



# 2022 永續報告書

Sustainability Report

## 生達化學製藥股份有限公司

Standard Chem & Pharm CO.,LTD

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

**01** Operations and Governance

**02** Net Zero Emissions and Sustainable Development

**03** Product Innovation and Customer Safety

**04** Employee Relations

**05** Social Care and Engagement

Appendix



# Table of Contents

|   |    |                                     |   |  |
|---|----|-------------------------------------|---|--|
| In regards to the report                          | 3  | <b>01</b> Operations and Governance | <b>02</b> Net Zero Emissions and Sustainable Development                                  | <b>03</b> Product Innovation and Customer Safety |
| Message from the Chairman                         | 5  | <b>1.1</b> Corporate Governance     | <b>2.1</b> Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | <b>3.1</b> Customer Health and Safety            |
| Performance and Contributions in the Past 3 Years | 6  | <b>1.2</b> Operational Performance  | <b>2.2</b> Water Resource Management  | <b>3.2</b> Customer Relationship Management      |
| About Standard                                    | 7  | <b>1.3</b> Business Integrity       | <b>2.3</b> Waste Management   | <b>3.3</b> Product Quality and Responsibility    |
| Stakeholder Negotiations                          | 11 | <b>1.4</b> Regulatory Compliance    |   | <b>3.4</b> Innovation and Research & Development |
| Significant Theme Analysis                        | 14 | <b>1.5</b> Supplier Management      |   | <b>3.5</b> Essential Medicine Accessibility      |



Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix



# Table of Contents

## 04 Employee Relations

4.1 Talent Attraction and Retention 58

★ 4.2 Talent Cultivation and Development 63

4.3 Occupational Health and Safety 65

## 05 Social Care and Engagement

★ 5.1 Social Participation 74

## Appendix

GRI Standards Comparison Table 80

Verification Statement 88

## About the Report

Standard Chem & Pharm CO.,LTD (hereinafter referred to as Standard or the Company) was founded in 1967. The Company's primary business is the manufacturing of Western pharmaceutical formulations. Standard focuses on developing generic pharmaceuticals domestically and internationally for products with strategic advantages, differentiation, and potential. The Company also maintains control over the supply chain, including raw materials and upstream and downstream suppliers. Furthermore, Standard is committed to implementing production management systems that adhere to international GMP standards and a globalized marketing strategy. This report discloses how Standard, under the goals of sustainability and business operations, addresses stakeholder concerns regarding various issues.

## Guidelines for Report Compilation

This report references the 2021 edition of the guidelines published by the Global Reporting Initiative (GRI) and includes dedicated chapters for disclosing climate-related information. It presents performance data for Standard in various aspects, including corporate governance, environmental sustainability, employee relations, social care, and engagement for the year 2022. This report serves to inform stakeholders about Standard's operational effectiveness in corporate sustainability and demonstrates the determination and efforts towards sustainable development. Any adjustments made to the data categories disclosed in this report will be explained separately within the report. The financial figures in this report are prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, interpretations and announcements issued and approved by the Financial Supervisory Commission. These figures have been audited and verified by PricewaterhouseCoopers Taiwan and are presented in New Taiwan Dollars (NTD) unless otherwise indicated.

## Report Management Approach

The information in this report is provided by responsible personnel from various relevant departments. The data and statistics have been reviewed by department heads for their appropriateness, the accuracy of content, and completeness. Subsequently, an editorial team has compiled and authored the report. Following review by the audit unit, and the Chairman and General Manager, it is scheduled for release. Approval by the board of directors is anticipated in November 2023.

## Scope and Boundaries of the Report

The content of this report primarily consists of individual data. The scope and boundaries encompass Standard's factories, Factory 1 and Factory 2, as well as its offices in Taipei, Taichung, Chiayi, and Kaohsiung. The report covers the specific implementation of various significant themes in the areas of corporate governance, environmental sustainability, employee relations, social care, and engagement, all of which are of interest to stakeholders.



Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in  
the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

**01** Operations and Governance

**02** Net Zero Emissions and  
Sustainable Development

**03** Product Innovation and  
Customer Safety

**04** Employee Relations

**05** Social Care and Engagement

Appendix

## Reporting Period and Release

The Company's sustainability report was first published in September 2014, and it is compiled annually. In 2019, it was made publicly available on the company's website for viewing. The reporting period for this report is the fiscal year 2022 (from January 1, 2022, to December 31, 2022), covering various sustainability initiatives and performance, including relevant operational systems and activities. The report emphasizes the management and performance of various significant themes. To present related management performance comprehensively and comparably, certain content includes periods before January 1, 2022, and after December 31, 2022. This version is released in September 2023, with the next version expected to be released in September 2024.

## Contact Information

The Company greatly appreciates your willingness to share your feedback, and we will listen attentively and strive for improvement with the utmost sincerity. If you have any comments or suggestions, please feel free to contact us using the following information:

Issuer: Standard Chem. & Pharm. CO.,LTD.

Address: No. 154, Kaiyuan Road, Xinying District, Tainan City, Taiwan

Company Website: <http://www.standard.com.tw>

Email: [info@standard.com.tw](mailto:info@standard.com.tw)

Phone: +886-6-6361516

Contacts: Company Spokesperson: Manager Grace Chen (Ext. 6009)

Editorial Team: Miss Rongyi ,Chi (Ext. 6106)

Copyright: All rights reserved for this report.

For article reproduction, please seek consent and obtain written authorization.

## Third-Party Assurance

As of the fiscal year 2022, the Company has not yet engaged external third parties to provide assurance on the content of this report.



Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Message from the Chairman

Tzu-Tin Fan  
Chairman and General Manager

“Integrity, Uprightness, Pursuit of Excellence, and Innovation are Standard's commitments to corporate social responsibility.”



Standard upholds the corporate philosophy of 'Integrity, Uprightness, Excellence, and Innovation' to serve the betterment of humanity. Our business operations are guided by the principles of honesty, integrity, continuous improvement, and innovation. Our mission is to continually provide better products, updated technologies, and superior services to benefit all of humanity.

Through the integration of resources, the creation of value, continuous development, and sustainable growth, we aim to achieve the 'Five Satisfaction' state, where customers are satisfied, employees are content, shareholders are willing, government agencies are in agreement, and the business thrives. This demonstrates the value of our existence as a company. We aspire for Standard to be an ideal platform where diverse talents can flourish, creating a socially responsible institution for wealth creation. We seek to benefit both ourselves and others, ultimately enhancing the well-being of humanity. The scope of sustainable corporate development is extensive, and Standard is committed to fostering a friendly work environment and promoting ESG (Environmental, Social, and Governance) principles :

Towards Shareholders, we pursue sustainable profit growth and uphold our responsibility and commitment to sustainability. In 2022, Standard achieved record-high revenues, profits, and earnings per share (EPS).

Towards Customers, we are dedicated to ensuring quality and customer satisfaction. In 2022, we completed clinical trials for 11 new products in bioequivalence (BA/BE) and successfully underwent follow-up inspections by the USFDA, passing without deficiencies. Our top-selling product, Tamlostin, received the Bronze Award for Drug Technology Research and Development.

In terms of Environmental Responsibility, we have internalized the culture of 'Environmental Protection, Energy Conservation, and Love for the Earth' in our daily operations. We are committed to energy reduction (Reduce), reuse, and recycling (Reuse), and waste reduction. In line with net-zero measures, the Financial Supervisory Commission has mandated carbon footprint verification for listed companies by 2026. Standard proactively obtained a verification statement in 2014 and has conducted carbon footprint verifications annually. In 2010, we obtained ISO14001 Environmental Management System certification and, in 2023, transitioned to ISO14001:2015. We have continued to update our equipment, such as replacing cooling tower materials and optimizing water supply routes for electricity saving. For our Employees, we prioritize a safe working environment, provide learning opportunities, and create platforms for personal growth. We have established welfare benefits and systems that exceed Labor Standards Act. We offer free annual health check-ups for our employees and facilitate E-learning and various training programs. In 2022, 100% of our employees participated in educational training, with an average of 38.2 hours of training per employee. We also promote the Employee Assistance Program (EAP), providing professional psychological counseling.

In terms of philanthropy, driven by the belief in 'Taking from Society, Giving back to Society,' Standard collaborates with the Fan Dao Nan Foundation to continuously support social charity and public welfare initiatives. We have established various special projects, including the Scholarship Project and the Hope Tutoring Project. The Foundation has also organized the 'Standard Cup National Table Tennis Championships' for several decades, providing a competitive platform for sports-loving children. In 2022, the Foundation received recognition from the Ministry of Education with the Social Education Contribution Award (Group Award).

Since its founding in 1967, Standard has received assistance from many individuals. We extend our heartfelt gratitude to our original partners and all those who have been, or are currently, a part of the Standard family. We also express our gratitude to all shareholders and individuals who have supported and contributed to our journey. These achievements have led us to where we are today, and we are filled with appreciation and gratitude. Thank you for your patience in reading this report, and please feel free to provide us with your feedback and suggestions. Thank you!

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Performance and Contributions in the past 3 Years

Our company has received numerous accolades and honors in the fields of pharmaceutical technology, education contributions, and social responsibility, demonstrating our commitment to the interests of stakeholders and sustainable development. These achievements reflect the Company's core values, and we are truly grateful for the support and recognition from all sectors. In the future, we will continue to dedicate ourselves to making further contributions to society and striving for greater recognition and accomplishments.

