen our manufacturing process and achieve greater cost-effectiveness. Going forward, we will expand the Company's injectable business by continually developing our own brand injectables. Through business partnership, we will expand our business, increase the scope of our one-stop product integration services, and secure more contract works to increase the utilization rate of our production capacity for injectables and unlock greater business opportunities.

Financial Performance

The annual individual revenue for 2023 was NT\$3.007 billion; the net income after tax was NT\$287 million, and after-tax earnings per share was NT\$0.36. Refer to ScinoPharm's Annual Report and website for detailed financial information.

Unit: NT\$ thousands

	2021	2022	2023
Total assets	11,622,064	11,786,017	11,600,223
Total liabilities	1,111,010	1,335,964	1,235,793
Shareholder equity	10,511,054	10,450,053	10,364,430
Paid-in capital	7,907,392	7,907,392	7,907,392
Operating revenue	2,642,830	3,069,434	3,006,952
Gross profit	1,254,524	1,231,798	1,083,293
Operating profit	376,930	508,015	316,633
Net income before tax	302,264	437,931	348,789
Net profit after tax	243,471	353,216	287,056
Basic earnings per share (NT\$)	0.31	0.45	0.36

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

	2021	2022	2023
Taiwan	58,793	84,715	61,733
Other	22	29	51
Total income tax	58,815	84,744	61,784
Income tax as a percentage of operating revenue	2.13%	2.60%	1.94%

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

Unit: NT\$ thousands

	2021	2022	2023
Operating costs	1,388,306	1,837,636	1,923,659
Employee wages and benefits	723,354	731,776	792,877
Payments to government (Note 2)	59,975	70,277	97,659
Cash dividends	379,555 0.48 (NTD/share)	284,666 0.36 (NTD/share)	237,222 0.30 (NTD/share) (Note 3)
	0	0	0
Stock dividends	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
2. Sum of business income tax, stamp duty, property tax, fuel fee, vehicle license tax, etc.
3. After the 2023 net income after tax is added to the various adjusted earnings, the distributable earnings were approximately NT\$0.479 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\$0.30, which complies with the dividend distribution policy for previous years

Tax credits and government subsidies are detailed below:

Tax credits(Note 1)

Unit: NT\$ thousands

Law	Tax Credit Item	2021	2022	2023
Article 10 of the Statute for Industrial Innovation	Investment tax credit for research & development expenditure	2,533	4,802	6,597
Article 10-1 of the Statute for Industrial Innovation	Credits for smart machinery expenses	2,311	2,231	2,486

Note 1: Tax credits for 2023 have not yet been approved by the National Taxation Bureau.

Government subsidies(Note 2)

Unit: NT\$ thousands

Childbirth allowances, childcare subsidies, importer and exporter subsidies for participation in exhibitions, subsidies for the Southern Taiwan Science Park new technological application project, and subsidies for environmental monitoring, etc.		
2021	2022	2023
2,077	1,969	251

Note 2: Subsidies received for the year.

1.4 Business Contents

1.Services

ScinoPharm has the capacity to supply APIs required by generic drug manufacturers, in addition to a complete range of customized R&D and OEM services, including the synthesis, process development, and mass production of simple molecules, complex natural molecules and their derivatives, peptides and nuclei acids, as well as other biochemical compounds. The Company's injectable plant in Tainan is capable of providing API R&D and injectable production services

among other one-stop services to meet market demands for the production of injectables. 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. 40 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. 12 API products have been approved for sale in the market (10 of which are new APIs)	B. 5 API products are investigated in phase 3 clinical trials	C. 6 new customized R&D and OEM projects were launched this year
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(3) Development and manufacturing of injectables

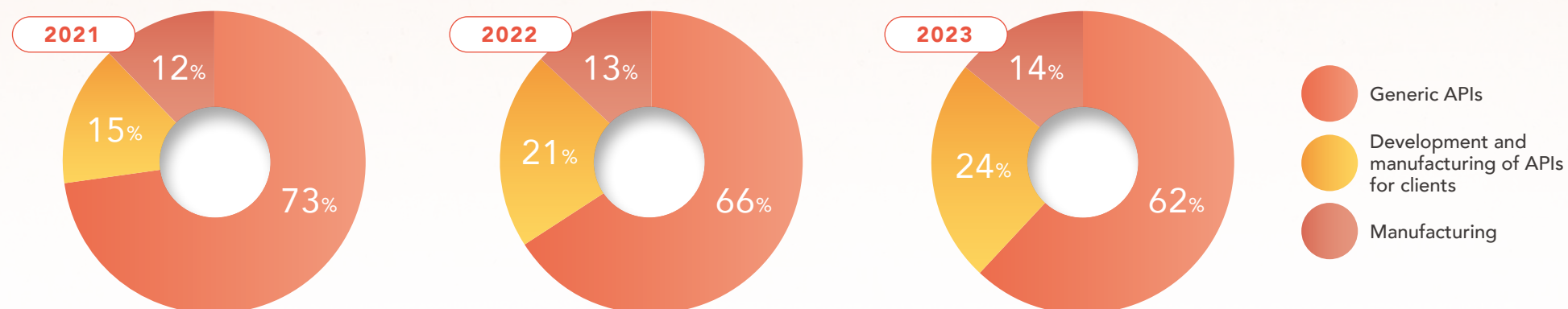
Own brand injectables	In 2021, lyophilized production lines in our injectable plant passed inspection by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare. In 2022, our lyophilized injectables passed U.S. FDA pre-approval inspection with zero 483 observations and its licensing has been approved by U.S. FDA in September 2023.
	In 2022, pre-filled syringe and liquid injectable products produced in our injectable plant passed U.S. FDA pre-approval inspection. ANDA for these two products have entered the final review stage.
	In 2023, ANDA for two pen injectors has been submitted to U.S. FDA.
Business collaboration	Collaboration projects involving injectables include products for blood cancer, drugs for chemotherapy-induced nausea and vomiting, anticoagulants, new drugs and generic drugs for non-small cell lung cancer, and generic drugs for multiple myeloma.
	The first commissioned/contracted injectable product has entered commercial mass production, with shipment scheduled for Q3 2023. Stable supply is maintained in 2024 with plans to expand the scope of collaboration.
	Marketing partnership agreement has been entered for our own brand injectables, namely pre-filled syringe and two pen injectors, while negotiation is ongoing for other collaboration and contract manufacturing projects.

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

1 Breakdown of revenue by business type

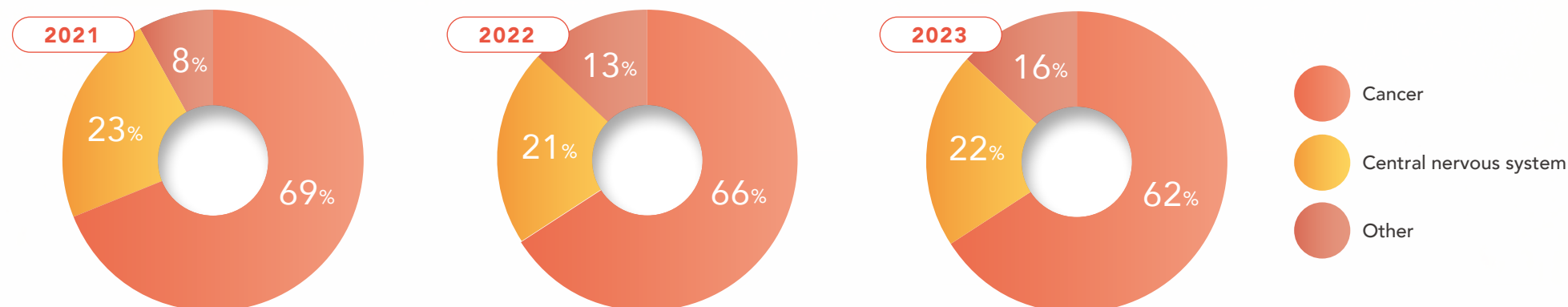
In 2023, most (62%) of the Company's consolidated revenue were generated from generic APIs. Revenues from contract development and manufacturing of APIs as a percentage of total revenue increased to 24%, attributable to our stable supply for products needed by customers, including drugs for the treatment of advanced liver cancer/thyroid cancer, prostate cancer,

antidepressants, and drugs for genetic epilepsy. Revenues from injectables as a percentage of total revenue increased slightly to 14%, due to the continuous shipment of non-small cell lung cancer drugs and anticoagulants, the market launch of a client's contrast media API, and the shipment of paclitaxel injection, which was developed and produced for a new client.



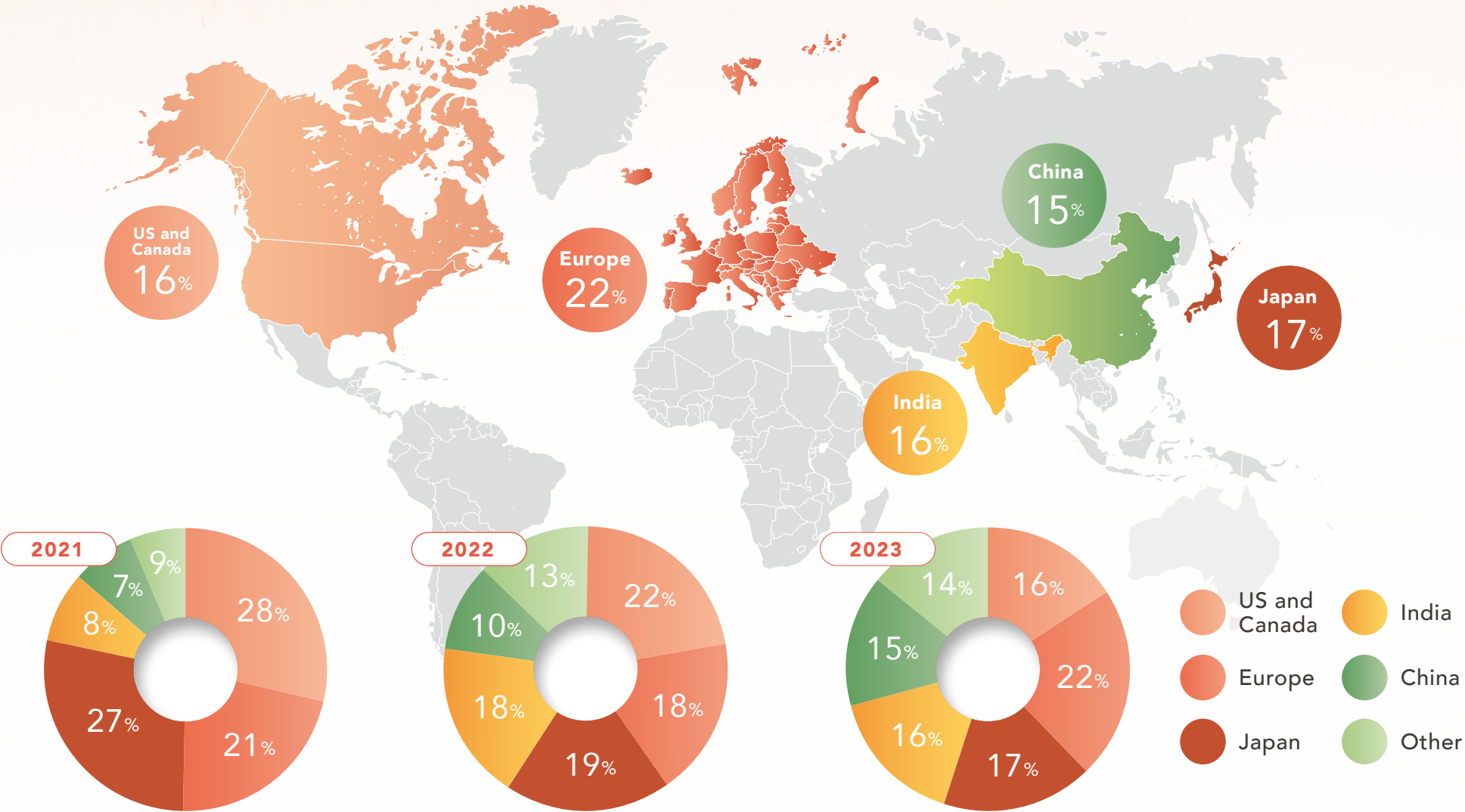
2 Breakdown of revenue by product indications

In terms of product indications, the Company's consolidated revenue in 2023 was derived mainly from cancer treatment drugs (62%), followed by drugs for the central nervous system (22%), and others including cardiovascular drugs and Alzheimer's disease drugs (16%).

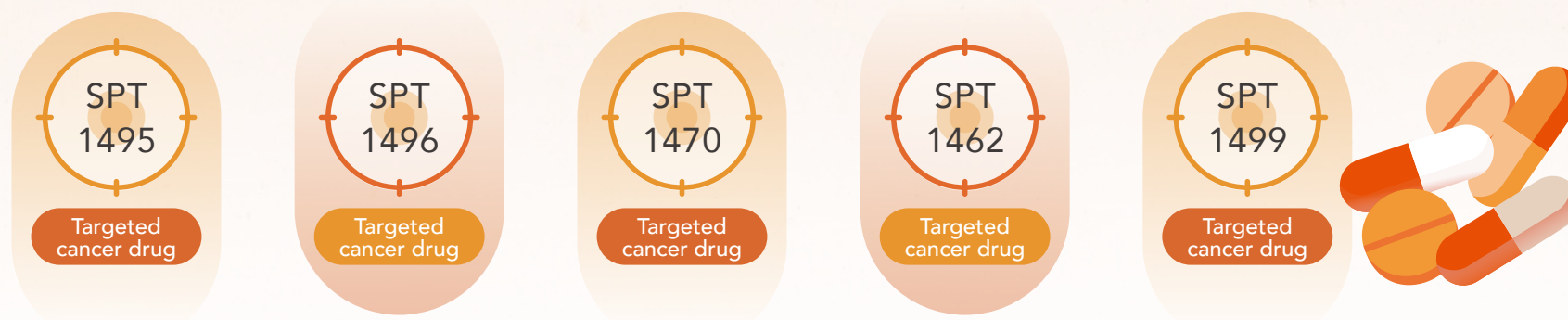


3 Breakdown of revenue by region of sales

In 2023, revenues from overseas markets, including the United States, Canada, Europe, Japan, and India, were affected by changes in customer demand and accounted for approximately 16%, 22%, 17%, and 16% of the total revenue, respectively. Revenues from the Chinese market have increased continuously, accounting for 15% of the total revenue.



3.Plans for New Product Development

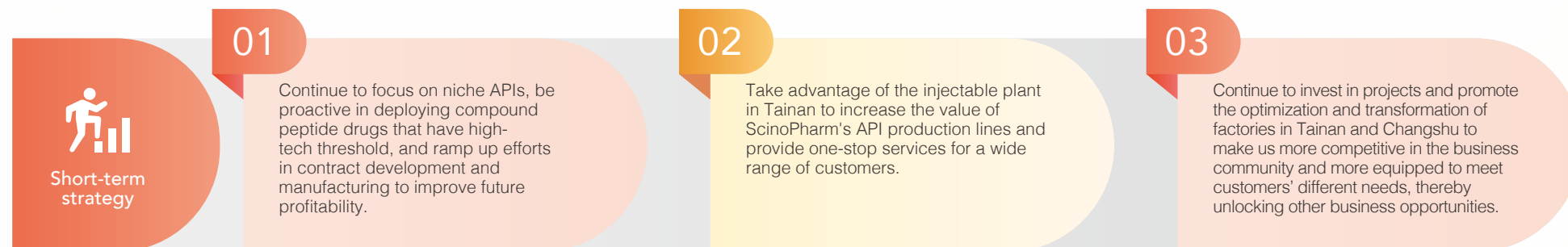


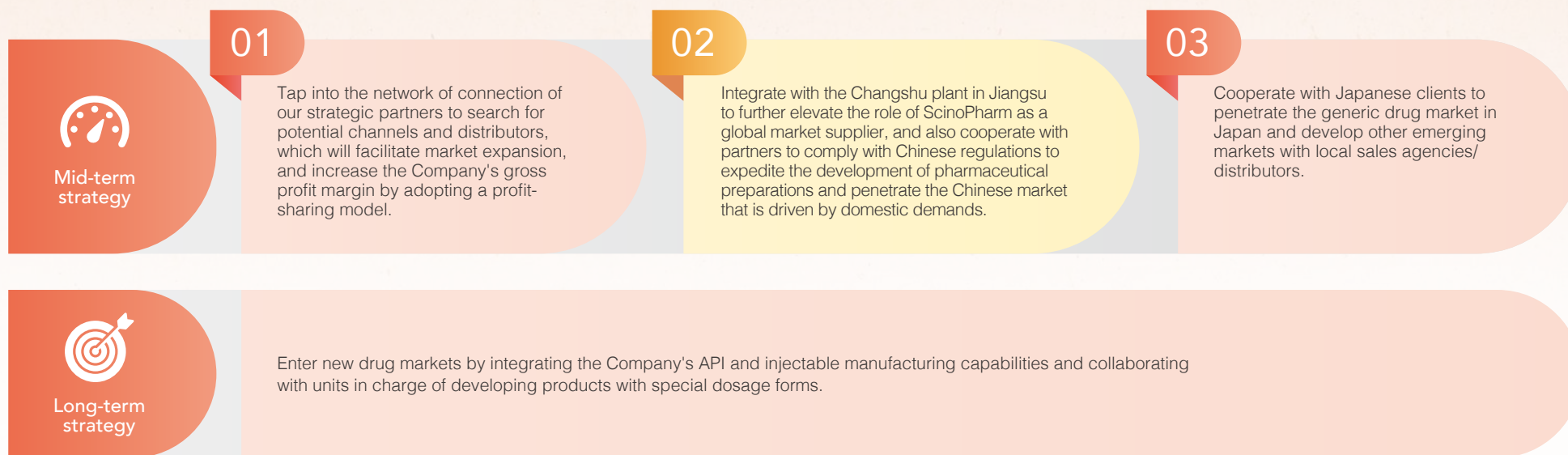
4.Short-, Mid-, Long-Term Business Development Strategies

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). Meanwhile, we leveraged our existing skills and services to expand the contract development and manufacturing market 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:



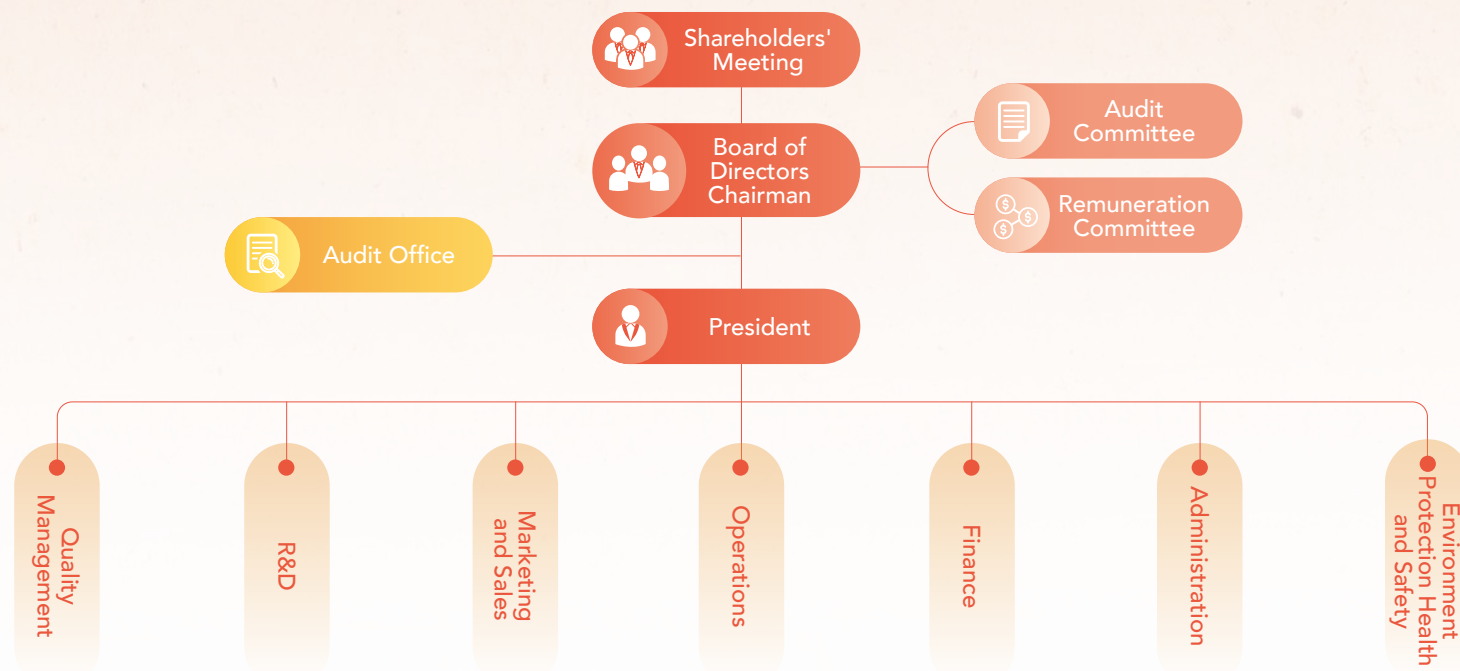


1.5 Corporate Governance

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", "Remuneration 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 during the shareholders' meeting. The board included three independent directors, and each member serves a three-year term. To strengthen corporate governance, another two independent directors were by-elected at the shareholders' meeting on May 29, 2023. Presently, our Board of Directors consists of 17 members, including 5 independent directors. The professional qualifications and experience of the Company's independent directors are in compliance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company's Articles of Incorporation stipulates that independent directors may not serve more than three consecutive terms. The Company ensures board diversity: The 10th Board of Directors is composed of 14 male directors and 3 female directors (18% of the board). The average age of the directors was approximately 65 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. Seven board meetings were held in 2023, and the average attendance rate was approx. 93.81%. 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 2023, 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 & Development	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	●	●	●	●	●		●	●	●	●
Tsung-Pin Wu	Taiwan	Male	●				Finance and Accounting	●	●	●	●	●		●	●	●	●
Jia-Horng Guo	Taiwan	Male		●			Financing	●	●	●	●	●		●	●	●	●
Fu-Jung Lai	Taiwan	Male	●				Business Management	●				●			●		●
Ching-Yuan Cheng	Taiwan	Male		●			Biochemical Engineering	●	●			●	●	●	●	●	●
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	●	●	●	●	●		●	●	●	●
Ling-Ming Sun	Taiwan	Male	●				Agriculture and Chemistry	●	●	●		●			●	●	●
Wen-Chang Chang	Taiwan	Male			●	●	Pharmaceutical	●	●			●	●	●	●	●	●
Li-Tzong Chen	Taiwan	Male		●		●	Clinical Medicine	●	●			●	●	●	●	●	●
Ming-Hsien Li	Taiwan	Male		●		●	Accountant	●	●	●	●	●		●	●	●	●
Chun-Yen Chang	Taiwan	Male		●		●	Medicine	●	●			●	●		●	●	
Chun-Yu Yang	Taiwan	Male		●		●	Medicine	●	●			●	●		●	●	●

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 2023 performance evaluation results for the Company's Board of Directors, individual directors, Remuneration Committee, and Audit Committee have been presented to the Remuneration Committee on February 23, 2024 and to the Board of Directors on February 27, 2024. The performance evaluation results all reflected positive recognition and ratings. 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. Two new independent directors, Chun-Yen Chang and Chun-Yu Yang, were by-elected during the 2023 shareholders' meetings. Both directors were appointed as members of 4th Audit Committee. Presently, the committee is composed of five independent directors: Ming-Hsien Li, Wen-Chang Chang, Li-Tzong Chen, Chun-Yen Chang, and Chun-Yu Yang. The average age of the Committee was 70 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 2023, the Audit Committee met 5 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/quarterly, 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.

Remuneration Committee

On April 27, 2011, the Board of Directors of ScinoPharm approved the "Remuneration Committee Charter" and resolved to establish the Remuneration Committee. Two new independent directors, Chun-Yen Chang and Chun-Yu Yang, were by-elected during the 2023 shareholders' meetings. Both directors were appointed as members of 5th Remuneration Committee. Presently, the committee is composed of five independent directors: Wen-Chang Chang, Ming-Hsien Li, Li-Tzong Chen, Chun-Yen Chang, and Chun-Yu Yang. The average age of the Committee was 70 years-old.

The Remuneration 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 Remuneration 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 2023, the Remuneration Committee met 5 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 2023, 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 Employee Code of Conduct and Code of Ethics.



Communication Channels and Mechanisms

Investor
Relations

Corporate
Governance

Code of Ethical
Conduct

Since going public, a share administration agency has been appointed to handle stock affairs. In addition, the Company has set up a spokesperson, deputy spokesperson, Public Affairs 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.



Investor conferences held by the Company or to which the Company was invited in 2023

January,
2023

Conference for 2023 Healthcare Conference held by J.P. Morgan

March,
2023

Investor conference for 2022 organized by the Company

June,
2023

Online investor conference organized by SinoPac Securities

August,
2023

Online investor conference for the first half of 2023 organized by the Company

December,
2023

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 2023, the Company has not violated the principle of good faith.



▲ General shareholders' meeting/annually in 2023



▲ Investor conference for 2022

1.7 Stakeholder and Material Topics Identified

The 2023 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). The report discloses material topics identified by the company concerning and its impacts on the economy, environment, and people (including their human rights), its topic-specific disclosures for each material topic, and the reporting requirements for those disclosures. The Sustainability Accounting Standards Board (SASB) Standards and index for sector-specific disclosure were also adopted as the basis for preparing this report. 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 32 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 stakeholders identified in 2023 were the same as those in 2022: 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 Safety and Health Management Committee and a Sustainable Development Office and Risk Management Team working under it, with the Vice President of Operations acting as the convener of the Sustainable Development Office and Risk Management Team. The Sustainable Development Office and Risk Management 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 topics material 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 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 and external experts, identifying 10 topics that were material to

ScinoPharm in 2023: Customer Health and Safety, Innovative Technology and Patents, Marketing and Labeling, Risk Management, Energy, Waste/Scraps, Economic Performance, Occupational Safety and Health, Training and Education, and Talent Recruitment and Retention. 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 Safety and Health	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
10 Talent Recruitment and Retention	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 topics	Describe impacts	Actual/Potential + Positive - Negative	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. 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's products are fully compliant with health regulatory review requirements, U.S. FDA regulations, and the current international CGMP. As of December 2023, customers and regulatory authorities have conducted on-site inspections on our manufacturing plants a total of 530 times and 97 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 - 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 means 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 - 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 2023, ScinoPharm has a total of 45 inventions and 211 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 and 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 topics	Describe impacts	Actual/Potential + Positive - Negative	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	• 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.	Adopt the guidelines and principles of the International Science-Based Target initiative (SBTi) and set a target of reducing total Scopes 1 and 2 emissions by 4.2% with 2023 as base year. Reduce waste production (excluding the amount of waste treated for reuse) by 1–2% every year compared with the base year.	Monthly consumption of water and electricity 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 218,964 kWh of electricity in 2023. 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 topics	Describe impacts	Actual/Potential + Positive - Negative	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 transformation 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 of 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.	The consolidated revenue for 2023 was NT\$3.186 billion; the net income after tax was NT\$287 million. All in all, a robust financial structure was maintained. The distribution of 2023 earnings at a cash dividend of NT\$0.30 per share was approved by a resolution of the board on February 27, 2024 and during shareholders' meeting on May 28, 2024.
		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 Safety and Health	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, encourages employees to report near miss incidents and observe unsafe behaviors, and fosters safety awareness in employees to create a safety culture. 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. 4. 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					

List of material topics	Describe its policies or commitments regarding the material topics	Describe impacts	Actual/Potential + Positive - Negative	Main subject of impact	The prevention and remediation of negative impacts	Goals and targets	Management and evaluation mechanism	Performance and adjustment
 Talent Recruitment and Retention	Establish a high-quality work environment and build a positive employer brand based on the principles of diversity, equity, and inclusion (DEI).	Environmental aspects: Build a high-quality work environment, provide diverse job opportunities, recruit top talents, and encourage employees to work with the company to improve the company's overall performance.	+ Actual	- Direct impacts caused by the Company - Impacts caused by the customers	1.We are proactive in diversifying our talent recruitment channels.	1.Participate in at least 3 large-scale recruitment activities every year 2.Improve the management capabilities of managerial officers and reinforce human rights awareness in the workplace 3.Create a diverse range of two-way communication channels	1.We have established a performance management and promotion system and an internal transfer system to create a stable work environment for talent retention. 2.We ask after new employees and provide assistance as needed to retain talents. We have set up an employee suggestion box and convene staff meetings regularly to determine what employees expect from the company, and use their feedback for continual improvement. 3.We organize management courses and human rights policy training every year.	1.Through campus recruitment and internship programs, we systematically cultivate and recruit high-caliber talents. In 2023, we signed an internship agreement with two universities, and officially hired 7 of the interns as full-time employee. In 2023, we participated in five large and seven small/medium-sized recruitment activities. 2.In 2023, a total of 973 employees completed 2,173 hours of training course in management. In 2023, a total of 771 employees completed 2,965 hours of training course in human rights. 3.In 2023, performance evaluation was conducted on all of our employees, and we asked after all of our new employees and gave them assistance during their period of transition.
		Economic aspects: Declining birthrate leads to skill gaps and labor shortage, which affects company operations, resulting in revenue reduction.	- Actual		2.We improve supervisors' management capabilities through management training courses, establish a culture of respect and tolerance through human rights-related courses, and build a positive work environment that makes it attractive to talents.			
		People/Human Rights aspects: A people-centered, respectful, inclusive friendly environment creates a positive atmosphere in the workplace, which inspires greater employee engagement and identification with the company.	+ Potential		3.Each year, we conduct market salary surveys and assess the competitiveness of the salaries we offer; administer performance-based, promotion-based, and structured salary adjustments based on the external economic environment, annual business goal achievement, and individual performance, to provide competitive salaries; and develop a retention bonus system to retain talents and stabilize internal talent pool.			

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/2023 Shareholders' Meeting was convened on May 29, 2023 - Important information disclosures/as required by competent authorities/21 announcements in 2023 - Financial reports and annual reports/periodically/published quarterly financial reports and annual report for 2023 in both Mandarin and English as required by law - Investor conferences/semi-annually/5 times in 2023 (ScinoPharm independently organized two conferences and was invited to three conferences) - Disclosure through corporate website
 Employees	Health Workplace Equal Treatment Respecting Human Rights	- Labor-management and communication meetings/periodically/4 times in 2023 - Employee welfare committee meetings/periodically/4 times in 2023 - Employee meetings/semi-annually/2 times in 2023 - News or Announcement section on the Company's Intranet website - Bimonthly e-newsletter/6 times annually - Employee suggestion box/51 replies in 2023 - 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 5 times and 94 times in 2023, respectively
 Customers	Safe and High-Quality Products	- Phone calls and e-mails - Visits or on-site audits/as needed/Inspections by clients 30 times in 2023 - International pharmaceutical exhibition/4 exhibitions in 2023 - Disclosure through corporate website
 Government agency	Regulatory Compliance	- Compliance inspections/periodically/3 times by regulatory authorities in 2023 - 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 2023
 Supplier/Contractor	Fair Procurement	- Visits to and audits on suppliers/as needed/audited 40 suppliers and waste disposal company 3 times in 2023 - Safety meetings with contractors/regularly/as needed - Phone calls and e-mails/as needed
 Academic Unit	Education and Training	- Industry-academia collaboration/hired 31 interns in 2023 - On-campus talks and recruitment/5 sessions in 2023 - 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/5 times in 2023, including the Month of Love at Southern Taiwan Science Park, purchased gift sets from charity organizations for in-plant activities, collected and donated gifts for an event (to celebrate the wedding anniversary of elderly couples), beach cleanup, and a blood drive. - ScinoPharm Art Forum/once a year/reached a total of more than 8,000 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, ScinoPharm has set up the risk management policies, 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.

In recent years, information security and risk management have gained increasing attention. ScinoPharm is committed to establishing a conforming information security system to protect important R&D technologies, intellectual properties, and patents owned by the company. Meanwhile, we comply with GMP regulations to ensure and protect the information security of our corporate operations, manufacturing activities, and quality assurance processes. The Company allocated NT\$2 million in 2023 to strengthen the security of our information infrastructures. In

general, the Company manages its cybersecurity by setting up a dedicated information security unit as required by law, inspecting relevant systems regularly each year, and reporting the implementation status to the President as needed. For effective implementation of our information security policy, we organize education and training courses on information security to reinforce employees' understanding of information security and improve their ability to identify information security threats. We worked with an external information security team to build a communication network for information security, and began using the service of the Science Park Information Sharing and Analysis Center (SP-ISAC) to regularly exchange security and risk intelligence within the industry. Information sharing helps keep us up-to-date on new technologies, cyber attack methods, and threats related to information security and thus enables us to review and adjust our information security mechanism as needed for ensuring the company's information security.

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 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	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. 3. Strengthen the Company's information security management mechanism • Setting up a dedicated information security unit, inspect relevant systems regularly each year, and report the implementation status to the President as needed. • Implement a defense-in-depth mechanism that features network segmentation and multi-layered network isolation to prevent internal network attacks. • Enable traffic logs and audit, monitor network anomalies, and prevent and block external threats. • Work with an external information security team to build a communication network for information security, and use the service of the Science Park Information Sharing and Analysis Center (SP-ISAC). • Increase employees' security awareness - Three sessions of information security education and training were held in 2023. • Become a member of Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), and issue, as needed, internal announcements on information security precautions and attack methods - 13 announcements were made in 2023.
Safety, health, and environmental risk, climate change risk	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 in May 2022. 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 Safety and Health 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 adopting the Recommendations of the Task Force on Climate related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB) and the International Financial Reporting Standards (IFRS) Foundation's S2: Climate-related Disclosures standard, 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

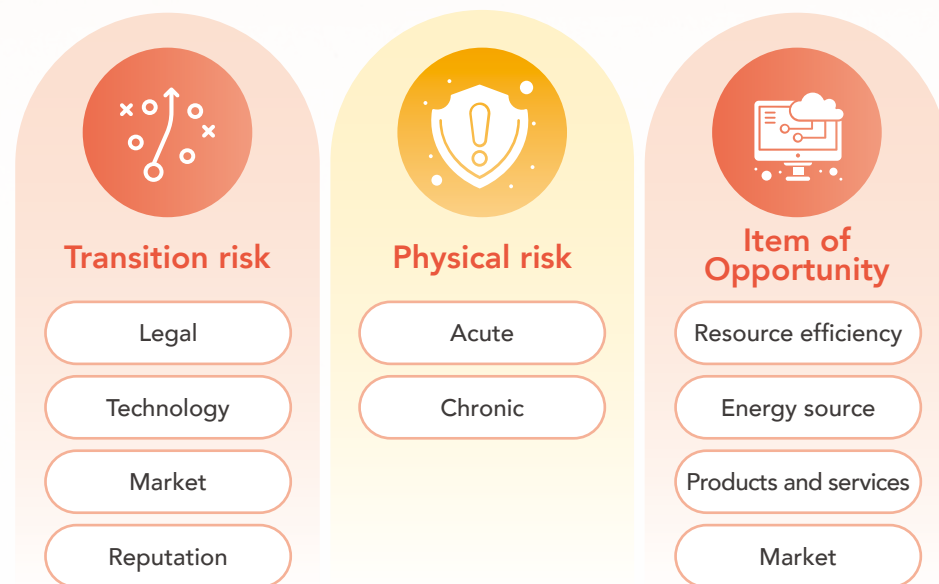


Identifying Climate Change Related Risks Associated with ScinoPharm

Risk identification procedures:



Risk and opportunity type



Scale for Measuring Risks and Opportunities:
 $\text{Probability of Occurrence} \times \text{Financial Impact} = \text{Impact Score}$

Probability of Occurrence		Financial Impact	
Quantitative Description of Probability	Likelihood/Probability	Quantitative Description of Impact	Influence of Opportunity
Very low	1	Very low	1
Low	3	Low	3
Average	6	Average	6
High	8	High	8
Very high	10	Very high	10

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

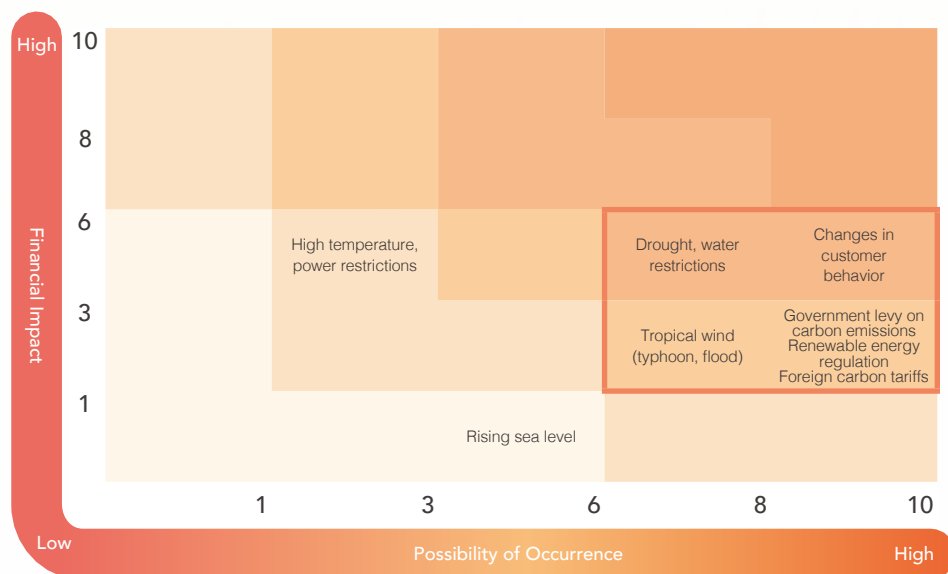
*The Company established time horizons (short, medium, and long term) with reference to Taiwan's greenhouse gas periodic regulatory goals

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

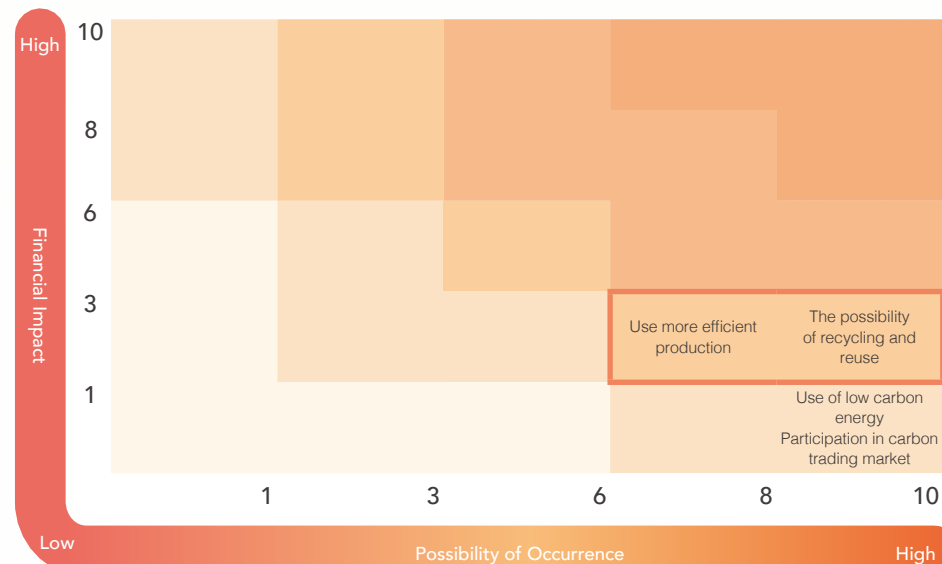


Opportunities for ScinoPharm:

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 ↓	The Company plans to measure the product carbon footprint inspections of its mass-produced products every year. In 2023, ScinoPharm has completed the carbon inventory and verification of SPT1025 products, and is expected to complete the carbon inventory of SPT1217 products in 2024.	Mid-term
			*Customer satisfaction results in increased operating revenue ↑		
		Government levy on carbon emissions	Scenario setting: Customers are expected to ask us for information on our carbon footprints	The Company obtained its 2022 GHG verification results in 2023. The results showed that indirect GHG emissions (Scope 2) from input energy accounted for more than 80% of its total emissions. To meet international and customer requirements for environmental protection, we adopted energy conservation and carbon reduction measures to reduce electricity consumption. In addition, we are planning to collaborate with the Energy Service Company (ESCO) 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
			*Setting up carbon-reducing equipment increases operating costs ↓		
	Laws and Regulations	Renewable energy regulation	Scenario setting: The government is expected to charge GHG emissions tariff on the business sector	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
			*Setting up carbon-reducing equipment increases operating costs ↓		
		Foreign carbon tariffs	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.	The Company obtained its 2022 GHG verification results in 2023. The results showed that indirect GHG emissions (Scope 2) from input energy accounted for more than 80% of its total emissions. To meet international and customer requirements for environmental protection, we adopted energy conservation and carbon reduction measures to reduce electricity consumption. In addition, we are planning to collaborate with the Energy Service Company (ESCO) 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
			*Setting up carbon-reducing equipment increases operating costs ↓		
Physical risk	Immediately	Drought, water restrictions	*Water restrictions hinder production lines, resulting in reduced revenue ↓	We ramp up water-saving management on weekdays, and cooperate with Southern Taiwan Science Park on a water restriction plan to conserve water.	Long-term
			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.	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. To strengthen water resources management and avoid the risk of business interruption due to drought, the Company has established a list of water suppliers with whom we can correspond about water-related matters.	
		Typhoon, flooding	*Continued insurance enrollment increases costs ↓	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
			Scenario setting: Severe typhoons in Taiwan will increase in the future, leading to wind and flood disasters, which cause financial losses.		
	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 ↑ *Increase in revenue ↑	Solvent recovery uses distillation to separate useful solvents from waste generated during the manufacturing process. Extracted solvents that meet registration or GMP requirements can be reused in manufacturing processes or equipment cleaning. Extracted solvents that are not registered or fail to meet 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 ↑ *Increase 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.	Short-term



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 Roadmap 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. In response to Taiwan's climate change policy, our task force in charge of energy conservation and carbon reduction ramps up its carbon efforts, such as planning and launching relevant tasks and evaluating the feasibility of switching to energy-efficient equipment to reduce the environmental impact of our operating activities. The Company has complied the MOEA Energy Administration's Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users, and achieved its target of saving 1% of electricity every year over a period of 10 years, from 2015 to 2024.