### Y2020

- Awarded the 2019 Sports Promotion Award - Gold Award in the Promotional Category
- Received the 19th Pharmaceutical Technology Research and Development Award - Gold Award in the Manufacturing Technology Category for Co-Midis Tablets 80/5 mg
- Hosted the 35th Standard Cup Children's Drawing Competition
- Honored with the 2020 CommonWealth Magazine Small Giant CSR Corporate Citizen Award



### Y2021

- Awarded the 2021 Outstanding Biotechnology Industry Gold Award and was summoned by President Tsai, Ing-wen in 2022.
- Donated the first 'Battengburg Pattern' ambulance to Tainan City.



### Y2022

- Awarded the 2022 Pharmaceutical Technology Research and Development Award - Bronze Award in the Manufacturing Technology Category for 'Tamlosin prolonged release tablets 0.4mg.' This recognition adds to our collection of 4 gold, 3 silver, and 8 bronze awards.
- The Fan Dao Nan Foundation received the 111th Ministry of Education's Social Education Contribution Award.
- Standard, Syngen, and SYN-TECH, three affiliated companies, jointly established a volunteer fire brigade and held an inauguration ceremony with the presence of Mayor Huang, Wei-Che.
- In response to the Tainan City government's initiative to promote 'Air Quality Purification Zones' and contribute to the community, we, in partnership with the Tuku Neighborhood Community Development Association in Xinying District, have collectively to maintain the surrounding of Tukuli Station



## About Standard

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

### Integrity, Innovation, Mutual Prosperity, and Mutual Benefit

Our company adheres to the business philosophy of 'Honesty, Integrity, Innovation, and Benefitting Humanity.' In 2022, we revised forward-looking 'Sustainable Development Policies' and 'Sustainable Development Practices' to continually promote sustainable business practices and actively contribute to the well-being of all human beings. We firmly believe that in addition to pursuing operational performance, corporate social responsibility involves integrating the interests of shareholders, employees, customers, the general public, and all stakeholders, thereby collectively fostering the prosperity and progress of society.

|                     |  |
|---------------------|--|
| Establishment       | Y1967  |
| Listing             | Y1995  |
| Stock Code          | 1720   |
| Capital             | NTD 1.787 billion  |
| Number of Employees | 778人   |
| Chairman            | Tzu-Tin Fan<br>(Concurrently serving as General Manager) |
| Industry Sector     | Biotechnology and Medical Industry                       |

Environmental, Health, and Safety Policy

Compliance with Regulations, Health Promotion Energy Efficiency, Carbon Reduction, Pollution Prevention Continuous Improvement, Sustainable Operations Caring for the Earth, Benefitting Humanity

Business Principles

Customer Satisfaction  
Employee Contentment  
Shareholder Willingness  
Government Approval  
Successful Operation

Business Ethos

Business Philosophy



Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Uphold the Mission, Pursue Excellence

Our company was established in June 1967 with government approval, and the factory construction was completed in the same year. In 1995, we went public (Stock Code: 1720). Our founding mission is to develop domestically produced pharmaceuticals for the benefit of humanity, guided by the principles of benefiting others and ourselves, and uniting the interests of shareholders, employees, customers, and the general public.

Since our inception, we have been committed to the business philosophy of "Advancing Development, Sustainable Growth" and the operating approach of "Steady and Reliable, Proactive Innovation." With the concerted efforts of all shareholders and employees, along with the support and care of people from all walks of life, we have leveraged group resources to develop distinctive and branded products with a solid foundation. We continuously expand our business, enlarge our facilities, invest in precision equipment and instruments, introduce cutting-edge technologies, strengthen our organizational structure, and enhance our corporate capabilities.

Adhering to the spirit of "Rigorous Attention to Detail, Continuous Improvement" and strict scientific management, we have successfully implemented systems and obtained certifications such as ISO 9001, ISO 14001, ISO 45001, and PIC/S GMP. Since 2000, we have received official audits and recognition from various advanced manufacturing facilities in the United States, Japan, Australia, Taiwan, South Korea, and other countries.

Our core business focuses on Western pharmaceuticals, and our main products include Western pharmaceuticals, dietary supplements, and active pharmaceutical ingredients. The product categories encompass tablets, injections, ointments, capsules, and liquids. Our sales channels include hospitals, clinics, pharmacies, long-term care centers, medical service offices, and chain stores. Our global sales network spans across more than 30 countries, including the United States, Japan, Europe, mainland China, Southeast Asia, and others, earning recognition from foreign manufacturers.

Our company deeply values this honor and will continue to adhere to our founding mission, operating principles, and business philosophy, which uphold the values of integrity, excellence, and benefiting humanity. We are committed to working together, accelerating research and innovation, manufacturing high-quality and affordable products, and providing community services as a token of appreciation for the support and care from all sectors. We aspire to be an enduring public institution that enhances social welfare, with the aim of 'Taking from Society, Giving back to Society.' We will continue to invest in expansion, creating an ideal platform for various talents to fulfill their aspirations and showcase their abilities.



2022 . 02 . 14

President Tsai Ing-wen meets with the recipients of the Outstanding Biotechnology Industry Gold Award.



2022 . 11 . 10

Awarded the Ministry of Education's Social Contribution Award



2022 . 12 . 02

Pharmaceutical Awards totaling 4 gold, 3 silver, and 8 bronze

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Product Revenue Information

In 2022, the Company's main sales regions were primarily focused in Taiwan (85.4%), Southeast Asia (7.1%), South Korea (2.2%), and Japan (1.7%). The company is dedicated to the development of specialty formulations, new products, and innovative drug delivery systems. It integrates resources from the biopharmaceutical industry in Taiwan, operates with an international business model, and collaborates with foreign strategic alliance partners to seek opportunities for generic pharmaceutical products in the international market. This approach helps reduce research and development costs and shortens product development timelines, fostering the internationalization of the pharmaceutical industry in Taiwan and entry into the global market for generic pharmaceuticals.

### Western Pharmaceutical

As a percentage of annual total revenue **91%**

Tablet Category **59%** Capsule Category **8%** Other **7%**  
Liquid Category **10%** Injection Category **7%**

Our company is certified and registered under various systems, including ISO 9001, ISO 14001, ISO 45001, and PIC/S GMP. We have also been awarded the National Biotechnology and Medical Quality Gold Award. Over the years, we have continued to develop high-quality medical and health industries, adhering to stringent quality assurance from pharmaceutical giants, rigorous manufacturing processes, and the use of high-quality, safe raw materials.

- Cardiovascular System
- Metabolic System
- Topical Dermatological
- Urogenital System and Sex Hormones
- Anti-Infectives
- Respiratory System
- Musculoskeletal System
- Digestive System
- Nervous System
- Circulatory System
- Other

### Dietary Supplements

As a percentage of annual total revenue **5%**

Since 2002, we have been combining the expertise of doctors, pharmacists, and nutritionists to establish a series of health supplement brands, including 'Health Life,' 'Energy Family,' 'HEALTH GO,' from a preventive medicine perspective. We offer health supplements that are 'Professional, Genuine, Trustworthy, and Considerate.'

- Probiotic Plus
- Marine Collagen Silk Protein Drink
- Radiant-C Slow Release Tablets
- Nutritional Supplement
- Natto Red Yeast Rice Capsules
- Glucomait
- Good Vision Plus
- Cranberry Probiotics
- Burdock Defense Praise
- Coenzyme Q10

### APIs

As a percentage of annual total revenue **4%**

The Synthetic Division has an independent GMP manufacturing facility, research unit, and quality management unit. It received the Pharmaceutical Technology Research and Development Award in 2001 and 2002. All products are manufactured in accordance with GMP requirements, and the manufacturing facility and quality management system have been audited and approved by Taiwan authorities, the U.S. FDA, Australia's TGA, and have received SFF and Xylazine HCL EDQM certifications. Products are registered for DMF in Taiwan, the United States, Canada, Japan, and various European countries. Due to a consolidation of group resources, the Synthetic Division was separated into SYN-TECH CHEM. & PHARM. CO., LTD. in July 2022.

- Human Use APIs
- Excipients

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

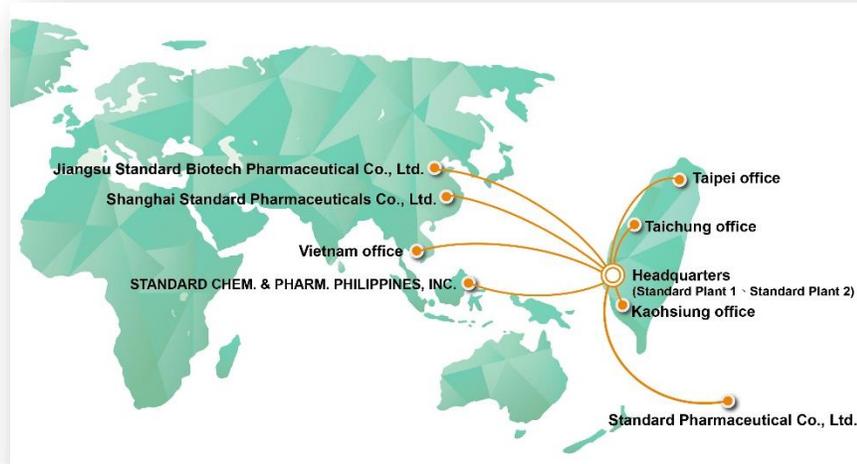
03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Operational Locations



Our company is headquartered in Xinying District, Tainan City, with Standard Plant 1 and Standard Plant 2. We also have offices in Taipei, Taichung, Chianan (located within Standard Plant 2), and Kaohsiung. Our overseas operations and international offices are spread across China and Southeast Asia.