ScinoPharm adopts standards developed by the Science-Based Targets initiative (SBTi) to meet international and customer requirements for environmental protection. Our target is to use the GHG Protocol as the standard and complete the inventory and verification of Scopes 1–3 emissions for 2023 in 2024, with the boundary of the inventory encompassing our Tainan Plant and office in Taiwan, and subsidiaries overseas, including SciAnda (Changshu) Pharmaceuticals, Ltd. And SciAnda Shanghai Biochemical Technology, Ltd. A comprehensive verification provides all the information required for review and optimization of our energy initiatives. Top managers in the company and the Sustainable Development Committee unanimously agreed to use 2023 as the base year (initially 2022) and set a target of reducing the total Scopes 1 and 2 emissions by 4.2% each year. Following this change, the base year for comparing waste reduction was also changed to 2023, and the target for waste reduction is to reduce waste generation (excluding the amount of waste treated for reuse) by 1–2% annually compared with the base year (see Chapter 3 [Environmental Protection] of this report for more information on the company's GHG emissions and energy/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. In 2023, we invested NT\$15 million to install air strippers or fractionating columns. We 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

- We have established 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 ISO 14064-1 third-party verification of greenhouse gas emissions individually and obtain a reasonable level of assurance for Scope 1 and 2 emissions.
- Complete ISO 14067 third-party verification of the carbon footprint of SPT1025 core products.

2024

- Complete installing and applying for hardware facilities for reusing solvent waste from processes
- Use GHG Protocol as standard and complete the inventory and verification of Scope 1–3 emissions for 2023.
- Complete carbon inventory of SPT1217 product

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) Implementing corporate governance; (2) Developing environmental sustainability; (3) Preserving public welfare; and (4) Strengthening information disclosure of corporate sustainable development. 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

- 2.1 Product Laws and Regulations — 49
- 2.2 Product Safety and Customer Satisfaction — 50
- 2.3 Supplier/Contractor and — 52
Material Management
- 2.4 Innovative Technology and Patents — 56



2.1 Product Laws and Regulations

More than 90% 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 2023, 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 2023, ScinoPharm has submitted 68 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 923 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 **923** 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.

All ScinoPharm's plants comply with the international CGMP standards; all equipment and manufacturing processes are in compliance with U.S. FDA regulations. 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 attributable, legible, contemporaneous, original, accurate, complete, consistent, enduring, 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 2023, 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

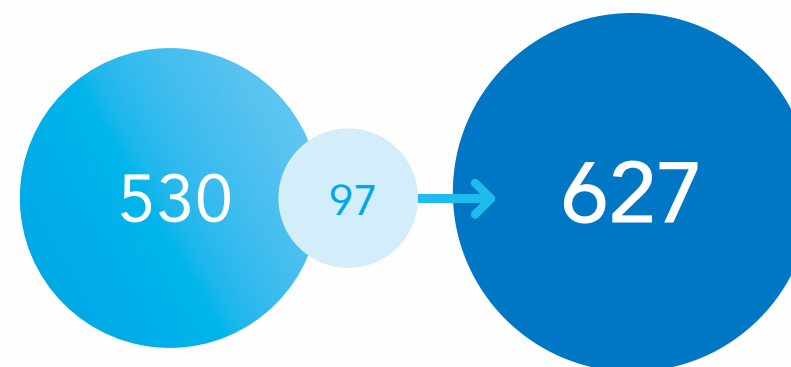
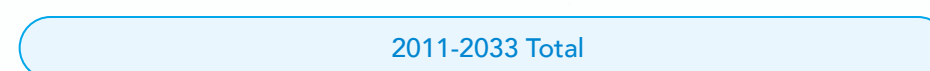
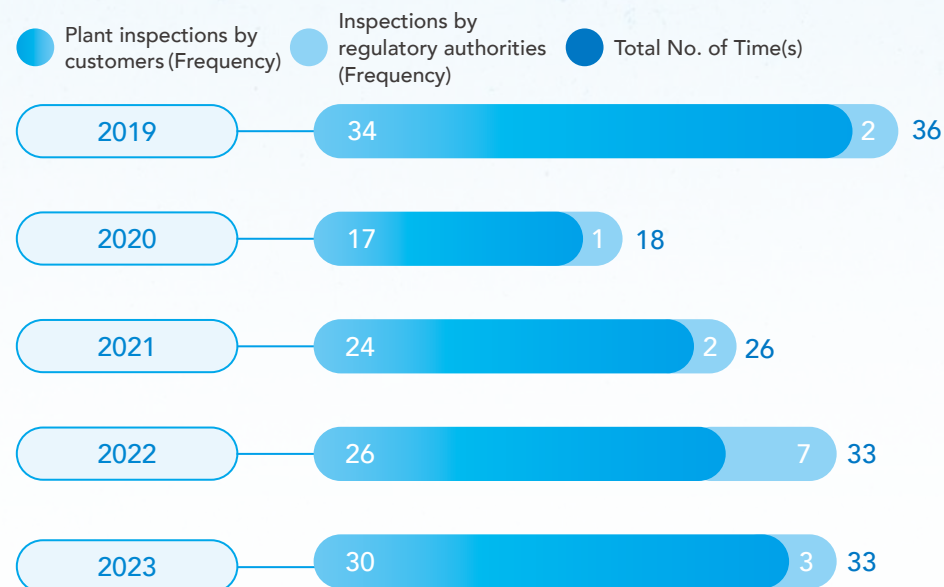


▲ Padlocks and tamper evident labels exclusively for packaging and contain serial numbers for queries

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. ScinoPharm has been subjected to more than 500 official CGMP inspections worldwide and quality inspections by clients. 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 2023, ScinoPharm has been subjected to inspections by clients 530 times and by regulatory authorities 97 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)
2019	34	2	36
2020	17	1	18
2021	24	2	26
2022	26	7	33
2023	30	3	33



*During 2001 to December 2023, ScinoPharm has been subjected to inspections by clients 530 times and by regulatory authorities 97 times.

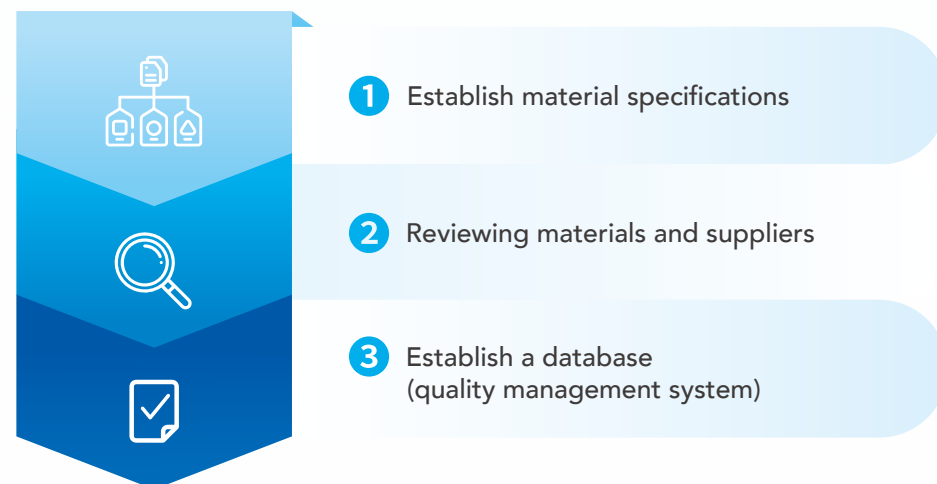
2.3 Supplier/Contractor and Material Management

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. Raw materials are managed using a control platform set to keep a clear track of the inventory. A safety stock mechanism is established for some of the commonly used materials to reduce the impact of material shortage. 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.

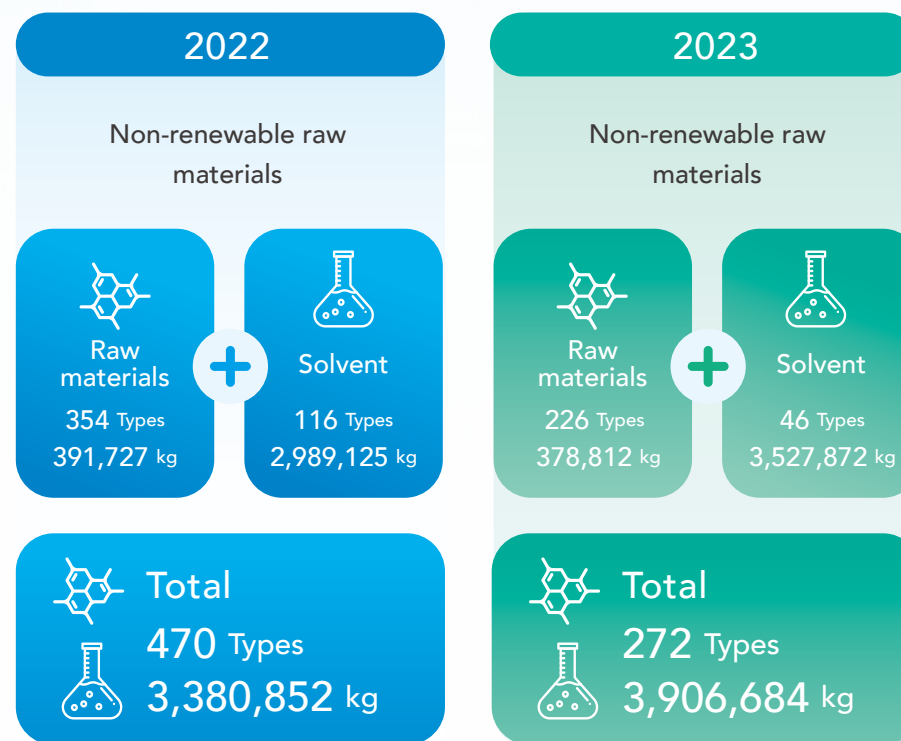
Material management workflow



Purchase of raw materials

ScinoPharm manufactures mainly API products for cancer treatment and Injectable products 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 2023, 24% of our materials (including packaging materials) were sourced locally from Taiwan.

Main Materials Procured in 2022-2033



Quantity of Packaging Materials Procured in 2022-2023 for APIs

Item	2022	2023	Unit
Aluminium Foil Bag	3,095	5,008	PCS
Amber Vial	288	576	PCS
Antistatic LDPE Tubing	3,000	6,450	Pound
Blue HDPE Jerrican	1,180	1,652	PCS
Bulk Bag	155	0	PCS
Expandable Polyethylene (EPE)	60	100	PCS
Glass Bottle	52,320	9,864	PCS
HDPE Drum	5,963	4,056	PCS
Humidity Indicator Card Cobalt Free	500	1,500	PCS
LDPE Bag	20,000	35,800	PCS
Oxygen absorber	3,000	0	PCS
PE Bottle	504	1,512	PCS
Polyfoil bag	3,000	0	PCS
Silica Gel Desiccant	20,000	24,000	PCS
Steel Drum	1,015	1,402	PCS
Plastic Drum	1,725	1,704	PCS
HDPE Bottle	0	7,966	PCS
LDPE Tubing in Roll	0	11,200	Pound
Transparent Glass Btl.	0	40,000	PCS
Total	115,805	152,790	

Quantity of Packaging Materials Procured in 2022-2023 for Injectable Products

Item	2022	2023	Unit
Body Sub-assembly with Injection Button	21,000	0	PCS
Cap	21,000	0	PCS
Carton	15,950	108,498	PCS
Cartridge	78,900	472,500	PCS
Case	800	2,600	PCS
Foccrs	324,900	0	PCS
Hypak Scf	270,000	0	PCS
Insert	10,000	126,385	PCS
Label	10,200	277,620	PCS
LDPE Bag	15,400	0	PCS
Stopper	675,600	744,400	PCS
Vial (clear glass)	312,072	300,950	PCS
Total	1,755,822	2,032,953	

Supplier Management

The Company manages raw material 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 key material suppliers and non-key-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 Material Suppliers

Responsible Unit

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

Relevant Operations

- On-site or written audit as needed
- Decide whether to try out their services
- Price negotiations

Non-key-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

Perform self-assessment of supplier quality control process → Evaluate supplier qualification → Establish a roster of suppliers

Phase 3

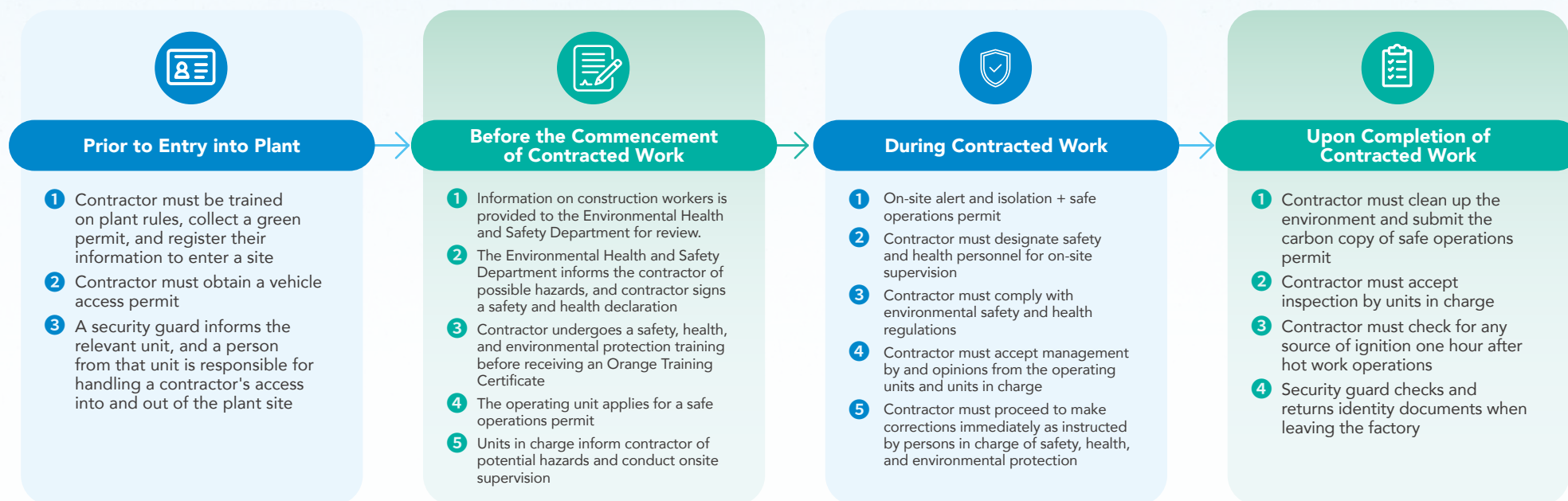
Business Partner Audit

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 2023, there were 64 contracted workers working in the plant.

Category	2022		2023	
	Male	Female	Male	Female
The cleanliness of the environment	6	11	6	11
Gardening	9	6	12	8
Security	6	0	6	0
Maintenance of construction	9	1	17	1
Total	30	18	42	22

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. Over 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.

The current global API market has evolved completely since the establishment of ScinoPharm. To keep pace with the anticipated changes of the global market, the Company continued to strengthen its contract development and manufacturing services while maintaining the niche market of generic APIs. As increasingly more new peptide products are introduced every year, we focused on the deployment of compound peptide drugs that have high technical threshold, tapping into the peptide technologies that we have built up over the past two decades to deliver outstanding performance in high-tech threshold peptide APIs and in contract development and manufacturing. Drawing on our existing foundations in small molecule APIs, we continued to develop new products and processes in line with the latest trends, focusing on APIs for new anti-cancer and central nervous system drugs. 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. Particularly, the Company's past efforts in the area of compound drugs are finally coming to fruition. The technology developed for the manufacturing of compound drugs uses the characteristics of compound drugs to provide targeted drug delivery, improve drug efficacy, and reduce side effects.

Apart from focusing on anti-cancer APIs and maintaining our position as the leader in the market, ScinoPharm has held firmly onto its R&D achievements in injectable formulas and manufacturing processes, and continued to submit Abbreviated New Drug Applications (ANDA) in Europe and the United States. We also joined forces with our partners recently to develop several types of nano-platform technologies. This development is expected to create more niche markets and greater value for new formulations and technologies, thereby propelling the growth of ScinoPharm's patented technology and niche drugs.

As the world continuously imposes stricter requirements on carbon reduction and energy conservation, ScinoPharm responds by ramping up its carbon efforts particularly in regards to green chemistry, carbon footprint, and carbon emissions control. We collaborated with the Development Center for Biotechnology (DCB) of the Ministry of Economic Affairs to adopt process analysis technology (PAT), and began developing a continuous reactor platform technology to cope with the global environmental trends.

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 12% 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\$800 million in R&D works in the next two years.