Taipei office

Address : 4th Floor, 158 Songjiang Road,  
Zhongshan District, Taipei City  
Phone : +886 2-2523-6641



Standard Plant 2

Address : 154 Kaiyuan Road,  
Xinying District, Tainan City  
Phone : +886 6-6361516



Standard Plant 1

Address : 6-20 Tuku, Tuku Village,  
Xinying District, Tainan City  
Phone : +886 6-6361511

Taichung office

Address : 3F, No. 2-143, Wuchuan Road,  
West District, Taichung City  
Phone : +886 4-2372-8785

Kaohsiung office

Address : 3F-1, 185 Fuguo Road,  
Zuoying District, Kaohsiung City  
Phone : +886 7-5575357

## Stakeholder Negotiations

- Table of Contents
- In regards to the report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations**
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

In addition to pursuing sustainable operations and maximizing shareholder value, our company also strives to establish transparent and effective communication channels with all stakeholders. This effort is made to understand the needs and expectations of various stakeholders as crucial reference points for formulating the Company's corporate sustainability development policies and initiatives.

The stakeholders referred to in this report are those identified by the company through its practical interactions with stakeholders based on the Company's operating principles, policies, values, the five realms of operation, corporate mission, vision, and other essential criteria. These 10 stakeholders have been identified as a result of this process :



### Communication with Stakeholders

The Company values the needs and expectations of its stakeholders and has established relevant mechanisms and diverse transparent channels for interaction with key stakeholders. These channels include the Company's website, annual shareholders' meetings, corporate briefings, investor hotlines and email, customer satisfaction surveys, customer visits, corporate visits, participation in external associations or organizations, and the organization and participation in briefings and seminars. Through these communication channels, the Company gains practical insights into the issues or suggestions that concern its stakeholders. Under the leadership of the management team, each issue is managed in accordance with the Company's system, involving information gathering, communication, and responses, and serves as a reference for formulating operational policies and strategies and managing various areas of interest.

### Communication Mechanisms and Channels

| Stakeholder Categories | Contact Point  | Contact Information |
|------------------------|--|---------------------|
| Customers/Consumers    | Corporate Training Dept. Hsiang-Yu Liao<br>Assistant Manager                             | Ext. 6216           |
| Suppliers              | Management Dept. Chung-Yuan Lu<br>Manager  | Ext. 6132           |
| Investors              | Acting Spokesperson<br>Shu-Hua Chen<br>Manager   | Ext. 6009           |
| Employees              | Management Dept. Chung-Yuan Lu<br>Manager  | Ext. 6132           |
|                        | Feedback Mailbox<br>Complaint Hotline<br>Proposal Improvement Platform<br>Standard Line@ | box@standard.com.tw |
| Others                 | Acting Spokesperson<br>Shu-Hua Chen<br>Manager   | Ext. 6009           |

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

### Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Key Stakeholder Concerns and Communication

### Employees

#### Primary Areas of Concern

- ✓ Talent Cultivation and Development
- ✓ Talent Attraction and Retention
- ✓ Operational Performance
- ✓ Workplace Health and Safety
- ✓ Corporate Governance



| Communication Channels   | Communication Frequency                     |
|--|---|
| • Bulletin Board/Monthly Awareness Campaigns                   | • Irregular/Monthly                         |
| • Performance Assessment/Employee Welfare Committee            | • Twice or more annually/Immediate          |
| • Internal Announcements/Labor-Management Meetings             | • Multiple times per month/Once per quarter |
| • Employee Education and Training/In-Service Training Programs | • Multiple times per month                  |
| • Performance Appraisals                                       | • Twice or more annually                    |
| • Employee Health Checkups/Safety and Health Education         | • Once per year/Multiple times per year     |

### Customers

#### Primary Areas of Concern

- ✓ Product Quality and Responsibility
- ✓ Customer Health and Safety
- ✓ Innovation and Research & Development
- ✓ Customer Relationship Management
- ✓ Integrity in Business



| Communication Channels                       | Communication Frequency                  |
|--|--|
| • Customer Service Hotline/Email             | • Immediate                              |
| • Factory Audits and Visits                  | • Irregular                              |
| • Trade Shows/Seminars/Educational Workshops | • Multiple times annually                |
| • Business Meetings                          | • Multiple times per month               |
| • Surveys/Business Interviews                | • Once per year/Multiple times per month |

### Shareholders

#### Primary Areas of Concern

- ✓ Integrity in Business
- ✓ Operational Performance



| Communication Channels                         | Communication Frequency |
|--|-------------------------|
| • Company Website (Investor Relations Section) | • Irregular             |
| • Corporate Briefings                          | • Twice annually        |
| • Shareholders' Meeting/Annual Report          | • Once annually         |
| • Spokesperson Hotline and Email               | • Immediate             |
| • Company Financial Statements                 | • Quarterly/Annually    |
| • Public Information Observation Platform      | • Immediate             |

### Suppliers

#### Primary Areas of Concern

- ✓ Supplier Management



| Communication Channels                                 | Communication Frequency   |
|--|---------------------------|
| • Supplier Management and Audits                       | • Multiple times per year |
| • Phone Negotiations/On-Site Inspections               | • Immediate               |
| • Occupational Health and Safety Regulations Promotion | • Immediate               |

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

**Stakeholder Negotiations**

Significant Theme Analysis

**01 Operations and Governance**

**02 Net Zero Emissions and Sustainable Development**

**03 Product Innovation and Customer Safety**

**04 Employee Relations**

**05 Social Care and Engagement**

Appendix

## Key Stakeholder Concerns and Communication

**Government Agencies**

Primary Areas of Concern

- ✓ Product Quality and Responsibility
- ✓ Workplace Health and Safety
- ✓ Greenhouse Gas Emissions, Climate Change Adaptation, and Energy Management
- ✓ Regulatory Compliance
- ✓ Corporate Governance



| Communication Channels                               | Communication Frequency           |
|--|-----------------------------------|
| • Regulatory Authority Audits and Visits             | • Irregular                       |
| • Official Correspondence                            | • Irregular                       |
| • Public Information Observation Platform            | • Immediate                       |
| • Regulatory Authority Filing and Declaration System | • Monthly/Quarterly/Semi-annually |

**Local Communities**

Primary Areas of Concern

- ✓ Social Engagement
- ✓ Greenhouse Gas Emissions, Climate Change Adaptation, and Energy Management
- ✓ Regulatory Compliance
- ✓ Waste Management



| Communication Channels                       | Communication Frequency |
|--|-------------------------|
| • Local Community Communication/Visits       | • Immediate             |
| • Company Website and Email                  | • Immediate             |
| • Charitable Donations/Charitable Activities | • Irregular             |

**Non-Governmental Organizations (NGOs)**

Primary Areas of Concern

- ✓ Social Engagement



| Communication Channels | Communication Frequency   |
|------------------------|---------------------------|
| • Charitable Donations | • Multiple times per year |
| • Event Participation  | • Multiple times per year |

**Investment Institutions**

Primary Areas of Concern

- ✓ Operational Performance
- ✓ Corporate Governance



| Communication Channels                         | Communication Frequency |
|--|-------------------------|
| • Company Website (Investor Relations Section) | • Irregular             |
| • Corporate Briefings                          | • Twice annually        |
| • Shareholders' Meeting/Annual Report          | • Annually              |
| • Spokesperson Hotline and Email               | • Immediate             |
| • Company Financial Statements                 | • Quarterly/Annually    |
| • Public Information Observation Platform      | • Immediate             |

**Media**

Primary Areas of Concern

- ✓ Operational Performance
- ✓ Corporate Governance



| Communication Channels                    | Communication Frequency |
|---|-------------------------|
| • Spokesperson Hotline and Email          | • Immediate             |
| • Press Releases                          | • Immediate             |
| • Public Information Observation Platform | • Immediate             |
| • Corporate Briefings                     | • Twice annually        |

**Academic Institutions**

Primary Areas of Concern

- ✓ Talent Attraction and Retention



| Communication Channels     | Communication Frequency   |
|----------------------------|---------------------------|
| • Accepting Visitor Groups | • Multiple times per year |