Patent Laws and Regulations

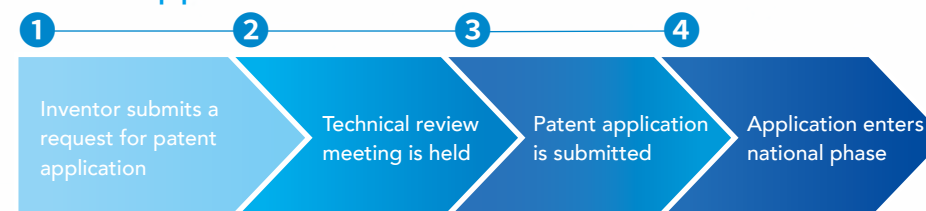
In the fiercely competitive pharmaceutical market, a pharmaceutical company must not only showcase its R&D capability but also secure its competitive advantage by patenting innovation results so as to restrict the possibility of product imitation by competitors. Therefore, the pharmaceutical industry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

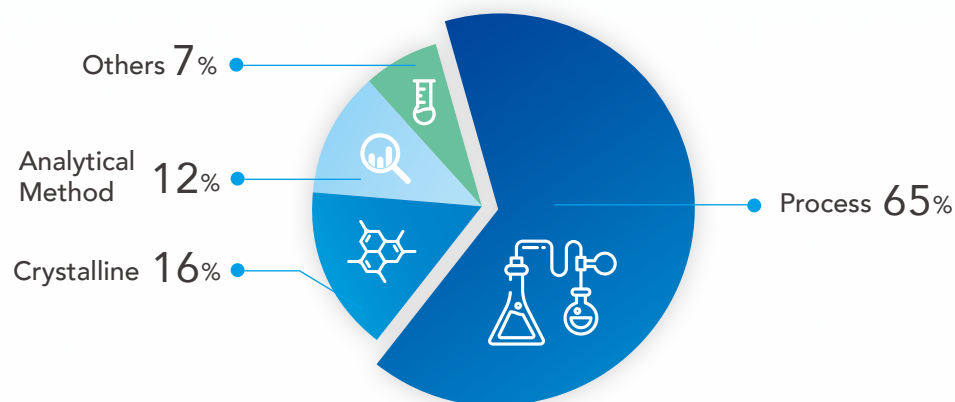
ScinoPharm convenes a meeting once every two years to discuss patent renewal matters, including reviewing all approved patents and performing a comprehensive assessment to achieve effective management and maintenance. The assessment determines whether the patented technology or invention is replaceable, valuable in terms of commercialization, and its position among clients and in the market.

ScinoPharm currently holds 45 patents for intentions and 211 patents worldwide as of the end of 2023. Patents relevant to the Company's business development included process and crystalline patents and accounted for 80% of all our patents.



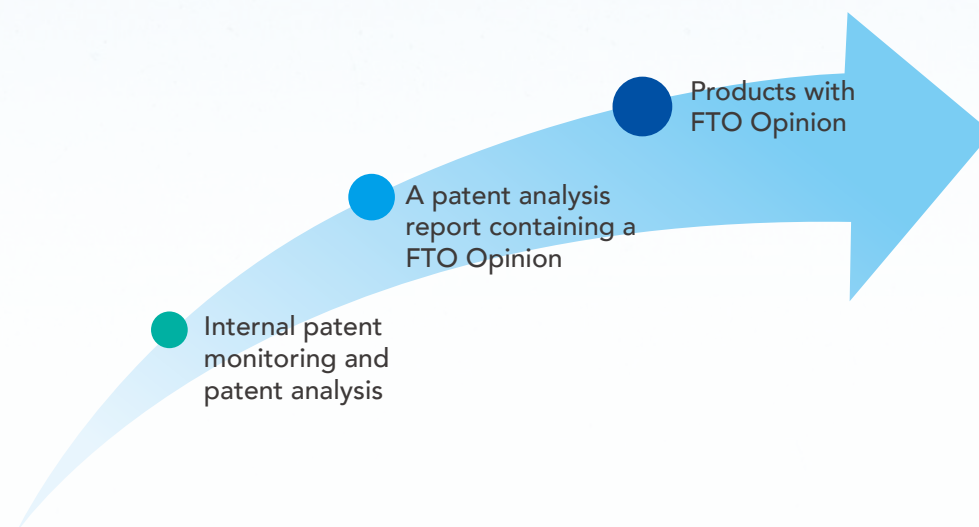
▲ Patent certificates from various countries

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

Environmental Protection

- 3.1 Safety, Health, and Environmental Protection Policy — 59
- 3.2 Energy and Resource Use and Management — 60
- 3.3 Greenhouse Gas (GHG) Emissions — 64
- 3.4 Pollution Prevention — 67



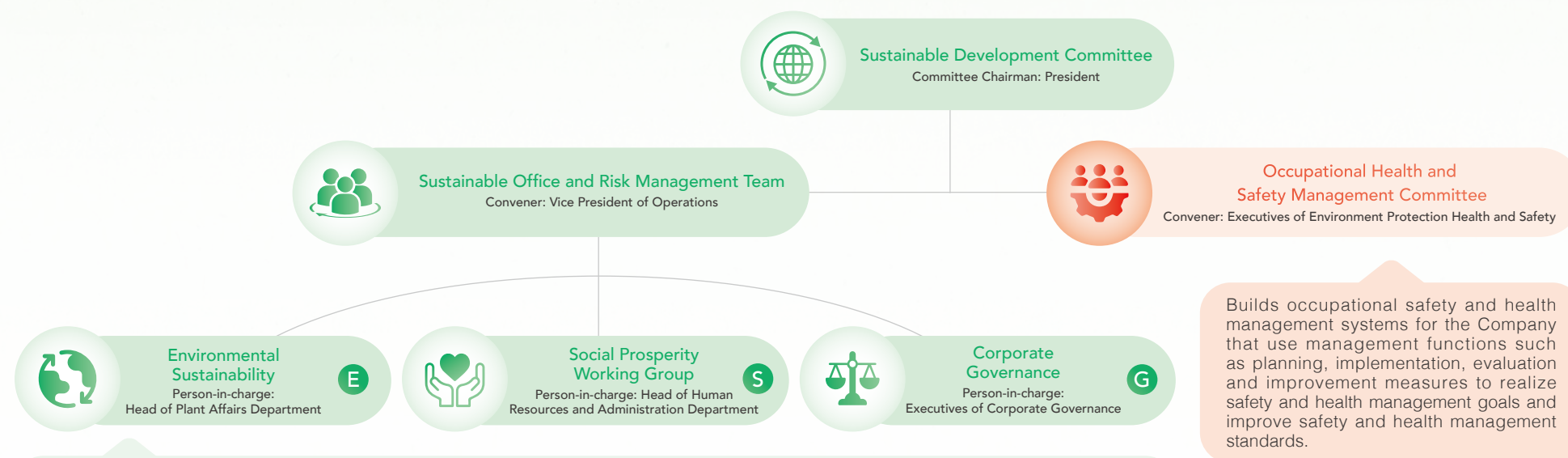
3.1 Safety, Health, and Environmental Protection Policy

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 EHS 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 Safety and Health 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, including: 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 to mitigate the impact of our operations on the environment and climate.

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 Sanofi), 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.

In 2023, 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 Energy and Resource Use and Management

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 2023.

Water Consumption

Year	Water Withdrawal (million liters)	Water Discharge (million liters)	Water Consumption (million liters)	Annual Production (kg)	Water Withdrawal per kg of Product (million liters/kg)	Water discharge per kg of Product (million liters/kg)
2023	149.84	80.35	65.36	19,356	0.0077	0.0042

Electricity Consumption

Year	Electricity Usage (million joules)	Annual Production (kg)	Electricity Consumption per kg of Production (million joules)
2023	124,381,937	19,356	6,426

Note: 1 kilowatt-hour = 3.6 million joules

Nitrogen Consumption

Year	Nitrogen Gas (metric tons)	Annual Production (kg)	Nitrogen Consumption per kg of Production (metric tons/kg)
2023	4,460	19,356	0.23

Natural Gas Consumption

Direct Energy		Annual Production (kg)	Natural Gas Consumption per kg of Production (million joules/kg)
Year	Natural gas (million joules)		
2023	45,586,542	19,356	2,355

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



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.

Global climate change has highlighted the urgency of effective water resource management. The World Meteorological Organization opened the UN Climate Change Conference with a confirmation that 2023 was the hottest year in human history. At ScinoPharm, both process water and domestic water are consumed. According to statistical analysis, the evaporation of cooling water is high during summer and water consumption is affected by climate-related factors. We recycle air-con water and RO concentrated wastewater, process them in the cooling water tower, and turn them into reusable water, thereby reducing water consumption and achieving water efficiency. Bathrooms and office pantries are retrofitted with water-saving faucets to save water and ensure the sustainability of precious water resources. Our water conservation 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.

$$\text{Recycling rate (R2)} = \frac{\text{Total amount of water in circulation} + \text{Total amount of water recycled} - \text{Total amount of cooling water in circulation}}{\text{Total amount of water consumed} - \text{Total amount of cooling water in circulation}} \times 100\%$$

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



- 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. The Company has complied the MOEA Energy Administration's Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users, and achieved its target of saving 1% of electricity every year over a period of 10 years, from 2015 to 2024. In 2023, the slight increase in our electricity and nitrogen consumption compared with 2022 was due to new production lines and the operation of our injectable plant. The Environmental Sustainability Task Force under the Sustainable Development Committee reviewed the company's energy usage in 2023 and drafted improvement plans for implementation in 2024. In 2023, the reduction strategies that we have adopted as below:

- 1 Reducing the use of resources in product manufacturing is equivalent to cutting down carbon footprint. In 2022, we thoroughly examined our cleaning equipment, updated our product line cleaning procedures, and established new cleaning procedures. The new procedures helped reduce our use of methanol and acetone in 2023 by 12.5 and 5.4 metric tons, respectively, compared with the original procedures.
- 2 We conducted an inventory of our 2024 production plans, assessed whether cleaning agents used to clean product lines are replaceable, and replaced inorganic cleaning solvents with organic solvents, so as to reduce the use of organic solvents and thereby reduce carbon emissions. We plan to try out this approach on four product lines.
- 3 Our Energy Conservation Task Force has built an energy management system suitable for the company in 2024 to more accurately monitor the energy consumption of the ice water system and achieve the goal of energy conservation and carbon reduction.

4 In 2024, the Company invested NT980,000 to purchase one air-conditioner unit as a replacement of the old one on the first floor of the building. The new unit will work more efficiently to avoid consuming too much energy to cool air-con chillers.

5 In 2022, NT\$684,000 was invested to replace 38 explosion-proof LED lights in the explosion-proof zone of the plant. This installation helped us save 43,139 million joules of electricity in 2023.

6 We encourage energy conservation in daily habits. In 2023, we made four announcements, reminding employees to switch off lights and air-con and shutdown their computer as they leave the office and to bring their own eating utensils.

7 We digitized various internal procedures, such as application for subsidies, approval request, and satisfaction surveys. The digital procedures were adopted throughout 2023, resulting in not only greater work efficiency but also reduced carbon footprint—38,278 pieces of paper equivalent to the felling of 4.59 trees were saved (note).

Note: A piece of A4 paper weighs about 4–6 g, and each box of A4 paper is about 25 kg (5,000 sheets of paper). Each ton of pulp requires the felling of about 24 trees with an average height of 12 m and a diameter of 15–20 cm, and produces 40 boxes of paper. In other words, about $24/40=0.6$ trees must be cut down to produce 1 box of paper. (Source: Environmental Quality Protection Foundation, National Land Management Agency of the Ministry of Interior)

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

1 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.

2 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 m^3 to 2,816 m^3 , and saving 257 m^3 of consumption per day, and save 46,774 m^3 of natural gas consumption in the autumn and winter of 2022.

3 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.

4 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.

5 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.

6 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.

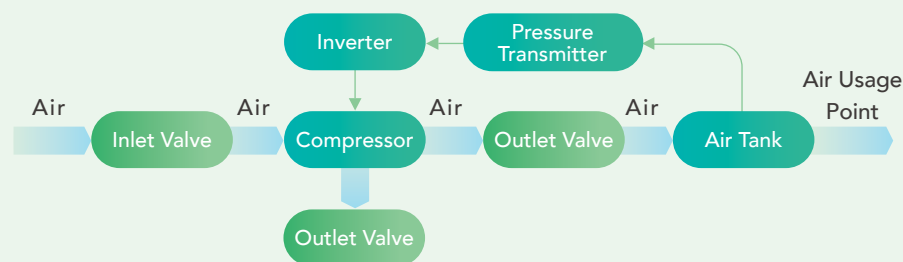
7 We established a notification platform. With this platform, a plant operator notifies the temperature of heating tanks and adjusts it to process requirements so as to optimize temperature control and reduce waste of electricity and steam.



- 8 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).

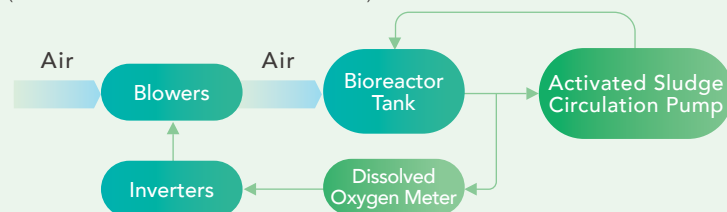
- 9 We regulated and optimized the amount of cooling water used in manufacturing processes. By doing so, process requirement is satisfied with only one 75-hp water pump, and 402,960 kWh of electricity (equivalent to 1,450,656 million joules) is saved throughout the year.

- 10 We used inverters to control air compressors



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

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



- 13 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.

- 14 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.

- 15 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 Ministry of Environment's GHG reporting standards (i.e., total Scope 1 and 2 emissions must exceed 25,000 metric tons of CO₂e). To adopt the FSC's Sustainable Development Roadmap for TWSE- and TPEX-Listed Companies, we sought assistance from an external expert in 2022 to collect inventory data, and in early 2023, we completed the inventory and external verification of our Scope 1 and 2 emissions in 2022. In 2024, ScinoPharm will adopt standards developed by the Science-Based Targets initiative (SBTi) to meet international and customer requirements for environmental protection. We will use the GHG Protocol as the standard to conduct the inventory and verification of Scope 1–3 emissions for 2023. As required by the competent authority, in 2023, we have completed the inventory of GHGs emitted by our subsidiaries in accordance China's Guidelines for Accounting and Reporting Greenhouse Gas Emissions - Other Industrial Enterprises (Trial).

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, we conducted carbon footprint inventory and verification on our target product SPT1025 to measure the carbon footprint of two life cycle stages: raw materials and production/manufacturing. With this foundation laid, we continue to gather the carbon footprints of our main products in 2024, including SPT1217, thereby building up our database to facilitate emissions reduction planning.



▲ SPT1025 Product Carbon Footprint Verification Certificate

ScinoPharm GHG Emission Inventory in the Past 3 Years

	2021	2022	2023
Total Emissions	22,901	19,308.02	21,360.51
Direct Emissions (Scope 1)	3,162	3,262.84	4,292.54
Indirect Emissions (Scope 2)	19,739	16,045.18	17,067.97
Output Value (NT\$ million)	2,642	3,069	3,006
tCO ₂ e/NT\$ million	8.66	6.29	7.11

Note 1: GHG emissions for periods after 2022 include the amount of electricity used by the Taipei office.

Note 2: The 2022 GHG emission data have been verified by a third party.

ScinoPharm GHG Inventory List in 2022-2023

Scope	Details	Emissions (tCO ₂ e/year)		Proportion (%)	
		2022	2023	2022	2023
Scope 1: Direct Greenhouse Gas (GHG) emissions and removes	1.1 Emissions from stationary sources	2,211.30	2,550.98	11.45	11.94
	1.2 Emissions in processes	2.40	1.50	0.01	0.01
	1.3 Emissions from mobile sources	1.99	1.51	0.01	0.01
	1.4 Fugitive emissions	1,047.15	1,738.55	5.42	8.14
	Total Emissions	3,262.84	4,292.54	16.90	20.10
Scope 2: Indirect GHG emissions from purchased energy	2.1 Externally purchased electricity	16,045.18	17,067.97	83.10	79.90
	Total Emissions	16,045.18	17,067.97	83.10	79.90

Subsidiaries' 2023 GHG Emission Inventory

Scope	Details	Emissions (tCO ₂ e/year)	Proportion (%)
Scope 1: Direct Greenhouse Gas (GHG) emissions and removes	1.1 Emissions from stationary sources	27.795	0.24
	1.2 Emissions in processes	560.764	4.85
	1.3 Emissions from mobile sources	-	-
	1.4 Fugitive emissions	205.040	1.77
	Total Emissions	793.599	6.87
Scope 2: Indirect GHG emissions from purchased energy	2.1 Externally purchased electricity	8,888.627	76.95
	2.2 Purchased heat power	1,869.379	16.18
	Total Emissions	10,758.006	93.13

Note:

- CO₂ emissions from use of carbonic acid have been included in CO₂ emissions from industrial production processes.
- CO₂ emissions from industrial production processes are calculated using the material balance approach in China's Guidelines for Accounting and Reporting Greenhouse Gas Emissions - Other Industrial Enterprises (Trial).
- SciAnda (Changshu) Pharmaceuticals, Ltd. does not emit N₂O as it is not involved in the production of nitric acid.
- CO₂ emissions from exhaust gas management are calculated using the methods described in the Technical Guideline of Pollutants Reduction and Relevant Greenhouse Gas Emissions Accounting for Pollution Control Measures of Industrial Enterprises (Trial).
- Subsidiaries of ScinoPharm Taiwan include: SciAnda (Changshu) Pharmaceuticals, Ltd., and SciAnda Shanghai Biochemical Technology, Ltd.

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 2023, we only needed to use HCFC-22 at a ratio of 2:1 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)

Item	2021		2022		2023	
	Total Emissions (metric tons)	Emissions intensity	Total Emissions (metric tons)	Emissions intensity	Total Emissions (metric tons)	Emissions intensity
SO _x	0	0	0	0	0	0
NO _x	9.162	0.414	8.825	0.334	10.125	0.523
TSP	0.073	0.003	0.070	0.003	0.074	0.004
CO	1.402	0.063	1.350	0.051	1.549	0.080
THC	7.429	0.336	7.230	0.274	8.210	0.424
Annual Production (metric tons)	22.098		26.415		19.356	

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.

Usage of HCFC-22

Unit: (metric tons/year)

Year	2016	2017	2018	2021	2022	2023
Usage of HCFC-22	4	4.2	5.5	1.6	0 (Unused)	2

Total electricity generated from solar panels during recent 3 years

2021		Sale of renewable electricity	Self-generated and for self-use electricity
	Electricity (kWh)	36,216	136,002
	Electricity in total (kWh)	172,218	

2022		Sale of renewable electricity	Self-generated and for self-use electricity
	Electricity (kWh)	35,428	196,428
	Electricity in total (kWh)	231,856	

2023		Sale of renewable electricity	Self-generated and for self-use electricity
	Electricity (kWh)	34,416	184,548
	Electricity in total (kWh)	218,964	



Generation of Green Energy

In 2023, the solar panels on the roof of the administration building of ScinoPharm generated 34,416 kWh of electricity, and the revenue from the sale of green electricity was NT\$220,916, which was equivalent to a 17,001.50 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 2023, the solar panels generated 184,548 kWh of electricity in total, and reduced GHG emissions by 91,166.71 kg CO₂e. In 2023, the amount of electricity generated from solar energy totaled 218,964 kWh. The Company offers shuttle services. We encourage employees to take public transport so as to reduce fuel consumption, conserve energy, and reduce carbon emissions.

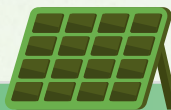
2023 Electricity Generated by the Photoelectric System in the Administration Building

Month	kWh of Power Generated (kWh)	Unit Price (NT\$)	Amount	Carbon Reduction	
				Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)
2023/1	2,684	6.419	17,229	1,325.90	0.13
2023/2	2,600	6.419	16,689	1,284.40	0.13
2023/3	3,220	6.419	20,669	1,590.68	0.16
2023/4	3,224	6.419	20,695	1,592.66	0.16
2023/5	3,284	6.419	21,080	1,622.30	0.16
2023/6	3,320	6.419	21,311	1,640.08	0.17
2023/7	3,392	6.419	21,773	1,675.65	0.17
2023/8	2,744	6.419	17,614	1,355.54	0.14
2023/9	2,676	6.419	17,177	1,321.94	0.13
2023/10	2,568	6.419	16,484	1,268.59	0.13
2023/11	2,648	6.419	16,998	1,308.11	0.13
2023/12	2,056	6.419	13,197	1,015.66	0.10
Total for the Year	34,416	-	220,916	17,001.50	1.72

Note:

1. According to the annual electricity emission factor announced by the Bureau of Energy in 2023, the electricity GHG emission factor was 0.494 kg CO₂e/kWh.
2. As for benefits in terms of afforestation, the annual amount of carbon assimilated per hectare of forest land in 99 was estimated to be 9.9 metric tons, according to research commissioned by the Forestry and Nature Conservation Agency of Ministry of Agriculture.

2023 Electricity Generated in the Injectable Plant



Month	kWh of Power Generated (kWh)	Carbon Reduction	
		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)
2023/1	13,710	6,772.74	0.68
2023/2	11,904	5,880.58	0.59
2023/3	16,200	8,002.80	0.81
2023/4	18,654	9,215.08	0.93
2023/5	21,240	10,492.56	1.06
2023/6	18,966	9,369.20	0.95
2023/7	14,154	6,992.08	0.71
2023/8	14,886	7,353.68	0.74
2023/9	15,708	7,759.75	0.78
2023/10	13,674	6,754.96	0.68
2023/11	14,976	7,398.14	0.75
2023/12	10,476	5,175.14	0.52
Total for the Year	184,548	91,166.71	9.21

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. 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 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 (EA), Toluene, Isopropanol) which cannot be recycled for reuse in processes.
- 3 We have allocated a capital expenditure of approximately NT\$15 million for environmental protection, and 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.

Waste generation

ScinoPharm Waste Disposal was off-site							
Hazardous Waste				Non-Hazardous Waste			
Item/Year	2022	2023	Treatment Method	Item/Year	2022	2023	Treatment Method
General solvent waste (C-0301)	1726.440	2441.810	Incineration method	Halogenated solvent waste(D-2301)	47.710	97.620	Incineration method
General solvent waste (C-0301)	536.230	889.630	Liquid waste and reuse	Organic sludge (D-0901)	137.650	165.700	Incineration method
Liquid waste with high water content (C-0301)	92.180	85.960	Incineration method	Drug waste (D-2409)	9.656	13.050	Incineration method
Inflammable halogenated solvent waste (C-0301)	27.770	42.600	Incineration method	General solid waste (D-2399)	83.110	88.870	Incineration method
Hazardous filter (B-0399)	5.120	5.960	Incineration method	Domestic waste (D-1801)	27.000	36.140	Incineration method
Empty barrel for toxic chemical waste (B-0399)	1.360	0	Process and reuse	Wood waste (R-0701)	4.230	7.790	Waste/Scraps and reuse
Hazardous liquid waste (B-0399)	0	5.090	Incineration method	Activated carbon waste (D-2403)	0.380	0.960	Incineration method
Empty barrel for general waste (C-0301, C-0201, C-0202)	127.760	175.630	Process and reuse	Precious metal waste (D-2624)	0.051	0.246	Process and reuse
Infectious waste (C-0514)	0.796	0.980	Incineration method	Waste paper mixture (D-0699)	1.450	13.190	Incineration method
				Waste oil mixture (D-1799)	1.300	0	Incineration method
				Waste glass (R-0401)	4.280	1.440	Process and reuse
				Waste plastic mixture (D-0299)	0	0.350	Incineration method

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 Ministry of Environment, Executive Yuan.

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 2023, we completed quality audits on suppliers 40 times, and waste disposal company 3 times. (Note: Items of supplier quality audit included warehouse, shipment release, quality system, production process, and inspection records.)

Supplier Audits in 2023

Audit Type	No. of Time(s)
On-site Audit	20
Remote Audit	11
Third-party Audit Report	6
Written Document Review	3

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.

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.

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.



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, 2023, ScinoPharm has a total of 753 employees, more than 80% of which have a bachelor's degree or above and about 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 96% are nationalities. In 2023, workforce allocation was based on the number of product orders received and career development needs; therefore, nearly 200 employees were employed, and the overall turnover rate was 15%.

Talent Recruitment and Retention Policy

The Company actively participates in career fairs and talent recruitment activities, and builds relationship with universities and schools for internship collaboration. In 2023, ScinoPharm Taiwan created a six-month internship program for talent acquisition. A total of 15 interns participated, and 87.5% of them planned to return as full-time employees after graduation to work in R&D, quality assurance, and production. During their internship, student interns assisted with various departmental affairs, while learning and acquiring the latest knowledge of the industry. They learned to put theory into practice, which helps to bridge the gap between industry and academia and prepare students for transition to the workplace.

According to a questionnaire survey, students who completed their internship rated their experience a score of 9.3 points (10 points in total), which shows the effectiveness of ScinoPharm's internship program. Based on students' feedback, the program helped students better understand the workplace and improve their employability after graduation, and the students were most impressed by ScinoPharm's organizational skills (our operating procedures are well-documented and complete), sound occupational safety system, and communication skills (documents are available in both English and Mandarin for effective communication with foreign clients). Interns are paid more than the stipulated minimum wage and are entitled to the same privileges as full-time employees (such as attending company-organized activities for). Creating a positive internship experience helps increase students' intention to work for the company after their graduation.

We are planning to extend the duration of internship from six months to one year in 2024 to provide interns with more extensive experiences, thereby strengthening our internship program for talent acquisition and retention. The scope of the program will also be expanded to include not only undergraduates but also students from vocational technical colleges, thus giving more people who have potential talent in pharmaceutical the opportunity to learn about the company in greater depth, experience a friendly work environment, and develop a stronger sense of identity with ScinoPharm.

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 42% 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, 2023, the Company has hired 8 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".

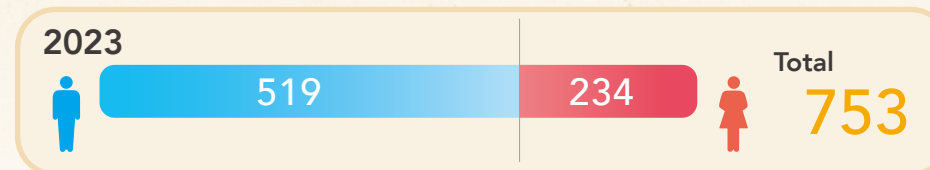
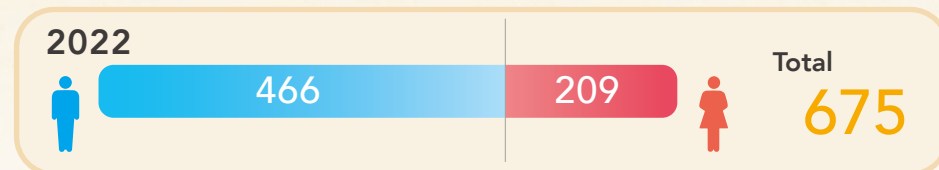
Under a diversity employment policy, ScinoPharm hires not only local talents, but also 91 foreign nationals from Japan, Malaysia, Indonesia and the Philippines. Foreigners account for 12% of our total workforce. Most of our employees of foreign nationality are from Indonesia. In 2023, the Company organized a special event to celebrate Eid al-Fitr. Everyone in the company gathered to enjoy some Indonesian snacks and celebrate this special day with their Indonesian colleagues. This demonstrates the actual actions we take to create a friendly workplace that embraces diversity and equity.



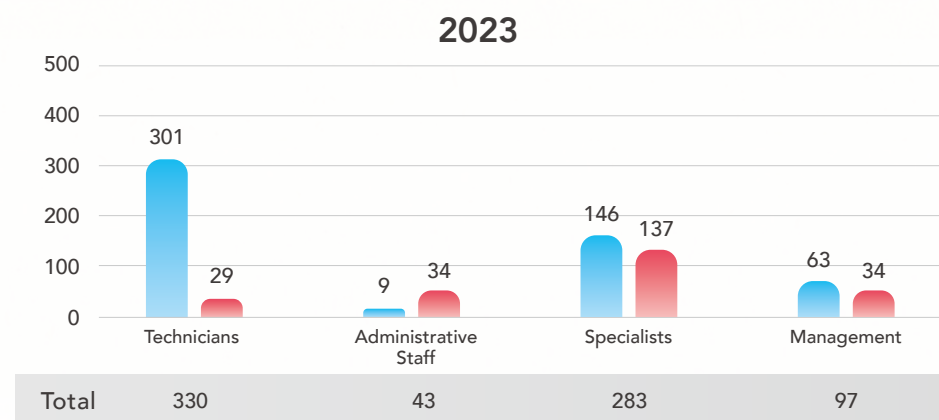
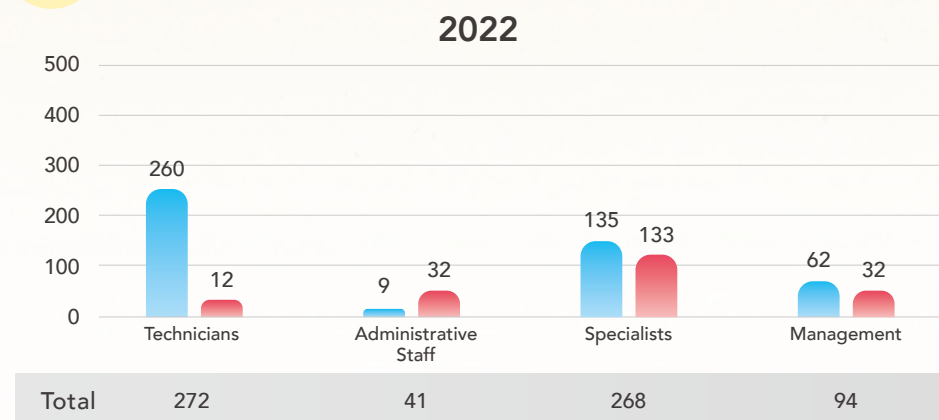
▲ Share Indonesian snacks with colleagues during Eid al-Fitr

Employee Demographics by Gender

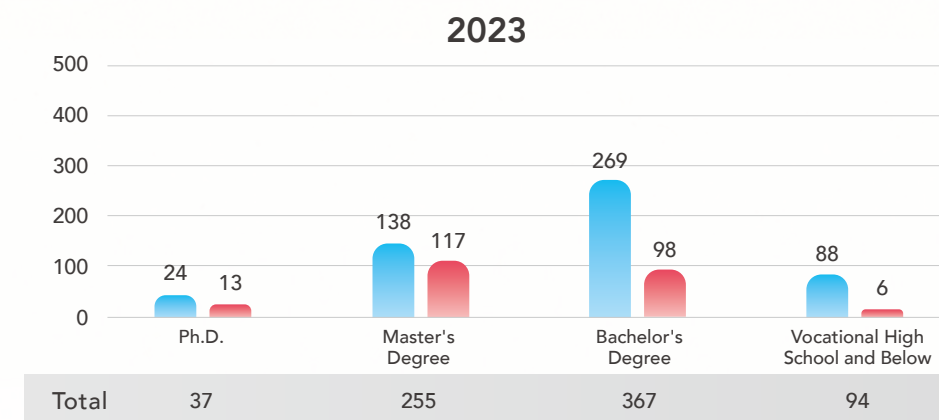
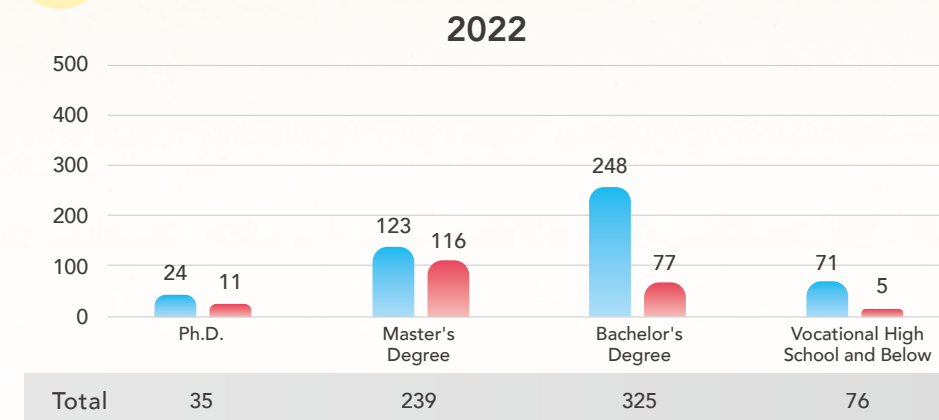
Unit: Number of Employees



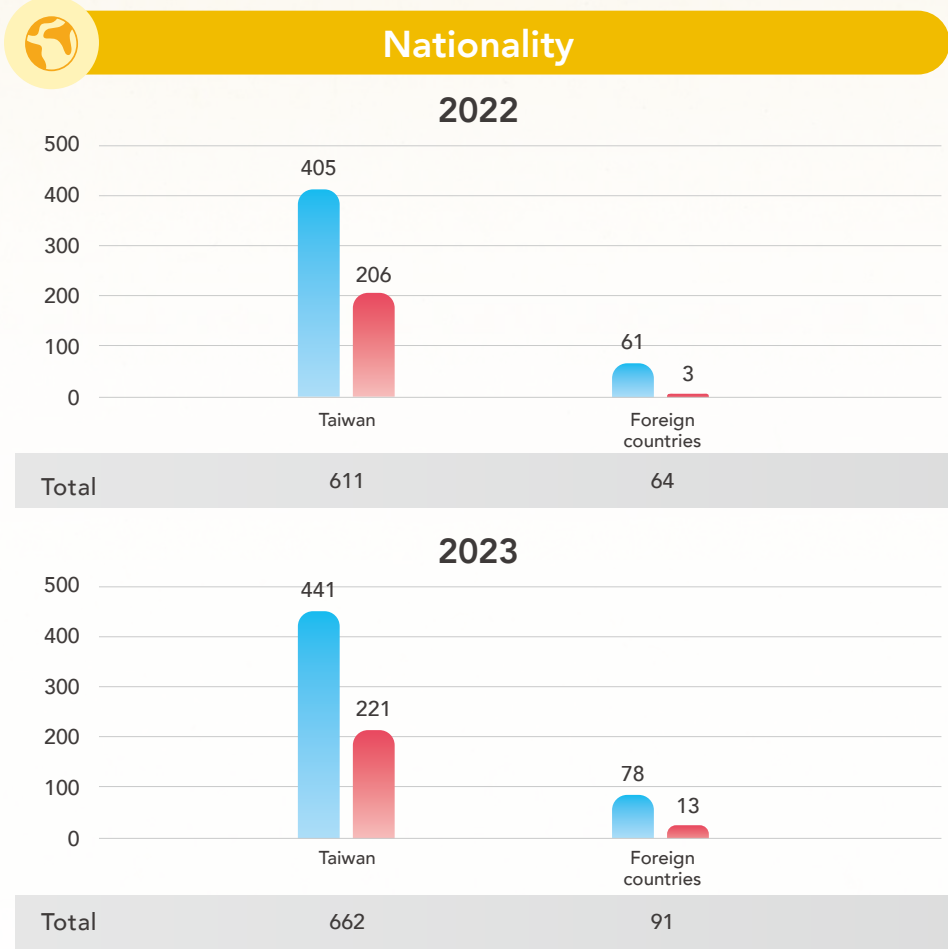
Category

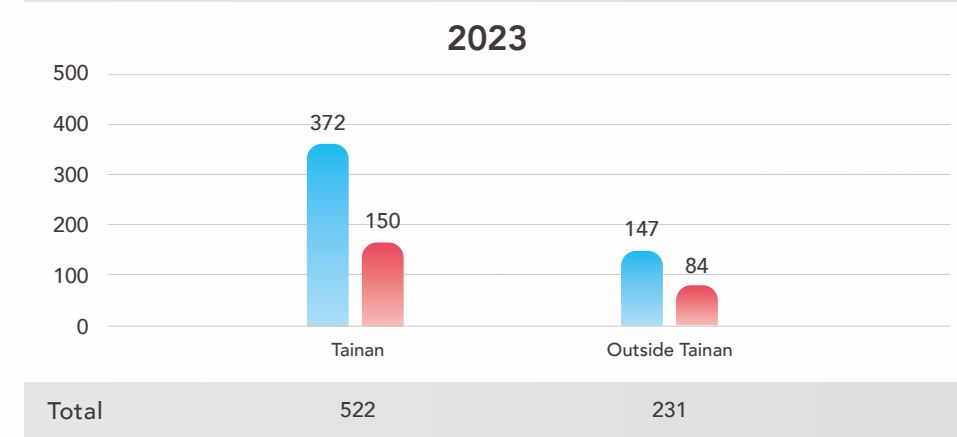
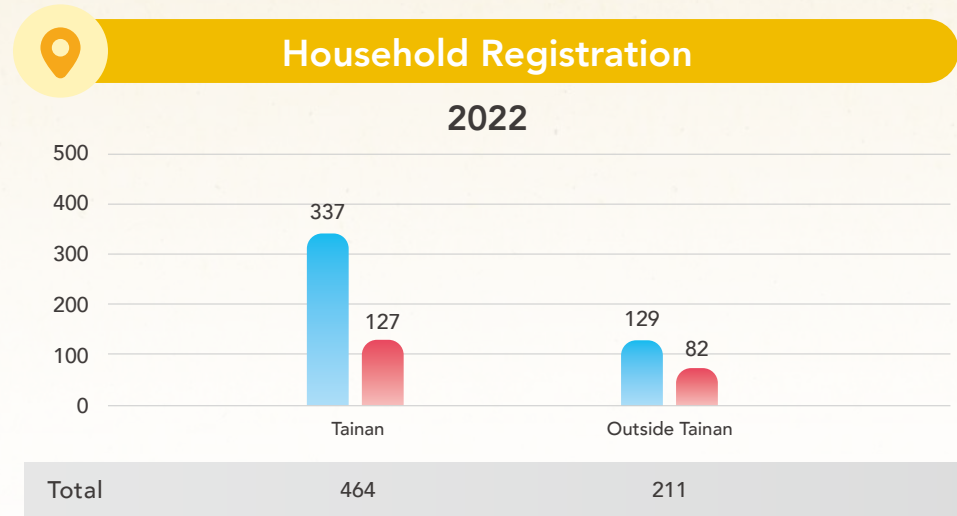
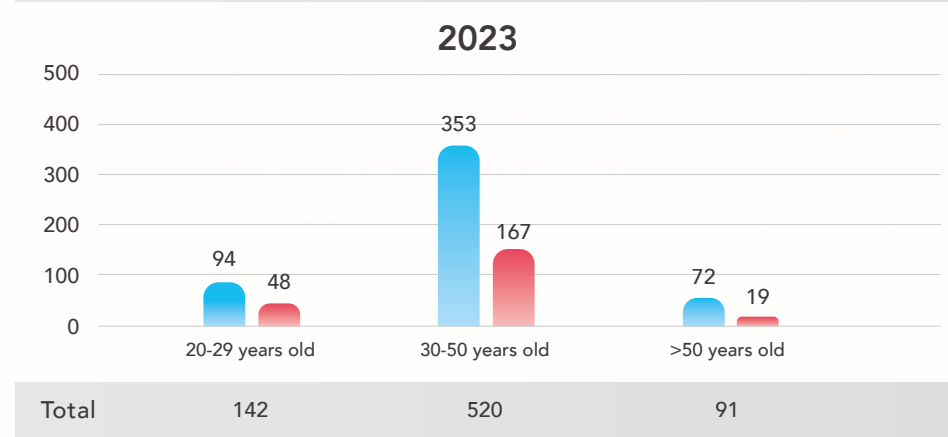
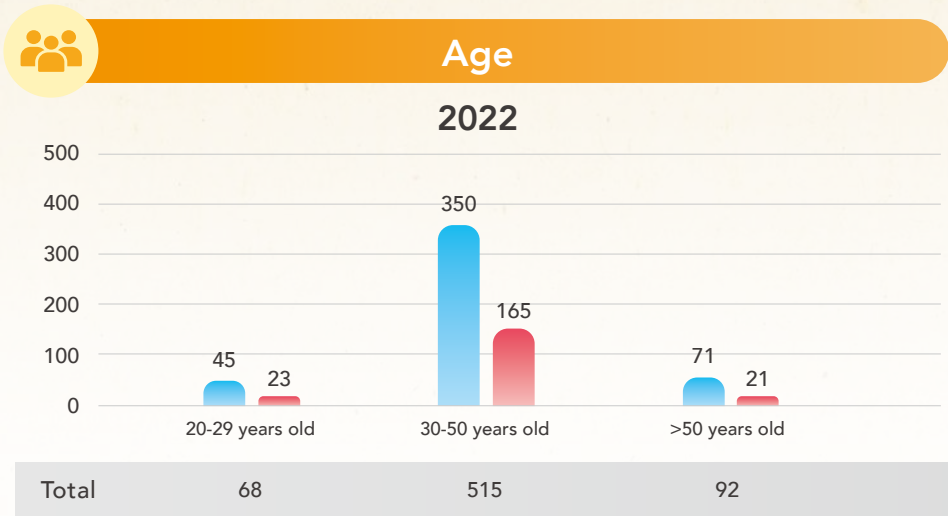


Education



Note: Professionals include company-approved persons with professional skills in pharmaceutical laws and regulations, quality assurance, and research and development.