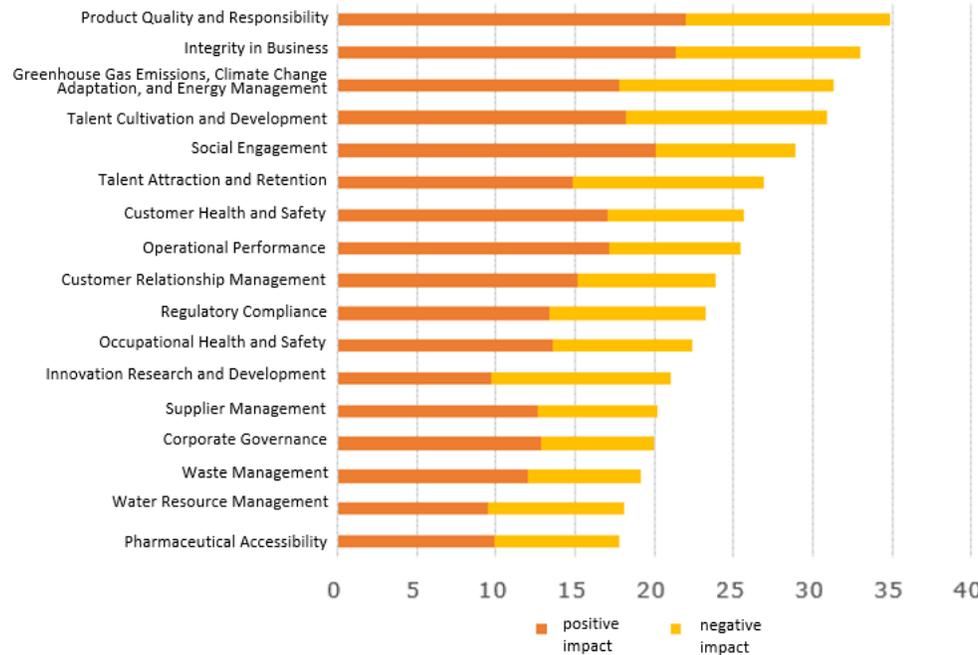
# Significant Theme Analysis

The Company, referencing the Global Reporting Initiative (GRI) Sustainability Reporting Standards in Traditional Chinese Version 2021, along with industry sustainability trends, the Task Force on Climate-Related Financial Disclosures (TCFD), and relevant domestic and international regulations, applies the materiality principle. It systematically identifies 17 issues across the economic, environmental, and social dimensions. A survey on the impacts of significant themes is distributed to the Chairman and the management team. After assessing these impacts and ranking them based on significance, discussions are held with relevant departments. Taking into consideration the company's operational characteristics and sustainability trends, significant themes for the year 2022 are selected.

These significant themes are linked to stakeholder concerns to safeguard stakeholder interests. Ultimately, they are submitted to the Chairman for review and confirmation. This report explains the management policies related to significant themes, including response measures, short-term, medium-term, and long-term objectives, as well as effectiveness assessments.



## 17 issues are ranked by the significance of their impact



## The top 5 issues in the impact ranking are selected as the significant themes for the current year

| Rank | Issue  | Positive Impact Score | Negative Impact Score | Total Score |
|------|--|-----------------------|-----------------------|-------------|
| 1    | Product Quality and Responsibility   | 21.97                 | 12.88                 | 34.85       |
| 2    | Integrity in Business  | 21.39                 | 11.63                 | 33.02       |
| 3    | Greenhouse Gas Emissions, Climate Change Adaptation, and Energy Management | 17.79                 | 13.56                 | 31.35       |
| 4    | Talent Cultivation and Development   | 18.17                 | 12.70                 | 30.87       |
| 5    | Social Engagement  | 20.06                 | 8.86                  | 28.92       |

(Note) Positive Impact = Likelihood of Positive Impact(1~5 points)x The scale and scope of positive impact(1~5 points)

Negative Impact = Likelihood of Negative Impact(1~5 points)x The scale and scope of negative impact(1~5 points)

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

## Significant Theme List

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

| Refer to Section   | Significant Theme  | Significance of Significant Themes for the Company (Materiality)   | GRI Theme Guidelines  | United Nations Sustainable Development Goals (SDGs)  |
|--|--|--|---|--|
| 1.3 Integrity in Business  | Integrity in Business  | Upholding the principles of integrity in business, we operate in an honest, transparent, and responsible manner, establishing strong corporate governance and risk management mechanisms. We actively promote a culture that prohibits any dishonest behavior among our employees, ensuring effective execution in both internal management and external business activities.  | GRI 2 General Disclosures<br>GRI 205 Anti-Corruption<br>GRI 206 Anti-Competitive Behavior |  <p>SDG 16 Peace, Justice, and Strong Institutions<br/>Target 16.5 Substantially reduce corruption and bribery</p>  |
| 2.1 Greenhouse Gas Emissions, Climate Change Adaptation, and Energy Management | Greenhouse Gas Emissions, Climate Change Adaptation, and Energy Management | Addressing the global issue of climate change, we continuously work to control greenhouse gas emissions from product design, supplier management, manufacturing, assembly, and customer service. All our management and operational systems comply with environmental regulations set forth by central governing authorities, aiming to enhance resource utilization efficiency.   | GRI 305 Emissions   |  <p>SDG 13 Climate Action<br/>Target 13.3 Build knowledge and capacity to address climate change</p>  |
| 3.3 Product Quality and Responsibility   | Product Quality and Responsibility   | Based on ISO 9001 standards, we continually improve system efficiency, adhering to GMP and PIC/S guidelines. Through the implementation of a robust MPCR process, we incorporate quality considerations at an early stage, establishing clear standards to reduce error rates on production lines. This approach strengthens our quality management system, ensuring our commitment to quality assurance.                  | GRI 301 Materials<br>GRI 416 Customer Health and Safety<br>GRI 417 Marketing and Labeling | No corresponding SDGs  |
| 4.2 Talent Cultivation and Development   | Talent Cultivation and Development   | Leveraging our comprehensive E-Learning system, we ensure that new employees familiarize themselves with the company's background, job nature, basic requirements, skills, and their work environment. We emphasize safety awareness among employees. For existing staff, we provide ongoing in-service education and training courses to equip them with the necessary information and skills, enhancing work efficiency. | GRI 403 Occupational Health and Safety  |  <p>Target 4 Quality Education<br/>Target 4.4 Ensure that all young people and adults have relevant technical and vocational skills for employment, decent jobs, and entrepreneurship</p>  |
| 5.1 Social Engagement  | Social Engagement  | We have established the Vandana Foundation to primarily organize educational activities, offer scholarships, and host health seminars. We engage in various educational initiatives with local governments, such as the establishment of the Dotcom Sports and Health Center. This partnership focuses on preventive care, disability delay, and the overall improvement of health and well-being.                         | GRI 2 General Disclosures<br>GRI 413 Local Communities                                    |  <p>Target 4 Quality Education<br/>Target 4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for vulnerable groups, including persons with disabilities, indigenous peoples, and disadvantaged children, by 2030.</p> |

## Management Policy List

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

### Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

| Significant Themes  | Significant Themes  | Goals and Vision  | Response Measures   |
|---|---|---|---|
| Integrity in Operation  | GRI 2 General Disclosures<br>GRI 205 Anti-Corruption<br>GRI 206 Anti-Competitive Behavior | <ul style="list-style-type: none"> <li>Short-Term Goals: Continuously update relevant policies, conduct regular education and training, and enhance employee awareness.</li> <li>Medium-Term Goals: Establish an internal culture of integrity to ensure the dissemination and communication of its values.</li> <li>Long-Term Goals: Build a robust integrity risk management system to establish the company's trustworthiness and reputation in the market, attracting the favor of partners.</li> </ul>   | <ul style="list-style-type: none"> <li>Establish clear ethical guidelines and a code of conduct to define the values and behavioral standards that employees should adhere to.</li> <li>Hire employees with similar values, incorporate integrity values into consideration, and regularly conduct employee training to enhance awareness.</li> <li>Create a whistleblowing and feedback mechanism, including a suggestion box and complaint mechanism.</li> <li>Strengthen internal supervision and audit mechanisms, including regular and ad-hoc audits and checks.</li> <li>Understand the values of suppliers and build long-term relationships based on integrity with suppliers and partners.</li> <li>Report to the board of directors on the implementation of corporate integrity operations to facilitate their oversight of the execution.</li> </ul>   |
| Greenhouse Gas Emissions, Climate Change, Adaptation, and Energy Management | GRI 305 Emissions   | <ul style="list-style-type: none"> <li>Short-Term Goals: Stay updated on international developments related to greenhouse gas emissions, energy management, and climate change, understanding the latest regulations to meet the requirements. Advocate for green procurement with a goal to declare green procurement expenses of 1 million dollars in 2023.</li> <li>Medium-Term Goals: Continue to purchase energy-efficient equipment, prioritize green building materials in renovations, improve the energy usage structure, and achieve a stable annual reduction of 1% in greenhouse gas emissions.</li> <li>Long-Term Goals: Continuously assess climate threats the company faces and make early preparations, ultimately achieving a carbon-neutral target.</li> </ul> | <ul style="list-style-type: none"> <li>Factory renovation, replacing T5 fluorescent lights with LED lights can save approximately 24,960 kilowatt-hours of electricity per year.</li> <li>Replacing the old 75HP + 50HP belt-driven non-variable frequency blower fans with new 60HP + 40HP directly connected variable frequency blower fans can save 295,650 kilowatt-hours of electricity per year.</li> <li>As a priority to ensure product quality, organizing inventory by product category and reducing humidity control in certain warehouse areas by eliminating the use of 5 dehumidifiers can save 91,980 kilowatt-hours of electricity per year.</li> <li>Furthermore, adopting energy-efficient HVAC systems, conducting regular inspections of cooling towers, implementing heat recovery to reduce natural gas consumption, optimizing the operation parameters of the RO system, and modifying the water softener regeneration conditions to reduce power consumption are all measures that can effectively reduce carbon emissions while balancing cost-effectiveness and energy savings.</li> </ul> |
| Product Quality and Responsibility  | GRI 301 Materials<br>GRI 416 Customer Health and Safety<br>GRI 417 Marketing and Labeling | <ul style="list-style-type: none"> <li>Short-Term Goals: Continuously update relevant policies, conduct regular education and training, and enhance employee awareness. Medium-Term Goals: Analyze adverse events, track the causes and root sources, and gradually update the management system based on this information to respond quickly and resolve quality issues. Long-Term Goals: Gradually adjust to international regulatory trends, becoming a leader in quality excellence in the market, and meeting international quality standards in various countries.</li> </ul>   | <ul style="list-style-type: none"> <li>Prepare a Manufacturing Control Standard Manual for operational guidance (MPCR) as a reference, with clear instructions aimed at optimizing production line operational efficiency.</li> <li>The quality unit is divided into the Quality Assurance Department and the Quality Control Department, both of which have separate responsibilities. The Quality Assurance Department establishes and ensures the operation of the quality system to meet the requirements of GMP and GDP regulations and satisfy customer demands. The Quality Control Department is responsible for conducting actual testing operations to ensure data accuracy.</li> <li>Enhance the education and training of all employees to increase their awareness and understanding of regulations and compliance requirements.</li> <li>All exported pharmaceuticals and health supplements have been insured with product liability insurance.</li> </ul>   |