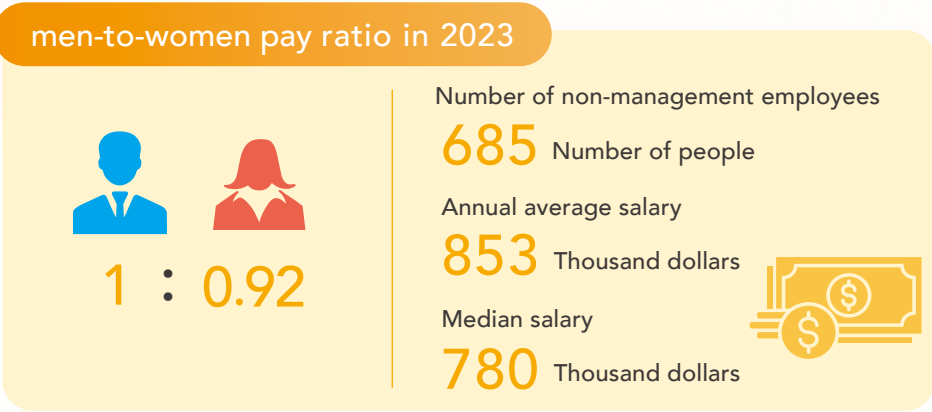




Competitive Remuneration and Reward System Linked to Overall Performance

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. In 2023, there were 685 full-time employees in non-managerial positions, whose average pay for the year was NT\$853,000 and median pay was NT\$780,000. Men-to-women pay ratio was 1:0.92, which shows that ScinoPharm adopts a fair salary structure, offers competitive salaries, and ensures gender equality in the workplace.

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 2023, a total of 4 welfare committee meetings and 4 labor-management meetings will be held. Regular in-house meetings with managers at all levels and employees 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, forced labor, human trafficking 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. We respect the human rights of internal and external stakeholders. Our corporate culture attaches importance to mutual respect and gender equality in alignment with the principles of diversity, equity, and inclusion (DEI). 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. Any personnel changes required for organizational restructuring are handled in accordance with the Labor Standards Act. In 2023, there were no complaints concerning violation of stakeholders' human rights, nor incidents related to child labor, forced labor, or human trafficking.

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 718±5%, and the retention rate of managers in 2023 is as high as 95%.

2022	Total Number of Employees (A)			Number of New Employees						Employee Turnover							
				Number of New Employees (B)			Percentage of New Hires (C)			Number of resigned voluntarily employees		Number of resigned non-voluntary employees		Number of Departing Employees (D)		Turnover Rate (E)	
Age/Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Male	Female	Total	Male	Female	Total
21-30	62	30	92	41	16	57	66.10%	53.30%	62.00%	31	14	1	0	46	51.60%	46.70%	50.00%
31-40	164	93	257	25	17	42	15.20%	18.30%	16.30%	35	16	0	0	51	21.30%	17.20%	19.80%
41-50	169	65	234	4	4	8	2.40%	6.20%	3.40%	13	3	0	0	16	7.70%	4.60%	6.80%
51-60	65	19	84	2	0	2	3.10%	0.00%	2.40%	3	1	1	0	5	6.20%	5.30%	6.00%
60 or older	6	2	8	0	0	0	0.00%	0.00%	0.00%	4	0	0	0	4	66.70%	0.00%	50.00%
Total	466	209	675	72	37	109	17.40%	15.60%	16.20%	86	34	2	0	122	30.70%	14.80%	18.10%

2023	Total Number of Employees (A)			Number of New Employees						Employee Turnover							
				Number of New Employees (B)			Percentage of New Hires (C)			Number of resigned voluntarily employees		Number of resigned non-voluntary employees		Number of Departing Employees (D)		Turnover Rate (E)	
Age/Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Male	Female	Total	Male	Female	Total
21-30	112	56	168	85	40	125	75.89%	71.43%	74.40%	31	15	1	0	47	28.57%	26.79%	27.98%
31-40	172	92	264	35	13	48	20.35%	14.13%	18.18%	27	12	1	1	41	16.28%	14.13%	15.53%
41-50	163	67	230	11	5	16	6.75%	7.46%	6.96%	13	5	3	0	21	9.82%	7.46%	9.13%
51-60	66	17	83	2	0	2	3.03%	0.00%	2.41%	2	1	0	0	3	3.03%	5.88%	3.61%
60 or older	6	2	8	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0.00%	0.00%	0.00%
Total	519 ↑	234 ↑	753 ↑	133 ↑	58 ↑	191 ↑	25.63% ↑	24.79% ↑	25.37% ↑	73 ↓	33 ↓	5 ↑	1 ↑	122	15.03% ↓	14.53% ↓	14.87% ↓

Note: 1. The above information is based on existing employees as registered in the human resource system on December 31 every year. There is no assumption of any data.

2. Percentage of new employees (C) = Number of new employees (B)/Total number of employees at the end of the year (A).

3. 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.

4. Turnover rate (E) = Number of employees in said category who resigned on the said year (D)/Total number of employees at the end of the year (A).

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 2023 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 2023, 5 employees applied for unpaid parental leave, 75% of which were reinstated and returned to their original job position.

Unpaid Parental Leave in the Past 3 Years

	2021			2022			2023		
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	4	5	3	6	9	1	4	5
Number of employees expected to return from unpaid parental leave in the current year (B)	2	6	8	2	6	8	2	2	4
Number of employees reinstated after taking a parental leave in the current year (C)	1	4	5	1	4	5	1	2	3
Number of employees reinstated after taking a parental leave in the previous year (D)	0	1	1	1	4	5	1	4	5
No. of employees reinstated from unpaid parental leave in the previous year and who have worked for one year since (E)	0	1	1	1	4	5	1	3	4
Reinstatements after unpaid parental leave % (C/B)	50%	66.7%	62.5%	50%	66.67%	62.5%	50%	100%	75%
Retention rate % (E/D)	-	100%	100%	100%	100%	100%	100%	75%	80%

*Reinstatement after Unpaid Parental Leave in 2023 = Number of employees reinstated after taking a parental leave in 2023 / Number of employees expected to be reinstated after taking a parental leave

*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 2023 was 80%.

*Number of employees who were eligible to apply for unpaid parental leave in 2023 was 88 = number of employees who applied for maternity leave and paternity leave in 2021-2023.

*Data for 2022 have been corrected. This correction has no impact on the assurance report.

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 2023. 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:

On-site services

Banking, insurance, and many other on-site services

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

Year-end banquet event, family day, ScinoPharm Art Forum, Valentine's Day activities, Eid al-Fitr celebration, Mother's Day celebration, ScinoPharm Movie Day, Dragon Boat Festival activities, wealth management lectures, Mid-Autumn Festival activities, Christmas party, Winter solstice activities, and 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 32 restaurants, 80 lodging establishments, 46 health care institutions, 5 entertainment stores, and 10 transportation service providers

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

Note: The Company's Welfare Committee funds a variety of employee clubs, including the table tennis club, badminton club, cycling club, softball club, and hiking club.



▲ Badminton Club



▲ Hiking Club



▲ Manufacturing plant celebrates 26th anniversary



▲ Family Day outing



▲ Lottery drawing during year-end banquet



▲ Interactive game during year-end banquet

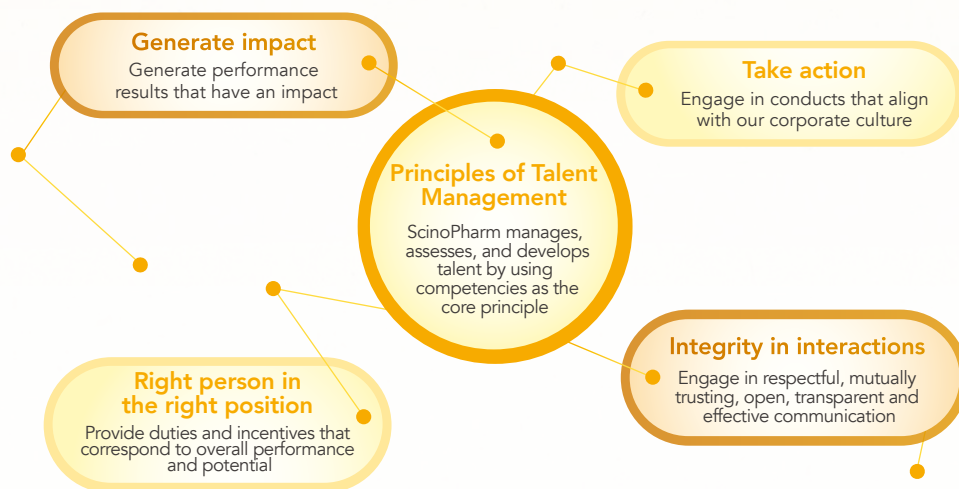
Complete Training System and Diverse Career Development

ScinoPharm manages its pool of talents by adhering to the principles of "responsibility, 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, 2023, 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

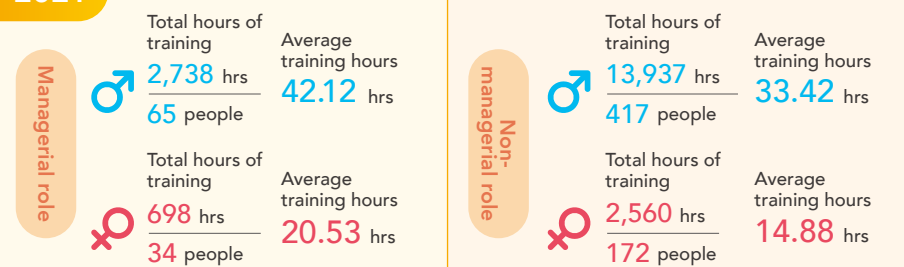
Language and other training

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

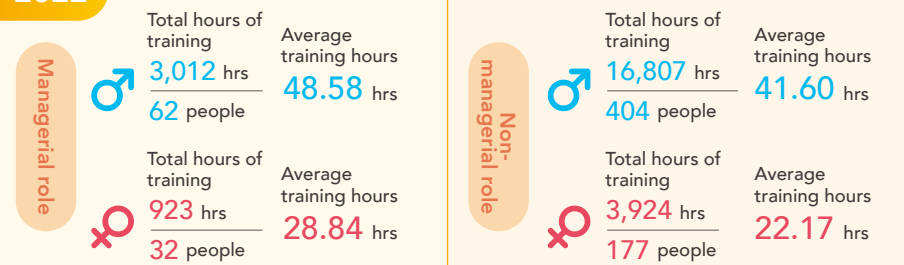
At ScinoPharm, every employee participates in training activities according to job requirements, personal ability and development needs, and personal interests. Statistics show that 9,414 employees participated in 59,495 hours of training in 2023. Hours of training on CGMP and health, safety, and environmental protection totaled 47,157 hours.

Employee Training Hours in the Past 3 Years

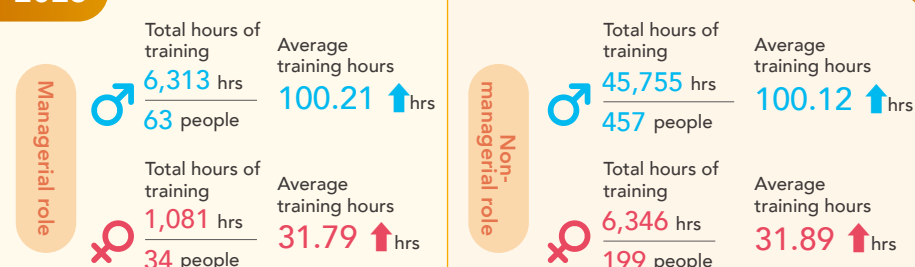
2021



2022



2023



	2021				2022				2023			
Category	Total Number of Attendees	Male	Female	Total hours	Total Number of Attendees	Male	Female	Total hours	Total Number of Attendees	Male	Female	Total hours
Business management	231	139	92	516	985	619	366	3,577	973	607	366	2,173
CGMP training	13,479	11,503	1,885	14,648	3,284	2,618	666	16,099	3,721	2,631	1,090	43,662
Safety, health, and environmental protection training	2,653	1,814	839	3,007	1,101	741	360	1,638	1,468	972	496	3,495
Professional technical training	1,064	720	344	949	664	500	164	1,752	2,481	1,698	783	7,200
Other	450	270	180	813	400	240	160	1,600	771	444	327	2,965
Total	17,811	14,446	3,340	19,933	6,434	4,718	1,716	24,666	9,414	6,352	3,062	59,495

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.



▲ Educational course on the 7 Habits of Highly Effective People



▲ R&D lecture by an external expert



▲ Education and training on accountability in the workplace



▲ Laws on labor outsourcing

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. During the first quarter of each year, the Company plans a range of health-promotion activities according to last year's health examination results. These activities are designed to help employees make exercise a habit 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. At the end of 2023, 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.

Given the easing of the global COVID-19 pandemic, the world including Taiwan has lifted its pandemic restrictions, with COVID-19 being downgraded to Category 4 notifiable communicable disease in Taiwan effective as of May 1, 2023. In response, the Company successively loosened its pandemic prevention policies, lifting dining restrictions and capacity limits for meetings. However, employees should still practice self-health management as well as respiratory hygiene and cough etiquettes for individuals with signs and symptoms of a respiratory infection. Internally, we continued to educate and promote infectious disease prevention measures via e-mail, encourage a healthy post-pandemic lifestyle, and provide free vaccination programs in accordance with government policies to protect the health of employees.



▲ Healthy Workplace Certification

Annual Employee Health Examinations

Employees are a company's most valuable assets. Between December 05-07 of 2023, our employees underwent their annual health examination in groups. A total of 543 employees completed their checkups. 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 operators who are involved in R&D, quality control, and production operations. In 2023, 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.

Employee Health Examination Results in the Past 3 Years

Year	2021	2022	2023
Total Number of Employees who Received Health Examination	511	502	543
Regular Examination	510	502	543
Special Health Examination #3 Ionizing Radiation	17	17	16
Special Health Examination #11 DMF	76	76	68
Special Health Examination #12 n-Hexane	36	41	40
Special Health Examination #30 Formaldehyde	14	13	11

Note: All categories of special health examinations are reported online within 30 days of completing examination in accordance with law.

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. According to a questionnaire survey of musculoskeletal injuries conducted in 2022, several employees reported physical discomfort, such as fatigue, soreness, numbness, and tingling feelings, which may be caused by work and personal habits. Considering the nature of work performed by front-line employees in the production unit, musculoskeletal injuries may be caused by static posture, when performing repetitive tasks, applying strong force, or awkward posture. In 2023, the Company engaged a physiotherapist to provide a lecture for the production department. Those who attended were able to learn about the correct ways to prevent musculoskeletal injuries, and share their health knowledge with others in the department.

Regular health promotion activities in 2023 included the following:

Item	Frequency
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 (e.g., COVID-19, dengue fever)	As needed
Influenza prevention promotion and vaccination promotion activity	Every fourth quarter
On-site consultation service by health professionals	3-Hour session once a month
Health seminars	Twice a year
Stress management and psychological adjustment lectures	Once a year
Light meals provided by the Welfare Committee	As needed
Health promotion posters from Public Health Bureau, Tainan City Government	Once a month
First aid skills training (online and physical courses)	Twice a quarter



▲ Health lecture - Easy ways to exercise as advised by physicians



▲ Health lecture - Ways to check for soreness and pain as advised by physiotherapists

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. In addition, a nurse will email information on maternal health protection practices and regulations every month. 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 2023

- 1 Practical handbook for new dads + maternal health protection in the workplace
- 2 Important! Toll-free hotline 0800-870-870 for pregnant women will not call you nor promote products or services! + maternal health protection in the workplace
- 3 5 ways for women to stay mentally healthy + maternal health protection in the workplace
- 4 Enteroviruses also affect adults! + maternal health protection in the workplace
- 5 Screening for five types of cancers + health newsletter for May + maternal health protection in the workplace
- 6 3 Don'ts and 2 do's to prevent brain injuries in your baby! + maternal health protection in the workplace
- 7 4 ways to prevent heat injuries in children for a fun-filled summer holiday + maternal health protection in the workplace
- 8 Eligibility for prenatal genetic testing subsidies + maternal health protection in the workplace
- 9 Stay alert to enteroviruses + maternal health protection in the workplace
- 10 Eligibility for influenza vaccination + maternal health protection in the workplace
- 11 Breast Cancer Awareness Month is here - Check your eligibility for screening and make an appointment to safeguard your health! + maternal health protection in the workplace
- 12 Cold Weather Alert! Cold wave is approaching. Everyone particularly older adults and children must stay warm! + 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, we have set up four AED stations in high-risk areas of the plant. These stations are monitored by the Response Monitoring Center. Our Response Monitoring Center 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 2023, 191 people have completed the first aid training course.

To make employees more aware of the importance of road safety during commutes, in 2023, we invited the Special Police Corps of Southern Taiwan Science Park to host road safety lectures, including demonstration videos that teach employees road safety practices, standard operating procedures, and other important information, thereby reducing road safety incidents.



Employee First Aid Training



Onsite AED device



Road safety lecture by the Second Special Police Corps



CPR training for ERT

Statistics on Occupational Injuries in the Past 3 Years

Statistics and description of employee performance in workplace safety:

Statistics of Employee Performance in Workplace Safety				
Category	Item	2021	2022	2023
Total Work Hours	Total hours worked among women	405,408	405,812	407,848
	Total hours worked among men	948,576	979,116	917,973
	Total hours worked	1,353,984	1,384,928	1,325,821
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	0	2	0
	Total number (frequency) of occupational injuries among men	8	13	5
	Total number (frequency) of occupational injuries	8	15	5
Recordable Occupational Injury Rate (Including number of deaths and number of severe occupational injuries)	Total occupational injury rate among women	0	0.25	0
	Total occupational injury rate among men	1.69	1.62	1.09
	Total occupational injury rate	1.18	1.87	0.75
Type of occupational injury	Every type of occupational injury	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	Cuts X1 Contact with chemical substance X2 Burns/Scalds injury X1 Fall X1

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 2023.

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



▲ Chemical spill training



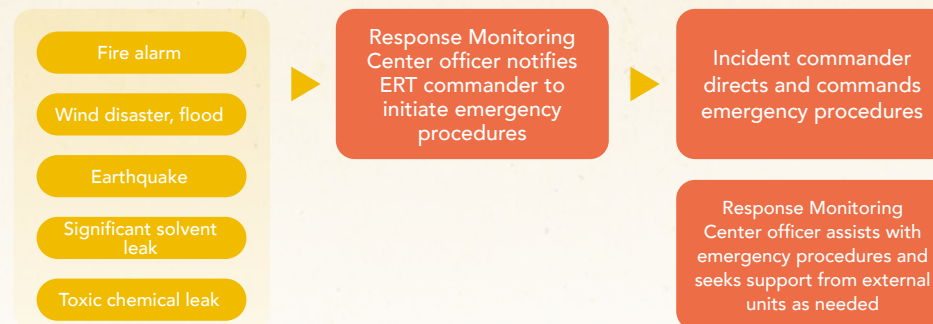
▲ Cleaning and decontamination training

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. There were no fire incidents throughout 2023.

To improve employees' responsiveness to emergency or critical events, a Response Monitoring Center 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:



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\$4.41 million in 2022 and 4.16 million in 2023 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 as well as various toxicological reports for APIs, 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.

Hazardous Machines, Equipment and 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.

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 and 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.



▲ Personal protective equipment for manufacturing processes



CH5

Social Responsibility

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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 14 consecutive years from 2010 to 2023, even during the COVID-19 pandemic (the forum was held online). In 2023, in-person forums resumed contemporaneously with online live streaming. Thanks to the power of the Internet, our forum was able to reach more than 8,000 people. Inspired by the UN SDGs, this year's theme for the forum was "Let's Take a Sustainable Trip!", with Chairman Sheng-Tong Dai as the keynote speaker. Chairman Dai talked about sustainable traveling and the importance of traveling sustainably in urban and rural areas to promote and preserve local culture, thereby achieving cultural sustainability. On the social media page of ScinoPharm Art Forum, we posted an article about the concept of sustainable travel to educate the public on the environmental benefits and social, cultural, and economic implications of sustainable travel, and provide suggestions on how as a traveler readers can support sustainable travel. ScinoPharm has collaborated with AAEON 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 14 consecutive years. Our objective is to create a cultured, artistic work environment and enhance the aesthetic literacy of our employees. In 2023, we won the Copper Award of the 16th Arts and Business Award organized by the Ministry of Culture.