## Management Policy List

Table of Contents

In regards to the report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

**Significant Theme Analysis**

**01 Operations and Governance**

**02 Net Zero Emissions and Sustainable Development**

**03 Product Innovation and Customer Safety**

**04 Employee Relations**

**05 Social Care and Engagement**

Appendix

| Significant Themes                 | Significant Themes                                  | Goals and Vision  | Response Measures   |
|------------------------------------|---|---|---|
| Talent cultivation and development | GRI 403 Occupational Health and Safety              | <ul style="list-style-type: none"> <li>Short-Term Goals: Establish management competencies, assess gaps in management skills, and conduct 1-2 management skill training programs to enhance supervisors' managerial capabilities.</li> <li>Medium-Term Goals: Conduct annual employee satisfaction surveys to understand employee needs and propose improvement plans for 1-2 significant issues each year, aiming to increase employee satisfaction and retention rates.</li> <li>Long-Term Goals: Continuously update the internal knowledge management system according to the succession plan, cultivate and retain high-potential talents within the organization to meet future leadership requirements.</li> </ul> | <ul style="list-style-type: none"> <li>Digital Learning Network: Transform internal knowledge and establish it in the E-Learning system, continuously updating it to pass on professional knowledge and skills to colleagues.</li> <li>Book Clubs: Colleagues (7 or more) can form book clubs during non-working hours at a fixed time. After summarizing and archiving lecture notes and related materials, colleagues can apply for subsidies from the company.</li> <li>Specialized Personnel Courses: Special courses are scheduled for personnel in quality inspection, R&amp;D design, instrument calibration, auditing, and other technical professions to equip them with necessary job skills.</li> <li>Internal and External Training Courses: Education and training are considered a strategic investment, and a special education and training budget is allocated annually.</li> </ul>  |
| Social engagement                  | GRI 2 General Disclosures GRI 413 Local Communities | <ul style="list-style-type: none"> <li>Short-Term Goals: Maintain a focus on social issues, promote various activities, and work diligently for the advancement of Taiwan's education and non-profit projects.</li> <li>Medium-Term Goals: Pursue societal and environmental impact, strive to expand recognition, and secure additional resources from various sectors.</li> <li>Long-Term Goals: Strive to create diverse sources of income, achieve economic sustainability (break-even), reinvest some profits into the social enterprise itself, and continue to drive the growth and development of the business</li> </ul>   | <ul style="list-style-type: none"> <li>Fan Dao Nan Foundation: Publishes "Standard Pharmaceutical Journal" and organizes health seminars to disseminate related knowledge. It also provides scholarships for university, high school, junior high, and elementary students to alleviate the financial burden on students from underprivileged families. The foundation organizes children's drawing competitions, national table tennis championships, and children's funfairs to accompany children in their happy growth. It offers tutoring activities to provide learning opportunities for students in remote areas.</li> <li>Dotcom Sports and Health Center: The first AI-customized circular strength exercise health center in the country, with branches in Liuying and Madou. In addition to providing fitness equipment, it offers fitness courses for those over 65 and aerobic yoga courses. The center also sells health food and small exercise equipment.</li> </ul> |



生達化學製藥  
Standard Chem & Pharm CO., LTD.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

01

# Operations and Governance

- 1.1 Corporate Governance
- 1.2 Operational Performance
- ★ 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 1.1 Corporate Governance

A sound corporate governance framework is the foundation of sustainable business operations. Our company has always operated transparently, emphasized shareholder rights, and firmly believes that a sound and efficient board of directors is the cornerstone of corporate governance. The board of directors is the highest governing body of the Company, convening regular shareholder meetings, and establishing the Corporate Governance Charter and related governance systems in accordance with the Corporate Governance Best Practice Principles for Listed and OTC companies. These include the Code of Integrity in Business, Board Meeting Regulations, and Internal Procedures for Handling Major Information, among others. These regulations stipulate that directors, managers, and employees must all adhere to the Company's various guidelines. The management team includes the General Manager and various operational units.

### Governance Structure and Composition

The board of directors of our company is the leading body responsible for the sustainable development of Standard. To continuously promote and execute sustainable development matters and respond promptly, the General Manager is responsible for promoting sustainable development, with long-term goals set as "Rooted in the local area, globally oriented, emphasizing research and development, pursuing excellence." Sustainable development results are regularly reported to the board of directors. In the five board meetings held in 2022, three of them involved reports related to ESG issues.

The 19th term of the board of directors runs from August 24, 2021, to August 23, 2024, with a three-year term. In 2022, the board consists of seven members, including three independent directors. In 2023, one director and one independent director were added, bringing the current total to nine board members, including four independent directors, accounting for 44.44% of all board members, which exceeds one-third. There is one director who is also an employee, representing 11.11% of all board members. The Company also emphasizes gender equality in the composition of board members, with two female directors, representing 22.22%, with the goal of maintaining this ratio at 20% or above in the future.

The board members of our company generally possess the knowledge, skills, and qualifications necessary to carry out their duties. In the first meeting of each board term, there is a study of corporate culture, including the corporate philosophy and principles of operation. To establish a sound board governance system, strengthen supervisory functions, and enhance management capabilities, the company has established the Board Meeting Regulations for compliance. The Company holds at least one board meeting per quarter, providing consultations to the Company in terms of operations, technology, and finance, sharing the responsibilities for the company's strategy, operation, and oversight.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix



## Board of Directors Nomination and Selection

Our company stipulates in the Company bylaws that the selection of directors follows a candidate nomination system. Shareholders holding more than one percent of the total issued shares can submit a list of director candidates in writing to the company. The candidates are then selected by the shareholders' meeting. The Company also facilitates electronic voting to enable shareholders to participate conveniently in the election process. In 2022, there were no new directors appointed.

To ensure that the board of directors can provide the Company with professional guidance in various operational aspects, board members combine expertise from different fields and perspectives to lead the Company in its long-term operations.

| Job Title             | Name  | Gender | Age (Years) | Key Educational and Professional Background   | Industry Experience |                               |                     | Professional Competencies |                        |                 |
|-----------------------|---|--------|-------------|---|---------------------|-------------------------------|---------------------|---------------------------|------------------------|-----------------|
|                       |   |        |             |   | Pharmaceuticals     | International Market Insights | Business Management | Finance and Accounting    | Information Technology | Risk Management |
| Chairman of the Board | Legal Rep.of Fan Dao Nan Foundation<br>Fan. Tzu-Ting    | Male   | 51-60       | Master of Computer Science from the University of California, USA<br>CEO of Standard Chem & Pharm CO.,LTD   | V                   | V                             | V                   | V                         | V                      | V               |
| Directors             | Fan, Jin-Tsai*  | Male   | 81-90       | Bachelor's Degree in Pharmacy from National Taiwan University<br>Chairman of Standard Chem & Pharm CO.,LTD  | V                   | V                             | V                   | V                         | V                      | V               |
| Directors             | Li, Yuan-De   | Male   | 81-90       | Bachelor of Medicine from National Taiwan University Medical College<br>Doctor of Medicine from the University of Tokyo, Japan<br>Clinical Researcher in Cardiology at the University of Washington Medical Center, USA<br>Hospital Director at National Taiwan University Hospital | V                   | V                             |                     |                           |                        | V               |
| Directors             | Yeh, Tsui-Wen   | Female | 61-70       | Department of Accounting at National Chengchi University  |                     | V                             | V                   | V                         |                        | V               |
| Directors             | Legal Rep.of Fan Dao Nan Foundation<br>Lin, Wen-Chang** | Male   | 71-80       | Department of Industrial Chemistry at Ching Yun University of Science and Technology<br>Consultant for Standard Chem & Pharm CO.,LTD<br>Director of the Fandao Nan Educational Foundation   |                     | V                             | V                   |                           |                        | V               |
| Independent Directors | Wang, Hui-Chun  | Male   | 71-80       | Academician of the Academia Sinica and 2017 Presidential Science Prize recipient<br>Vice President of the Academia Sinica<br>Distinguished Research Fellow and Visiting Lecturer at the Institute of Biological Chemistry, Academia Sinica  | V                   | V                             |                     |                           |                        | V               |
| Independent Directors | Liu, Shao-Tsung   | Male   | 71-80       | Ph.D. in Electrical Engineering from the University of California, Irvine, USA<br>Chairman and CEO of Taiwan Analog Technology Corporation  |                     | V                             | V                   | V                         | V                      | V               |
| Independent Directors | Li, Lin-Yu  | Female | 71-80       | Department of Cooperative Economics at Feng Chia University   |                     |                               | V                   | V                         |                        | V               |
| Independent Directors | Li, Xiang**   | Male   | 61-70       | Doctor of Law from the University of Pittsburgh School of Law<br>Partner at United Legal Affairs Firm<br>Senior Legal Advisor for Acer Inc.<br>Senior Legal Advisor for Wistron Corporation   |                     | V                             | V                   |                           |                        | V               |

(\*Note 1) In 2022, Mr. Fan Jin-Tsai served as the Chairman of the Board for the company, acting as the Chairman of the highest governing body of the company. Mr. Fan, Tzu-Ting served as the General Manager of the company, responsible for executing decisions made by the board and overseeing the company's operational activities. In March 2023, following a decision by the board, Mr. Fan Tzu-Ting was promoted to the position of Chairman of the Board for the company.

(\*Note 2) The company's Chairman of the Board concurrently holds the position of General Manager to ensure the smooth operation of the Company and enhance operational efficiency and effectiveness. In cases where decisions involve conflicts of interest, the principle of recusal is followed. Furthermore, on June 20, 2023, the shareholders' meeting elected one director and one independent director to continue the practice of having more than half of the board members not concurrently serving as employees or executives, strengthening the oversight and checks-and-balances mechanism to safeguard the interests of stakeholders.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Board Members' Continuing Education Status

To ensure a grasp of the latest knowledge, best practices, international developments, and market trends in their respective domains, members of the Board of Directors at the Company are required to participate in continuing education programs each year. This is to equip them with updated perspectives and insights necessary for making effective decisions, thereby ensuring the Company maintains a leading position in a highly competitive environment. Given the heightened focus on ESG-related matters, all directors attended ESG-related courses in the year 2022 to enhance their awareness and understanding of ESG issues.

| Name              | Training Date | Course Name  | Total Training Hours |
|-------------------|---------------|--|----------------------|
| Fan, Tzu-Ting     | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |
| Fan, Jin-Tsai*    | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |
| Li, Yuan-De       | 2022.11.15    | How to Enhance the Credibility of Corporate Sustainability Reports                             | 6.0                  |
|                   | 2022.11.22    | New Opportunities for Business Transformation in the ESG New Economy                           |                      |
| Yeh, Tsui-Wen     | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |
| Wang, Hui-Chun**  | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |
| Liu, Shao-Tsung** | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |
| Li, Lin-Yu**      | 2022.11.23    | From CSR to ESG: Corporate Management Insights Legal Issues in Generic Pharmaceutical Business | 6.0                  |

(Note 1)\* Director Fan, Jin-Tsai is the Chairman of the company. On March 14, 2023, it was resolved by the board of directors that Director Fan, Tzu-Ting was promoted to the position of Chairman of the Company.

(Note 2)\*\* Independent Director of the Company

(Note 3) The table above shows the training status of the directors for the year 2022 and does not include the newly elected independent directors Li Xiang and Director Lin Wen zhang in June 2023.



## Audit Committee

In 2021, the Company established an Audit Committee composed of independent directors, all of whom meet the qualifications and criteria outlined in the 'Regulations Governing the Establishment and Compliance with Independent Directors in Public Issuing Companies,' including their expertise, work experience, independence, and the number of positions held as independent directors. The Company has established 'Audit Committee Organizational Regulations' as the framework for the exercise of duties by independent directors. The committee is responsible for assisting the board of directors in fulfilling its supervisory responsibilities, exercising the authority prescribed by securities laws, company laws, and other relevant regulations, and regularly communicating with the company's certified public accountants regarding their appointment, independence, and performance. Additionally, the Company's internal audit personnel regularly report summary audit findings to the Audit Committee in accordance with the annual audit plan. The Audit Committee also conducts periodic assessments of the company's internal control systems, internal audit personnel, and their work.



## Compensation Committee

To enhance the integrity of the Company's board of directors and executive compensation system, the Company has established a Compensation Committee. The committee currently consists of three members, all of whom are independent directors. The committee, in its professional and objective capacity, is responsible for formulating the content and amounts of individual compensation based on the compensation system, policies, standards, and structure for the board of directors and executives. During the actual assessment, compensation is determined in accordance with the value they bring to the company through their level of involvement and contributions to the business, and is typically benchmarked against industry standards.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Attendance of the Board of Directors and Functional Committees

Due to the emphasis on corporate governance, the directors have a strong willingness to participate in both board meetings and functional committee meetings. The attendance for the year 2022 is as follows (excluding proxy attendance) :

| Meeting Information | Board of Directors | Audit Committee | Compensation Committee |
|---------------------|--------------------|-----------------|------------------------|
| Meeting Frequency   | 5                  | 4               | 2                      |
| Attendance Rate     | 94%                | 100.00%         | 100.00%                |

## Performance Assessment of the Board of Directors and Functional Committees

To implement corporate governance and enhance the effectiveness of the Board of Directors and Functional Committees, the company, in accordance with Article 37 of the 'Corporate Governance Best Practice Principles for Listed and OTC Companies,' has established a 'Board Performance Evaluation Method' ('Board Performance Evaluation Method'). In the 2022 assessment, the self-evaluation of the Board of Directors, self-evaluation of board members, and self-evaluation of the Functional Committees all resulted in an 'excellent' rating. The results were reported to the Audit Committee and the Board of Directors on March 14, 2023.

| Scope of Evaluation                      | Evaluation Contents  | Self-Assessment Results |
|--|--|-------------------------|
| Board of Directors                       | Level of Engagement, Decision-Making Quality Enhancement, Composition and Structure, Appointments and Training, Internal Controls  | Excellent               |
| Individual Board Meetings                | Understanding of Goals and Objectives, Awareness of Responsibilities, Level of Engagement, Internal Relationship Management and Communication, Professionalism and Training, Internal Controls | Excellent               |
| Audit Committee & Compensation Committee | Level of Engagement, Awareness of Responsibilities, Enhancement of Decision-Making Quality, Composition and Appointments, Internal Controls  | Excellent               |

As of 2022, Standard has not engaged external professional independent organizations or expert scholars to conduct assessments. Standard considers this as a long-term goal to strengthen internal governance and maintain effective operations.

The compensation for the Company's directors and executives is carried out in accordance with the 'Regulations on Directors' and Managers' Remuneration,' which includes the following components:

- Base Salary: Basic compensation based on position and job function, paid monthly.
- Bonuses: Incentive compensation based on company performance, paid monthly.
- Special Allowances: Compensation related to specific roles or special market conditions, paid monthly.
- Annual Bonuses: Determined based on the overall performance of the company.
- Director's Compensation: Set based on their level of involvement and contributions to the company, benchmarked against industry standards.

The Company takes into consideration each individual's role and provides reasonable performance evaluations, thereby implementing sustainable development through a fair compensation system and assessment criteria.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Internal Control System

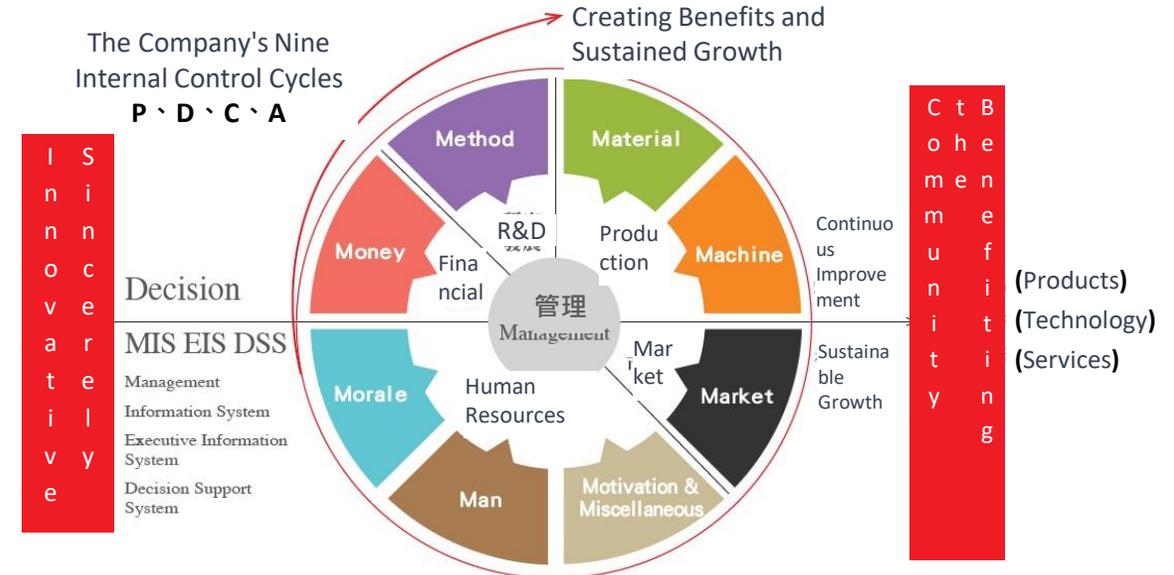
To ensure the effective implementation of corporate governance and strengthen internal control and audit operations, Standard has established an Audit Department reporting to the Board of Directors. The head of the audit department attends quarterly board meetings to provide audit business reports and submits monthly audit work reports for review by the Audit Committee. In case of the discovery of significant violations or the potential for significant harm to the Company, immediate reporting is mandatory. No such significant issues were found in the year 2022.