The Company strives to create investment returns for shareholders and faithfully fulfills our corporate social responsibilities. We also respect the rights and interests of employees, comply with the Labor Standards Act and applicable laws and regulations, and create job opportunities. ScinoPharm has a total of 765 employees as of the end of 2023. As a way of preparing students to enter the job market, ScinoPharm takes part in campus events, recruitment activities, and career fairs, actively engages in industry-academia collaboration with domestic universities, and provides internship opportunities to help young students learn about workplace culture and develop necessary skills. We also established a network of connection with relevant university

departments to reduce the gap between industry and academia. Since 2011, ScinoPharm has been working with the Chemical Society in Taipei to set up the ScinoPharm Thesis Scholarship (NT\$100,000). In 2023, the Company provided financial support for various academic activities, including NT\$60,000 to fund a poster presentation competition that was jointly organized by four departments of National Taiwan University; purchasing of laboratory equipment for Kaohsiung Medical University, including an Electroporator, Odyssey Imaging System, and Tomin TM329 autoclave; organization of seminars related to biotechnology and chemical engineering, such as NT\$80,000 for the International Advanced Drug Delivery Symposium and NT\$70,000 for ChemCareer expo. All of these academic activities serve to help the academic community develop talents and promote students' understanding of the industry.

Community Care and Emergency Aid

ScinoPharm is persistently committed to organizing social welfare activities in hopes of consolidating the company's resources to support local disadvantaged individuals. Since 2018, ScinoPharm has been supporting the Month of Love at Southern Taiwan Science Park to care for local communities around the park. In 2023, employees of ScinoPharm donated NT\$21,562, while the Company purchased biscuits from charity organizations to create a cycle of kindness. In March 2023, we organized a blood drive and donated 7.75 liters of blood to the blood bank in response to the increase in use of blood for medical purposes as COVID-19 restrictions were lifted and people's lives returned to normal.

Moreover, ScinoPharm voluntarily donated 100 gifts for a Diamond Jubilee event that was organized by the group to celebrate the wedding anniversaries of elderly couples. In 2023, we also provided emergency aid of €2,000 to the Enriqueta Villavecchia Private Foundation for Child Oncology. 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.

Social Prosperity Activities in 2023				
Activity	Resource Input	Results	Number of People or Organizations Reached	Social Impact
Diamond Jubilee event organized by the group to celebrate the wedding anniversaries of elderly couples	- Donated 100 gifts - How it was promoted: Internal Facebook page	Celebrated the Diamond Jubilee of 100 elderly couples- the event was covered in 63 pieces of news articles.	Couples celebrating their diamond jubilee, their family members, chief officers, and distinguished guests from various districts of Tainan City.	We actively supported Uni-President Corporation's Diamond Jubilee event for elderly couples. 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.
"ScinoPharm Art Forum"	- NT\$233,000 in funding (including event gifts) - How it was promoted: Internal announcements, internal Facebook page, ScinoPharm Art Forum, promotional posters, STSP Newsletter, EDM	Physical lectures: 92% of the audience were satisfied with the lectures. 92.5% of the audience gained a preliminary understanding of sustainable tourism. Online lectures: - Number of interactions increased by 1.28 times compared with last year.	1.This activity has been held for 14 consecutive years. In 2023, Chairman Sheng-Tong Dai was invited to act as the keynote speaker. The lectures had reached an audience of more than 8,000 people. 2.75 tenant companies of Southern Taiwan Science Park. 3.Local farmers	ScinoPharm has been a long-time sponsor of art-related events and activities. In 2023, lectures were held in person and online so that anyone interested in this forum is able to attend. We also engaged directly with local community residents and the general public to inform them of sustainable practices and raise awareness.
Regular ScinoPharm Art Gallery Exhibitions	NT\$37,000 in funding (including artwork transportation fee)	Create a cultured, artistic work environment and enhance the aesthetic literacy of employees	Reached 817 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.
ScinoPharm Movie Day	- NT\$74,000 in funds for event gifts - How it was promoted: Internal announcements, internal Facebook page	This family-bonding event was participated by approximately 400 employees, their families and friends.	1.753 employees of ScinoPharm 2.200 family members	Family gives employees the strength to work. A happy family enables employees to work with peace of mind and focus on work. A focused employee works more safely and productively to create economic growth for the company.
Blood drive	- NT\$10,000 in funds for event gifts (including products purchased from charity organizations) - How it was promoted: Internal announcements, internal Facebook page	27 blood donors, 7.75 liters of blood donated	1.Tainan Blood Center and those in need of blood transfusion 2.753 employees of ScinoPharm 3.Luwuy Opportunity Center	We took the initiative to launch blood donation events, to contribute our part to meet the urgent need for relief out of the empathy with those in need, thereby helping solving the blood shortage issue for hospitals.
ScinoPharm Thesis Scholarship	- NT\$10,000 for scholarship - Organized a meeting to discuss particulars of ScinoPharm Thesis Scholarship	ScinoPharm has been a sponsor for more than 12 years since 2011 and awarded the ScinoPharm Thesis Scholarship to 51 students.	Science and engineering students in universities and colleges	Our scholarship contributes professional talents to biotechnology and pharmaceutical industries, thereby facilitating the growth and future development of communities and the society as a whole.
Christmas Thanksgiving party	- NT\$9,600 in funds for event gifts (including goods purchased from charity organizations) - How it was promoted: Internal announcements, internal Facebook page	More than 500 colleagues participated in the event, creating a thanksgiving and heartwarming atmosphere in the workplace.	1.753 employees of ScinoPharm 2.Lain Shin Yuan Social Welfare Charity Foundation	We purchased products from social welfare organizations to boost the income of disadvantaged groups. While making products, disadvantaged individuals are able to learn life skills, participate in social activities, and in turn improve their ability to take care of themselves.

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



Golden Jubilee celebration for elderly couples: Caring for local elderly residents



The ScinoPharm Art Forum organized for 14 consecutive years



In-plant blood drive



ScinoPharm Art Gallery



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



ScinoPharm Movie Day



Family who attended ScinoPharm Movie Day



Donating laboratory instruments and equipment to Kaohsiung Medical University



5.2 Social Engagement

Active Social Engagement

ScinoPharm Taiwan has consistently committed to pursuing the sustainable development of the company and society. For a long time, the Company has invested resources to manage its relations with local neighborhoods. For example, we actively participated in community activities, promoted local revitalization, assisted disadvantaged families, and supported art and cultural organizations. These actions are our means of contributing to the well-being of the society. In 2023, ScinoPharm engaged in ESG actions to promote placemaking and sustainability, deepen our community engagement, and forge strong ties with local communities.

In 2023, ScinoPharm organized a series of sustainability-centered actions for each season of the year: Sustainable Coastline for spring, Co-Creation on Zuo Zhen Old Street for summer, A Century-Old Line in Xinzhen for autumn, and ScinoPharm Art Forum for winter. Except for ScinoPharm Art Forum which has been organized for 14 consecutive years, the other three activities are newly organized. We teamed up with local communities and social welfare organizations (e.g., Mogather) in various rural districts (e.g., Liugui, Yong'an) in Kaohsiung and Tainan to launch a range of volunteering activities aimed at supporting the sustainable development of rural areas.



Spring Sustainable Coastline ✨

Tea-tasting in Liugui

Employees of ScinoPharm Taiwan volunteered to participate in a tea-planting project. With corporate social responsibility as its core value, this project was held in Liugui District in collaboration with Liugui Xinfu Community Development Association and Shun Fa Tea House. Twenty-two volunteers led by members of the association and tea house visited a tea planting area to experience the processes by which tea leaves are harvested and processed. Learning the art of making tea helps our volunteers to better understand the importance of environmental protection and ecological balance.



A day of fishing in Yong'an

On Earth Day, 21 employees of ScinoPharm volunteered to work with local fishing community members in Yong'an District of Kaohsiung to pick up litter on a beach. The volunteers collectively removed 42 kg of litter, which are then processed for use to make reusable string-bag cup holders for environmental sustainability.



Summer - Co-Creation on Zuo Zhen Old Street ✨

Co-creating sustainable artworks on Zuo Zhen Old Street

Mogather is a social enterprise focused on promoting placemaking in Tainan. We worked with Mogather to design and co-create artworks for display in Zuo Zhen District, a place characterized by high elderly population and population outflow. By decorating this district with artworks, we hope to attract more people to visit this old street and appreciate the historical significance of this place.

Impact and benefits

Twelve volunteers participated in this activity and made nearly 20 pots of plants to beautify the local landscape and revitalize this historical street for local tourism. The impact of this activity includes creating benefits for approximately 18,000 people (tourists and local residents), and strengthening local identity. This activity was covered by two news media agencies and shared across two social media platforms, reaching 16,000 readers.

Opportunities/benefits to communities

This activity creates opportunities for local young residents. For example, it leads to the creation and expansion of placemaking projects, and to additional support from the government, which increases the far-reaching impact of this activity. Moreover, ScinoPharm's sustainability actions can inspire community engagement and sustainability commitments by other business organizations, thereby giving local communities the exposure it needs. Moreover, increasingly more outsiders will be motivated to participate in corporate volunteering activities.



Benefits to the company

Volunteers identified more strongly with the company's philosophy. They also shared and promoted the activity, exposing it to more than 700 other people in the company.

Revitalizing artworks made using sustainable materials and bamboo in Zuo Zhen

Zuo Zhen District in Tainan is one of the major areas habited by the Siraya people. Over time, this district saw a loss of traditional bamboo craftsmanship and the decline of local bamboo industries, culminating in a serious disconnect between bamboo craftsmanship and the culture of local industries. Our employees therefore volunteered to work with local communities to create handmade bamboo lamps by using bamboo sticks grown locally in Zuo Zhen. The finished products were used in local landscaping to beautify the community and light up the night of Zuo Zhen.

Impact and benefits

Fifteen volunteers participated in this activity and made more than 120 bamboo lamps to beautify the local landscape for local tourism. The impact and benefits of this activity include attracting 10% more visitors (18,000 people in total) to Zuo Zhen Fossil Park; drawing the attention of local citizens and relevant organizations to the importance of local bamboo development; promoting the beautification of one idle space; and urging the cooperation of two external teams.

Opportunities/benefits to communities

Young people who have shown a long-time interest in preserving bamboo arts have actively participated in this activity. Their participation is expected to facilitate the continuous revitalization of bamboo industries and the conservation of local cultural characteristics. ScinoPharm's achievements in this aspect will motivate other business organizations to follow suit, while our volunteering works will be shared across Taiwan, contributing to increased relational demography of 30 people or more.

Benefits to the company

Approximately 15 employees identified more strongly with the company's philosophy, and activities organized internally by the company reached an estimate of 700 people.

Highlights

This activity is expected to unlock other opportunities, such as gaining additional government support to expand the scope of this project. In addition, local government agencies are inspired to host other bamboo-related activities, such as the Zuo Zhen Lantern Festival, which had attracted more than 20,000 participants.



Autumn - A Century-Old Line in Xinzhen

Experiencing local culture and cuisines

A Century-Old Line in Xinzhen was held simultaneously in both Xinhua and Zuozhen Districts. Our employees volunteered to take part in our sustainability actions by experiencing and learning the local culture in greater depth. Activities included learning about the beliefs of Plains indigenous peoples (Pingpu people), visiting a wall-less museum, and making cyanotype prints of street buildings. At the entrance of an old house decorated with bamboo lamps made during ScinoPharm's co-creation activity, a table of local cuisines and delicacies made by local restaurants using local ingredients was laid to translate local development issues into a creative experiential activity. A sustainable mode of collaboration ensures the sustainable development of a local area and enables corporate employees to truly understand the meaning and significance of supporting rural development.

Impact and benefits

The activity garnered a financial support of NT\$90,000 for the development of local places in Xinhua and Zuozhen Districts and boosted the local economy.

Opportunities/benefits to communities

The activity brought four local communities together. Twenty four cyanotype prints produced by our volunteers not only attracted the public's attention to cultural landscapes but also encouraged more people to participate in local DIY activities.

Benefits to the company

In total, 25 employees of ScinoPharm participated in the activity, exposing the activity to more than 700 people.

In 2023, our sustainability actions led to fruitful outcomes. For example, we promoted local collaboration, encouraged volunteering works, beautified the local environment, boosted local cultural tourism, garnered the attention of tourists and local government agencies, and organized activities that also created more practical experiences for local organizations and placemaking teams. ScinoPharm's community involvement highlights our support to and impact on communities, thereby drawing the attention of local government agencies and other organizations to communities in Zuozhen District and exerting a positive impact on local areas.



The Positive Impact of ScinoPharm's Sustainability Actions in 2023

External Benefits		
Number of participants and results		
Item	Quantity	Unit
Number of participants in annual sustainability actions	300	Number of people
Number of corporate volunteers for the year	81	Number of people
Works produced (planting boards, bamboo lamps, cyanotype prints)	160	PCS
Cumulative hours of volunteering in sustainability actions for the year	2,025	Hour(s)
Promotion of local team collaboration	11	PCS
Amount invested in local sustainability actions	361,042	NT\$
Local culture and social impact		
Stronger place identity and sense of honor		
Greater experience and confidence for local organizations and social enterprises		
Inspiring other business organizations to learn about placemaking, thereby creating possibilities of collaborating with other companies		
Gaining additional government support to expand project scope (e.g., Zuo Zhen Lantern Festival)		
Opportunities		
11 partner organizations motivated	The 11 organizations were: Liugui District Xinfu Community Development Association; Kaohsiung Yong'an Xingang Community Cooperatives, artist Lee Chia Feng, Cailiao River Industry Tourism Association, HACHA Studio, USR Project Team from NCKU, Tâi Lâm Lâng Club, Tainan Zuozhen Fossil Park, Monocot, Safety Sowing Shop, Zuo Da Studio.	
Our achievements gained additional government support for project expansion	Day markets, night markets, and light shows for children, and Zuozhen Lantern Festival, among other activities.	
Local communities were inspired to invest in bamboo art industries	Zuozhen Lantern Festival (more than 20,000 participants cumulatively)	
Internal Benefits		
Employees identified more strongly with the company and its philosophy. The Company's community efforts also strengthened cohesion in the workplace. Information about our sustainability actions reached 753 people.		

Participation in the Affairs of Associations and Engagement with Associations

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. As a member of the pharmaceutical industry, in 2023, we assisted Taiwan Pharmaceutical Manufacturer's Association with the production of a video featuring the celebration of GMP's 40th Anniversary (a work commissioned by TFDA). Executives of ScinoPharm are also the director of Taiwan Pharmaceutical Manufacturer's Association, the supervisor of Taiwan Pharmaceutical Manufacture and Development Association, Taiwan Generic Pharmaceutical Association (TGPA), Taiwan Bio Industry Organization, and the director of Chemical Society Located in Taipei.

Group members

The Allied Association for
Science Park Industries

Taiwan Pharmaceutical
Manufacturer's Association

Taiwan Pharmaceutical
Manufacture and Development
Association

Taiwan Generic Pharmaceutical
Association

Taiwan Parenteral Drug
Association

Taiwan Bio Industry
Organization

Cross-Strait CEO Summit

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 01/01/2023 to 12/31/2023.
GRI 1 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	3	
	2-2	Entities included in the organization's sustainability reporting	1.2 Shareholder Structure	17	
	2-3	Reporting period, frequency and contact point	About this Report	3	
	2-4	Restatements of information	About this Report	3	
	2-5	External assurance	About this Report	3	
2. Activities and workers					
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 Company Overview	17	
	2-7	Employees	4.1 Workforce Overview 4.2 Employee Benefits and Care	71 76	
	2-8	Workers who are not employees	2.3 Supplier and Contractor Management	52	
3. Governance					
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	1.5 Corporate Governance	25	
	2-10	Nominating and selecting the highest governance body	1.5 Corporate Governance	25	
	2-11	Chair of the highest governance body	1.5 Corporate Governance	25	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.7 Stakeholder and Material Topics Identified	31	
	2-13	Delegation of responsibility for managing impacts	1.7 Stakeholder and Material Topics Identified	31	
	2-14	Role of the highest governance body in sustainability reporting	1.7 Stakeholder and Material Topics Identified	31	
	2-15	Conflicts of interest	1.5 Corporate Governance 1.6 Business Integrity	25 29	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
GRI 2 General Disclosures 2021	2-16	Communication of critical concerns	1.5 Corporate Governance	25	
	2-17	Collective knowledge of highest governance body	1.5 Corporate Governance	25	
	2-18	Evaluation of the performance of the highest governance body	1.5 Corporate Governance	25	
	2-19	Remuneration policies	1.5 Corporate Governance	25	
	2-20	Process to determine remuneration	1.5 Corporate Governance	25	
4. Strategy, policies and practices					
GRI 2 General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from Management	4	
	2-23	Policy commitments	1.10 Sustainable Development Policies	46	
	2-24	Embedding policy commitments	1.10 Sustainable Development Policies	46	
	2-25	Processes to remediate negative impacts	4.1 Workforce Overview	71	
	2-26	Mechanisms for seeking advice and raising concerns	1.6 Business Integrity	29	
	2-27	Compliance	3.1 Safety, Health, and Environmental Policies 4.2 Employee Benefits and Care	59 76	
	2-28	Membership of associations	5.2 Social Engagement	93	
5. Stakeholder Engagement					
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement	1.7 Stakeholder and Material Topics Identified	31	
	2-30	Collective bargaining agreements	4.1 Workforce Overview	71	
6. Material Topics					
GRI 3 Material topics 2021	3-1	Determined the Material Topics	1.7 Stakeholder and Material Topics Identified	31	
	3-2	List of material topics	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Economic Performance	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Energy	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Waste/Scraps	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Occupational safety and health	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Training and Education	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Customer Health and Safety	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Marketing and Labeling	1.7 Stakeholder and Material Topics Identified	31	
	3-3	Talent Recruitment and Retention	1.7 Stakeholder and Material Topics Identified	31	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
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 Overview of Operations	18	
	201-2	Financial implications and other risks and opportunities due to climate change	1.9 Climate Change Risks and Opportunities	40	
	201-3	Defined benefit plan obligations and other retirement plans	4.2 Employee Benefits and Care	76	
	201-4	Financial assistance received from government	1.3 Overview of Operations	18	
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	71	
	202-2	Proportion of senior management hired from the local community	4.1 Workforce Overview	71	
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 5.2 Social Engagement	90 93	
	203-2	Indirect Economic Impacts significantly	5.1 Giving Back to Society 5.2 Social Engagement	90 93	
Procurement Practices					
GRI 204 Topic-specific disclosures - Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.3 Supplier and Contractor Management	52	
Anti-Corruption					
GRI 205 Topic-specific disclosures - Anti- Corruption 2016	205-1	Operations assessed for risks related to corruption	1.6 Business Integrity	29	
	205-2	Communication and training about anti-corruption policies and procedures	1.6 Business Integrity	29	
	205-3	Confirmed incidents of corruption and actions taken	1.6 Business Integrity	29	
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	29	
Tax					
GRI 207 Topic-specific management disclosures - Tax 2019	207-1	Tax approach	1.3 Overview of Operations	18	
	207-2	Tax governance, control, and risk management	1.3 Overview of Operations	18	
	207-3	Stakeholder engagement and management of concerns related to tax	1.3 Overview of Operations	18	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Tax					
GRI 207 Topic-specific disclosures- Tax 2019	207-4	Country-by-country reporting	1.3 Overview of Operations	18	
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 and Contractor Management	52	
	301-2	Recycled input materials used	3.4 Pollution Prevention	67	
	301-3	Reclaimed products and their packaging materials	3.4 Pollution Prevention	67	
★ Energy					
GRI 302 Topic-specific disclosures - Energy 2016	302-1	Energy consumption within the organization	3.2 Energy and Resource Use and Management	60	
	302-3	Energy Intensity	3.2 Energy and Resource Use and Management	60	
	302-4	Reduction of energy consumption	3.2 Energy and Resource Use and Management	60	
	302-5	Reductions in energy requirements of products and services	3.2 Energy and Resource Use and Management	60	
Water and Effluents					
GRI 303 Topic-specific management disclosures - Water and Effluents 2018	303-1	Interactions with water as a shared resource	3.2 Energy and Resource Use and Management	60	
	303-2	Management of water discharge-related impacts	3.2 Energy and Resource Use and Management	60	
GRI 303 Topic-specific disclosures - Water and Effluents 2018	303-3	Water Withdrawal	3.2 Energy and Resource Use and Management	60	
	303-4	Water Discharge	3.2 Energy and Resource Use and Management	60	
	303-5	Water Consumption	3.2 Energy and Resource Use and Management	60	
Emissions					
GRI 305 Topic-specific disclosures - Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-3	Other indirect (Scope 3) GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-4	Greenhouse Gas (GHG) Emissions Intensity	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-5	Reduction of GHG emissions	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-6	Emissions of ozone depleting substances (ODS)	3.3 Greenhouse Gas (GHG) Emissions	64	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3 Greenhouse Gas (GHG) Emissions	64	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
★ Waste/Scraps					
GRI 306 Topic-specific management disclosures - Waste/Scraps 2020	306-1	Waste generation and significant waste-related impacts	3.4 Pollution Prevention	67	
	306-2	Management of significant waste-related impacts	3.4 Pollution Prevention	67	
GRI 306 Topic-specific disclosures - Waste 2020	306-3	Waste generation	3.4 Pollution Prevention	67	
	306-4	Waste diverted from disposal	3.4 Pollution Prevention	67	
	306-5	Waste directed to disposal	3.4 Pollution Prevention	67	
GRI 306 Topic-specific disclosures Effluents and Waste 2016	306-3	Significant spills	3.2 Energy and Resource Use and Management	60	
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	67	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.4 Pollution Prevention	67	
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	76	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee Benefits and Care	76	
	401-3	Parental leave	4.2 Employee Benefits and Care	76	
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	76	
★ Occupational safety and health					
GRI 403 Occupational safety and health Topic-specific management disclosures 2018	403-1	Occupational Safety and Health Management Systems	4.4 Safe Work Environment	86	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4 Safe Work Environment	86	
	403-3	On-site Health Service	4.3 Workplace Health Promotion	82	
	403-4	Worker participation, consultation, and communication on occupational safety and health	4.3 Workplace Health Promotion	82	
	403-5	Worker training on occupational safety and health	4.4 Safe Work Environment	86	
	403-6	Worker Health Promotion	4.3 Workplace Health Promotion	82	
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	4.4 Safe Work Environment	86	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
★ Occupational safety and health					
GRI 403 Topic-specific disclosures - Occupational Safety and Health 2018	403-8	Workers covered by an occupational safety and health management system	4.4 Safe Work Environment	86	
	403-9	Occupational injury	4.3 Workplace Health Promotion	82	
	403-10	Work-related ill health	4.3 Workplace Health Promotion	82	
★ 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	76	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee Benefits and Care	76	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Employee Benefits and Care	76	
Diversity and Equal Opportunity					
GRI 405 Diversity and Equal Opportunity Topic-specific disclosures 2016	405-1	Diversity of governance bodies and employees	1.5 Corporate Governance 4.1 Workforce Overview	25 71	
	405-2	Ratio of basic salary and remuneration of women to men	4.1 Workforce Overview	71	
Non-Discrimination					
GRI 406 Topic-specific disclosures - Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1 Workforce Overview	71	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining Topic-specific disclosures 2016	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	76	
Child labor					
GRI 408 Topic-specific disclosures - Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Workforce Overview	71	
Forced or Compulsory Labor					
GRI 409 Topic-specific disclosures Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Workforce Overview 4.2 Employee Benefits and Care	71 76	
Security Practices					
GRI 410 Topic-specific disclosures - Security Practices 2016	410-1	Security staff training on human rights policies or procedures	4.4 Safe Work Environment	86	

Category/topics of GRI Standards	Number	Disclosure of GRI Standards	Corresponding chapters/sections	Page	Omitted/Note
Rights of Indigenous Peoples					
GRI 411 Topic-specific disclosures - Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Not-involved		
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 5.2 Social Engagement	90 93	
	413-2	Operations with significant actual and potential negative impacts on local communities	5.1 Giving Back to Society 5.2 Social Engagement	90 93	
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 and Contractor Management	52	
	414-2	Negative social impacts in the supply chain and actions taken	2.3 Supplier and Contractor Management	52	
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	50	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2 Product Safety and Customer Satisfaction	50	
★ 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	50	
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.2 Product Safety and Customer Satisfaction	50	
	417-3	Incidents of non-compliance concerning marketing communications	2.2 Product Safety and Customer Satisfaction	50	
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	38	
★ Innovative Technology and Patents					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.7 Stakeholder and Material Topics Identified	31	
★ Risk Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.7 Stakeholder and Material Topics Identified	31	

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.

Topics	Accounting Indicator	Category	Number	Explanation from ScinoPharm
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 2023.
	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 did not recall products in 2023.
	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

Topics	Accounting Indicator	Category	Number	Explanation from ScinoPharm
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	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.
Employees Development and Retention	(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 718±5% in the past three years. The retention rate of executives/senior managers was 95% in 2023.
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 and 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 Ethical Corporate Management Best Practice Principles 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
(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: 76 (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	40
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	40
3	Describe the impact of extreme weather events and transition actions on the Company's financial position.	1.9 Climate Change Risks and Opportunities	40
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	40
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	40
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	40
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	40
9	Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans	1.9 Climate Change Risks and Opportunities Appendix 4	40 109

Appendix 4 GHG inventory and assurance

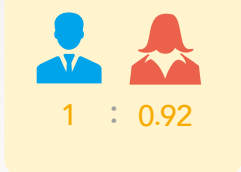
Background Information of the Company		Pursuant to the sustainable development roadmap of TWSE/TPEX-listed companies, at least the following shall be disclosed							
		☐ Company with capital of NT\$10 billion and above, steel industry, cement industry ☒ Capital of NT\$5 billion or more but less than NT\$10 billion ☐ Capital of less than NT\$5 billion				☒ Individual inventory of the parent company - To be completed in 2025 ☐ Individual certainty of the parent company ☐ Inventory of subsidiaries in the consolidated financial statements ☐ Assurance of subsidiaries in the consolidated financial statements			
Item	Revenue	Scope 1		Scope 2		Scope 3	Assurance		
Year	NT\$ (million)	Total Emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)	Total Emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)	Voluntary disclosure	Certification body	Assurance standard	Assurance Opinion
2022	3,069	3,262.84	1.063	16,045.18	5.228	-	AFNOR Asia Ltd.	ISO 14064-3:2019	Completed GHG inventory for 2022 in September 2023, passed ISO 14064-1 third-party verification, obtained a reasonable level of assurance for Scopes 1 and 2 emissions
2023	3,006	4,292.54	1.428	17,067.97	5.678	-		GHG Protocol	The company plans to complete the 2023 GHG inventory and verification in accordance with GHG Protocol standards in October 2024. Per regulations, we will complete individual inventory by 2025 and individual assurance by 2027.

Instructions for filling out the form:

- 1.The assurance body meets the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.
- 2.The intensity of greenhouse gas emissions is calculated using a revenue of NT\$ million per unit of product.

Appendix 5 Summary of Assurance Item

No.	Underlying Subject	Applicable Standard	Page																																																																																																																																																
1	Water withdrawal, water discharge, and total water consumption	According to the company's water usage as shown by its 2023 monthly water meter statistics, and water discharge calculated monthly by the wastewater treatment unit, and the total water consumption calculated and disclosures in accordance with GRI regulations	60																																																																																																																																																
	<table><tr><th>Year</th><th>Water Withdrawal (million liters)</th><th>Water Discharge (million liters)</th><th>Water Consumption (million liters)</th></tr><tr><td>2023</td><td>149.84</td><td>80.35</td><td>65.36</td></tr></table>	Year	Water Withdrawal (million liters)	Water Discharge (million liters)	Water Consumption (million liters)	2023	149.84	80.35	65.36																																																																																																																																										
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2023	149.84	80.35	65.36																																																																																																																																																
2	Electricity generated from solar panels and income for sale of renewable electricity	2023 Electricity Generated by the Photoelectric System in the Administration Building <table><tr><th rowspan="2">Month</th><th rowspan="2">kWh of Power Generated (kWh)</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>2023/1</td><td>2,684</td><td>6.419</td><td>17,229</td><td>1,325.90</td><td>0.13</td></tr><tr><td>2023/2</td><td>2,600</td><td>6.419</td><td>16,689</td><td>1,284.40</td><td>0.13</td></tr><tr><td>2023/3</td><td>3,220</td><td>6.419</td><td>20,669</td><td>1,590.68</td><td>0.16</td></tr><tr><td>2023/4</td><td>3,224</td><td>6.419</td><td>20,695</td><td>1,592.66</td><td>0.16</td></tr><tr><td>2023/5</td><td>3,284</td><td>6.419</td><td>21,080</td><td>1,622.30</td><td>0.16</td></tr><tr><td>2023/6</td><td>3,320</td><td>6.419</td><td>21,311</td><td>1,640.08</td><td>0.17</td></tr><tr><td>2023/7</td><td>3,392</td><td>6.419</td><td>21,773</td><td>1,675.65</td><td>0.17</td></tr><tr><td>2023/8</td><td>2,744</td><td>6.419</td><td>17,614</td><td>1,355.54</td><td>0.14</td></tr><tr><td>2023/9</td><td>2,676</td><td>6.419</td><td>17,177</td><td>1,321.94</td><td>0.13</td></tr><tr><td>2023/10</td><td>2,568</td><td>6.419</td><td>16,484</td><td>1,268.59</td><td>0.13</td></tr><tr><td>2023/11</td><td>2,648</td><td>6.419</td><td>16,998</td><td>1,308.11</td><td>0.13</td></tr><tr><td>2023/12</td><td>2,056</td><td>6.419</td><td>13,197</td><td>1,015.66</td><td>0.10</td></tr><tr><td>Total for the Year</td><td>34,416</td><td>-</td><td>220,916</td><td>17,001.50</td><td>1.72</td></tr></table> 2023 Electricity Generated in the Injectable Plant <table><tr><th rowspan="2">Month</th><th rowspan="2">kWh of Power Generated (kWh)</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>2023/1</td><td>13,710</td><td>6,772.74</td><td>0.68</td></tr><tr><td>2023/2</td><td>11,904</td><td>5,880.58</td><td>0.59</td></tr><tr><td>2023/3</td><td>16,200</td><td>8,002.80</td><td>0.81</td></tr><tr><td>2023/4</td><td>18,654</td><td>9,215.08</td><td>0.93</td></tr><tr><td>2023/5</td><td>21,240</td><td>10,492.56</td><td>1.06</td></tr><tr><td>2023/6</td><td>18,966</td><td>9,369.20</td><td>0.95</td></tr><tr><td>2023/7</td><td>14,154</td><td>6,992.08</td><td>0.71</td></tr><tr><td>2023/8</td><td>14,886</td><td>7,353.68</td><td>0.74</td></tr><tr><td>2023/9</td><td>15,708</td><td>7,759.75</td><td>0.78</td></tr><tr><td>2023/10</td><td>13,674</td><td>6,754.96</td><td>0.68</td></tr><tr><td>2023/11</td><td>14,976</td><td>7,398.14</td><td>0.75</td></tr><tr><td>2023/12</td><td>10,476</td><td>5,175.14</td><td>0.52</td></tr><tr><td>Total for the Year</td><td>184,548</td><td>91,166.71</td><td>9.21</td></tr></table> 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 2023, and in accordance with the Ministry of Economic Affairs	Month	kWh of Power Generated (kWh)	Unit Price (NT\$)	Amount	Carbon Reduction		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)	2023/1	2,684	6.419	17,229	1,325.90	0.13	2023/2	2,600	6.419	16,689	1,284.40	0.13	2023/3	3,220	6.419	20,669	1,590.68	0.16	2023/4	3,224	6.419	20,695	1,592.66	0.16	2023/5	3,284	6.419	21,080	1,622.30	0.16	2023/6	3,320	6.419	21,311	1,640.08	0.17	2023/7	3,392	6.419	21,773	1,675.65	0.17	2023/8	2,744	6.419	17,614	1,355.54	0.14	2023/9	2,676	6.419	17,177	1,321.94	0.13	2023/10	2,568	6.419	16,484	1,268.59	0.13	2023/11	2,648	6.419	16,998	1,308.11	0.13	2023/12	2,056	6.419	13,197	1,015.66	0.10	Total for the Year	34,416	-	220,916	17,001.50	1.72	Month	kWh of Power Generated (kWh)	Carbon Reduction		Emissions Reduced (kg of CO ₂ e)	Benefit in terms of Afforestation (ha)	2023/1	13,710	6,772.74	0.68	2023/2	11,904	5,880.58	0.59	2023/3	16,200	8,002.80	0.81	2023/4	18,654	9,215.08	0.93	2023/5	21,240	10,492.56	1.06	2023/6	18,966	9,369.20	0.95	2023/7	14,154	6,992.08	0.71	2023/8	14,886	7,353.68	0.74	2023/9	15,708	7,759.75	0.78	2023/10	13,674	6,754.96	0.68	2023/11	14,976	7,398.14	0.75	2023/12	10,476	5,175.14	0.52	Total for the Year	184,548	91,166.71	9.21	66 67
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3	Waste Disposal	Waste generation <table><tr><th colspan="8">ScinoPharm Waste Disposal was off-site</th></tr><tr><th colspan="4">Hazardous Waste</th><th colspan="4">Non-Hazardous Waste</th></tr><tr><th>Item/Year</th><th>2022</th><th>2023</th><th>Treatment Method</th><th>Item/Year</th><th>2022</th><th>2023</th><th>Treatment Method</th></tr><tr><td>General solvent waste (C-0301)</td><td>1726.440</td><td>2441.810</td><td>Incineration method</td><td>Halogenated solvent waste(D-2301)</td><td>47.710</td><td>97.620</td><td>Incineration method</td></tr><tr><td>General solvent waste (C-0301)</td><td>536.230</td><td>889.630</td><td>Liquid waste and reuse</td><td>Organic sludge (D-0901)</td><td>137.650</td><td>165.700</td><td>Incineration method</td></tr><tr><td>Liquid waste with high water content (C-0301)</td><td>92.180</td><td>85.960</td><td>Incineration method</td><td>Drug waste (D-2409)</td><td>9.656</td><td>13.050</td><td>Incineration method</td></tr><tr><td>Inflammable halogenated solvent waste (C-0301)</td><td>27.770</td><td>42.600</td><td>Incineration method</td><td>General solid waste (D-2399)</td><td>83.110</td><td>88.870</td><td>Incineration method</td></tr><tr><td>Hazardous filter (B-0399)</td><td>5.120</td><td>5.960</td><td>Incineration method</td><td>Domestic waste (D-1801)</td><td>27.000</td><td>36.140</td><td>Incineration method</td></tr><tr><td>Empty barrel for toxic chemical waste (B-0399)</td><td>1.360</td><td>0</td><td>Process and reuse</td><td>Wood waste (B-0701)</td><td>4.230</td><td>7.790</td><td>Waste/Scraps and reuse</td></tr><tr><td>Hazardous liquid waste (B-0399)</td><td>0</td><td>5.090</td><td>Incineration method</td><td>Activated carbon waste (D-2403)</td><td>0.380</td><td>0.960</td><td>Incineration method</td></tr><tr><td>Empty barrel for general waste (C-0301, C-0301, C-0302)</td><td>127.760</td><td>175.630</td><td>Process and reuse</td><td>Precious metal waste (D-3626)</td><td>0.051</td><td>0.246</td><td>Process and reuse</td></tr><tr><td>Infectious waste (C-0514)</td><td>0.796</td><td>0.980</td><td>Incineration method</td><td>Waste paper mixture (D-0699)</td><td>1.450</td><td>13.190</td><td>Incineration method</td></tr><tr><td></td><td></td><td></td><td></td><td>Waste oil mixture (D-1799)</td><td>1.300</td><td>0</td><td>Incineration method</td></tr><tr><td></td><td></td><td></td><td></td><td>Waste glass (B-0401)</td><td>4.280</td><td>1.440</td><td>Process and reuse</td></tr><tr><td></td><td></td><td></td><td></td><td>Waste plastic mixture (D-0299)</td><td>0</td><td>0.350</td><td>Incineration method</td></tr></table> Total industrial waste disposed of in 2023 as registered by the company on the business waste reporting and management information system in accordance with competent authority's reporting regulations and the Waste Disposal Act	ScinoPharm Waste Disposal was off-site								Hazardous Waste				Non-Hazardous Waste				Item/Year	2022	2023	Treatment Method	Item/Year	2022	2023	Treatment Method	General solvent waste (C-0301)	1726.440	2441.810	Incineration method	Halogenated solvent waste(D-2301)	47.710	97.620	Incineration method	General solvent waste (C-0301)	536.230	889.630	Liquid waste and reuse	Organic sludge (D-0901)	137.650	165.700	Incineration method	Liquid waste with high water content (C-0301)	92.180	85.960	Incineration method	Drug waste (D-2409)	9.656	13.050	Incineration method	Inflammable halogenated solvent waste (C-0301)	27.770	42.600	Incineration method	General solid waste (D-2399)	83.110	88.870	Incineration method	Hazardous filter (B-0399)	5.120	5.960	Incineration method	Domestic waste (D-1801)	27.000	36.140	Incineration method	Empty barrel for toxic chemical waste (B-0399)	1.360	0	Process and reuse	Wood waste (B-0701)	4.230	7.790	Waste/Scraps and reuse	Hazardous liquid waste (B-0399)	0	5.090	Incineration method	Activated carbon waste (D-2403)	0.380	0.960	Incineration method	Empty barrel for general waste (C-0301, C-0301, C-0302)	127.760	175.630	Process and reuse	Precious metal waste (D-3626)	0.051	0.246	Process and reuse	Infectious waste (C-0514)	0.796	0.980	Incineration method	Waste paper mixture (D-0699)	1.450	13.190	Incineration method					Waste oil mixture (D-1799)	1.300	0	Incineration method					Waste glass (B-0401)	4.280	1.440	Process and reuse					Waste plastic mixture (D-0299)	0	0.350	Incineration method	68																								
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No.	Underlying Subject	Applicable Standard	Page
4	Male-to-female employees pay ratio in 2023 was 1:0.92 men-to-women pay ratio in 2023  Male-to-female employees pay ratio	Male-to-female employees pay ratio was calculated using male employees' pay for 2023 as 100% baseline	75
5	Administrative fines imposed by the competent authority for material violation of environmental laws and regulations In 2023, there were no administrative fines imposed by the competent authority for material violation of environmental laws and regulations. In 2023, 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.	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.	60
6	Number of full-time employees with physical and mental disabilities is higher than the statutory requirement The company has eight full-time employees with physical and mental disabilities, which is more than the statutory requirement. In addition, ScinoPharm provides equal employment opportunities to people with physical and mental disabilities. As of December 31, 2023, the Company has hired 8 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".	This is in accordance with Article 38 of the People with Disabilities Rights Protection Act, which stipulates the number of people with physical and mental disabilities who have capability to work, that shall be employed by a company.	71

Appendix 6 Limited Assurance Report of the Independent Auditor



會計師有限確信報告

(113)資會綜字第 24002252 號

台灣神隆股份有限公司 公鑒：

本會計師受台灣神隆股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定 2023 永續報告書所報導之關鍵績效指標（以下簡稱「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 2023 永續報告書第 110 至 111 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」段落述明。

上開適用基準係為全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，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。

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。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範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」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

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依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查與分析性程序、量化方法是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已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，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已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。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2023 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。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

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。

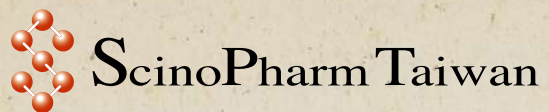
資誠聯合會計師事務所

會計師 葉芳婷



中華民國 113 年 8 月 5 日





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