Concerning internal audits, the Audit Department conducts on-site inspections or document reviews based on the annual plan approved by the Board of Directors, taking into account risks. They also perform periodic audits of various departments, plants, and facilities, as well as regular audits of management systems such as ISO/GMP/PIC/S. At least once a year, they assist various units in conducting self-assessments of internal controls and provide timely improvement recommendations. This helps the Board of Directors and management to identify and rectify deficiencies in the internal control system and measure operational effectiveness reasonably, ensuring the continued and effective implementation of operations, legal compliance, and financial reporting. This serves as the basis for reviewing and amending the internal control system.

## Corporate Governance Officer

In November 2022, Standard designated a Corporate Governance Officer following approval by the Audit Committee and the Board of Directors. The role aims to safeguard shareholder rights and strengthen the functions of the Board of Directors. Responsibilities include formulating and promoting corporate governance practices, providing directors with the necessary information for executing their duties, assisting directors in compliance with laws and arranging training courses, managing board and shareholder meeting matters in accordance with legal requirements, handling corporate registrations and changes, and preparing records of board and shareholder meetings.

Integrating Resources for Effective Management in Line with the Business Philosophy



Innovation, Leading, Fast Production, Quick Sales, Rapid Revenue Achieving Maximum Benefits with Minimal Resources and in the Shortest Time

## Conflict of Interest

Standard explicitly includes a Conflict of Interest Prevention policy in its 'Code of Conduct.' When employees identify situations involving conflicts of interest, they are expected to proactively report these to the company and manage them in accordance with the Company's internal control system and decision-making authority. When directors are involved in matters that concern their personal interests, they are required to abstain from discussions and voting, following conflict of interest avoidance procedures.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 1.2 Operational Performance

Our Company is deeply rooted in the generic medicine industry, and we anticipate continued growth in the demand for generic drugs. However, the industry continues to face pressures such as price controls, sales restrictions, and global competition. Furthermore, the COVID-19 pandemic has had a significant impact on the global economy and daily life, leading many countries to shift their supply chains from globalization to localization. This shift introduces greater uncertainty into the pharmaceutical supply chain. In the future, our Company will focus on the development of specialized dosage forms, new products, and innovative drug delivery systems. We will also collaborate with strategic international partners to explore opportunities in the generic pharmaceutical market, ensuring that every expenditure is efficiently managed to maximize long-term benefits and secure the interests of stakeholders.



### Financial Statements for the Past 3 Years

| By Category                                      | Unit                 | 2020      | 2021      | 2022      |
|--|----------------------|-----------|-----------|-----------|
| Operating Revenue                                | Thousands of Dollars | 2,738,561 | 2,837,930 | 2,772,204 |
| Gross Profit from Operations                     | Thousands of Dollars | 1,296,837 | 1,366,241 | 1,319,113 |
| Operating Profit                                 | Thousands of Dollars | 540,207   | 624,416   | 587,565   |
| Non-operating Income and Expenses                | Thousands of Dollars | 83,606    | 198,070   | 340,654   |
| Profit before Tax                                | Thousands of Dollars | 623,813   | 822,486   | 928,219   |
| Net Profit (Loss) for the Period                 | Thousands of Dollars | 524,172   | 706,734   | 815,408   |
| Other Comprehensive Income(Net Amount after Tax) | Thousands of Dollars | (53,168)  | (10,176)  | 26,459    |
| Total Comprehensive Income for the Period        | Thousands of Dollars | 471,004   | 696,558   | 841,867   |
| Earnings per Share                               | NTD/share            | 2.93      | 3.95      | 4.56      |
| Employee Salaries and Benefits                   | Thousands of Dollars | 730,308   | 712,296   | 723,025   |
| Government Fiscal Contributions*                 | Thousands of Dollars | 104,938   | 121,271   | 119,477   |
| Community Investments and Donations              | Thousands of Dollars | 4,293     | 14,238    | 1,463     |
| Distribution of Cash Dividends to Shareholders   | NTD/share            | 1.8       | 2.5       | 2.5       |

(Note)\* Refers to corporate income tax and various taxes and levies.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Focus on the Present, Look Towards the Future



### Market Trends and Demand Analysis

- The aging population and the use of medications for chronic diseases are expected to continue to grow.
- Robust regulations under the Health Food Law, along with rising public health awareness.
- The out-of-pocket market for drugs, OTC products, and health supplements not covered by health insurance is projected to keep expanding.
- The biotechnology and pharmaceutical industries are among the country's top ten emerging sectors.
- With the doubling of the elderly population, many countries encourage the use of generic drugs to reduce healthcare costs.
- Health insurance price adjustments are narrowing profit margins.
- Consumer preference for foreign branded drugs.
- The presence of numerous small-scale manufacturers can lead to cutthroat competition.



### Research and Innovation

- We have a research and development team and regulatory specialists with successful registration experience in the US and Japan, which can shorten the product's time to market.
- We actively engage in product development, technological improvements, and market expansion in alignment with government initiatives to upgrade the industry.
- We are continuously developing special dosage forms such as controlled-release, orally disintegrating tablets, and effervescent tablets.
- Improving the formulation, dosage, and packaging of high-value-added products to extend their product life cycle.
- Continual innovation in technology, products, and services, aiming for economies of scale through diversification to maintain the company's price competitiveness.



### Product and Service Extension

- Providing high-quality, professional, and attentive services.
- Prioritizing customer relationships and expediting complaint resolution.
- Promoting public relations, establishing a toll-free service hotline, and educating the public about medication knowledge.



### Vertical Integration

- The group conducts end-to-end research, production, and management from raw materials to formulations.
- Investment in SYN-TECH CHEM. & PHARM. CO., LTD. to ensure a stable supply of key raw materials.



### International Market Expansion

- Actively participating in pharmaceutical exhibitions in various countries and selling generic drugs imported from abroad in Taiwan.
- Collaborating with pharmaceutical companies in Europe, North America, or Japan to share R&D costs and gain insights from foreign research and development experience.
- Actively expanding into markets in Europe, the Americas, Japan, China, and Southeast Asia to increase sales volume and reduce costs.
- Successfully passing official inspections from multiple countries, including FDA, PIC/S GMP, Japan's Ministry of Health, ISO9001, ISO14001, and ISO 45001, and obtaining various international certifications.

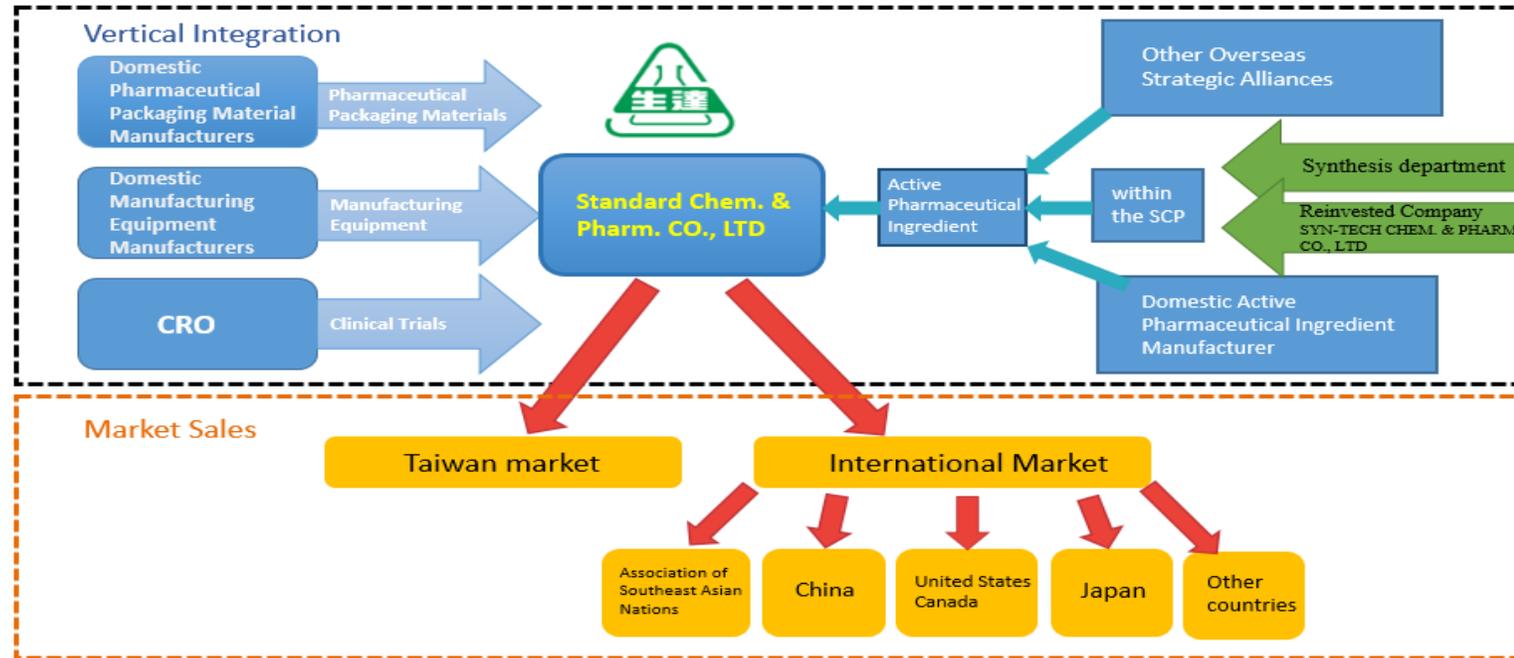


### Human Resource Management

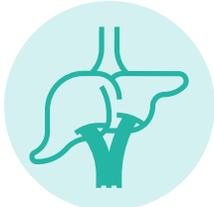
- In response to the increasing awareness and improved benefits of the labor force, we actively enhance our production processes, replace outdated equipment, and improve production efficiency.
- We actively retain, nurture, recruit, and align with government subsidy programs to attract and retain professional talent.
- We strengthen the professional knowledge of medical and pharmaceutical personnel, assisting healthcare professionals in raising patient awareness and improving the quality of medical care, thereby consolidating the market for grassroots medical institutions and community pharmacies.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Standard Vertical Integration Strategy Map



## Introduction of Key Products

|  Medications for the Circulatory System   |  Medications for the Digestive System   |  Medications for the Respiratory System |  Medications for the Nervous System  |  Metabolic Function Medications          |  Food and Health Products |
|---|--|---|--|--|---|
| <ul style="list-style-type: none"> <li>Vasodilation and Circulation Enhancement</li> <li>Improved Brain Metabolism</li> <li>Coronary Artery Dilation</li> <li>Lipid Reduction</li> <li>Hypotensive Diuretics</li> <li>Hemostasis</li> </ul> | <ul style="list-style-type: none"> <li>Acid Control</li> <li>Antidiarrheal</li> <li>Treatment for Gastric and Duodenal Ulcers</li> <li>Digestive Agents</li> <li>Promotion of Gastrointestinal Motility</li> </ul> | <ul style="list-style-type: none"> <li>Cough and Expectorant</li> <li>Bronchial Dilation</li> </ul>                         | <ul style="list-style-type: none"> <li>Antiallergic</li> <li>Antipyretic and Analgesic</li> <li>Neurological Stabilization</li> <li>Relaxation of Musculoskeletal</li> </ul> | <ul style="list-style-type: none"> <li>Hormonal Preparations</li> <li>Liver Disorders</li> <li>Diabetes Treatment</li> </ul> | <ul style="list-style-type: none"> <li>Health Maintenance</li> <li>Wellness</li> </ul>                        |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## International Market Expansion and Formulation Research

**203** Licenses

Int'l Drug Licenses



In our country, the pharmaceutical industry currently focuses on producing generic drugs and primarily targets Taiwan as the main sales market. This is due to the strict scrutiny of pharmaceutical quality in international markets and the fierce technological competition with numerous international manufacturers. In particular, the stringent quality assessment by the United States FDA has slowed down the expansion of the Taiwanese pharmaceutical industry into the international market. Our company has achieved FDA approval, which has elevated our formulation technology and quality to meet international standards. Consequently, we have been gradually expanding our operations into the international market. With continuous improvements in formulation technology and quality, we have not only been researching and developing generic drugs but have also ventured into the development of new dosage forms and Taiwan-exclusive medications. We aim to enhance our formulation technology and create pharmaceuticals with added value. Research and development have always been the focus of our company, and we are dedicated to elevating our international Good Manufacturing Practices (GMP) standards.

**1.5** Billion

R&D Expenditure



Our company is dedicated to advancing formulation technology and drug improvement by incorporating the concept of "Quality by Design" to develop innovative analytical methods. We have integrated our in-house resources with research and development, expanding from the early stages of generic drug development to early-stage research and clinical trials for new drugs. We adhere to internal control cycles in research and development, ensuring compliance with both domestic and international health and medical regulations and practices at every stage of pharmaceutical production. Over the past three years, our company has invested more than 4.7 billion New Taiwan Dollars in research and development, with an annual R&D expenditure accounting for approximately 5.7% of annual revenue. In 2022, our R&D expenditure reached 1.5 billion New Taiwan Dollars, accounting for 5.35% of revenue.

**55** Year

R&D Experience



With 55 years of accumulated research and development experience, our company recognizes the increasing importance of process analysis technology in the pharmaceutical field. Through partnerships with equipment manufacturers and by combining our expertise in pharmaceutical manufacturing engineering, we are dedicated to mastering exclusive process unit operation techniques. This enables us to have comprehensive control over critical drug manufacturing process parameters, aligning with the goal of Quality by Design in drug development. As our capabilities in drug research and regulatory expertise have grown, our company has also collaborated with research institutions, governmental research organizations, and biotech companies. We provide services for research commercialization or become joint development partners, aiming to transition into niche-based innovative drug development and enter international markets.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Retirement Plan Obligation

- **Defined Benefit Plan:**

For employees who meet the retirement criteria, the payment of retirement benefits is calculated based on years of service and the average salary of the six months prior to retirement. For service periods of 15 years or less, two units are awarded for each complete year of service, and for service periods exceeding 15 years, one unit is awarded for each complete year of service, with a cumulative maximum of 45 units. Our company contributes 5% of the total monthly payroll to the retirement fund, which is held in a dedicated account under the name of the Labor Pension Supervisory Committee at the Taiwan Bank.

- **Voluntary Contribution Plan:**

Our company, in accordance with the Labor Pension Act, offers a portion of the labor retirement pension system for employees. We deduct 6% of an employee's monthly salary and contribute it to the individual employee's account with the Bureau of Labor Insurance. The disbursement of an employee's retirement pension is based on the employee's individual retirement pension account and the accumulated earnings. Payments can be received either as monthly retirement payments or in a lump sum.

| Defined Benefit Plan (in thousands)         |           |
|---|-----------|
| Present Value of Defined Benefit Obligation | (450,254) |
| Fair Value of Plan Assets                   | 302,484   |
| Net Defined Benefit Liability - Non-current | (147,770) |
| Defined Contribution Plan (in thousands)    |           |
| Retirement Plan Cost                        | 24,137    |

## Derived from Government Financial Assistance

Our company actively responds to government policies and has, therefore, received financial support from the government. Additionally, we have obtained tax deductions through investments. The total government financial assistance received in the fiscal year 2022 amounted to 12,504 million New Taiwan Dollars.

| Government Subsidy Categories                  | Government Entity  | Amount (in thousands) |
|--|--|-----------------------|
| Dotcom Sports and Health Center Subsidies      | Tainan City Government Department of Social Affairs, Ministry of Health and Welfare National Health Administration | 2,893                 |
| Youth Employment Ultimate Program              | Ministry of Labor, Bureau of Labor Force Development   | 2,397                 |
| Steady Employment Program                      | Ministry of Labor, Bureau of Labor Force Development   | 480                   |
| Enterprise Human Resources Enhancement Program | Ministry of Labor, Bureau of Labor Force Development   | 5                     |
| Investment Tax Deductions                      | Ministry of Finance, National Taxation Bureau  | 6,729                 |
| Total  |  | 12,504                |



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity**
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 1.3 Integrity in Business

Our company upholds the philosophy of 'Integrity, Righteousness, Excellence, and Innovation' as the guiding principles for our business operations. This means that our business is conducted in accordance with the principles of honesty, integrity, continuous improvement, and innovation. Our mission is to continuously provide better products, offer updated technologies, and deliver superior services to benefit all of humanity.

|                          |  |                               |  |
|--------------------------|--|-------------------------------|--|
| GRI Indicators           | <p><b>GRI 2-26 Mechanisms for seeking advice and addressing concerns GRI</b></p> <p><b>205 Anti-corruption GRI</b></p> <p><b>206-1 Legal actions regarding anti-competitive behavior, anti-trust, and monopolistic practices</b></p>   | Positive and Negative Impacts | <p>Positive:</p> <ul style="list-style-type: none"> <li>Establishing a stable business foundation</li> <li>Maintaining a good reputation</li> </ul> <p>Negative:</p> <ul style="list-style-type: none"> <li>Legal risks and litigation</li> <li>Difficulty in maintaining customer relationships, decreased competitiveness</li> </ul>   |
| Policies and Commitments | <p><b>【Code of Business Ethics】 【Employee Code of Conduct Handbook】 【Code of Ethical Conduct】</b></p> <p>We uphold the principle of ethical business operations, conducting our business in an honest, transparent, and responsible manner. We establish strong corporate governance and risk management mechanisms and actively promote the prohibition of any dishonest behavior by employees. This ensures effective enforcement both in internal management and external business activities.</p>  | Goals and Vision              | <ul style="list-style-type: none"> <li>Short-term Goals: Continuously update relevant policies, conduct regular educational training, and enhance employee awareness.</li> <li>Medium-term Goals: Establish an internal culture of ethical business operations to ensure the dissemination and transmission of its values.</li> <li>Long-term Goals: Build a robust integrity risk management system to establish the company's trustworthiness and reputation in the market, thereby attracting the favor of partners.</li> </ul>   |
| Response Measures        | <ul style="list-style-type: none"> <li>Establish clear ethical guidelines and a code of conduct that define the values and behavioral standards employees are expected to follow.</li> <li>Hire employees who share the same values, integrating integrity as a criterion, and conduct regular employee training to enhance awareness.</li> <li>Set up a reporting and feedback mechanism, including the availability of a whistleblower system.</li> <li>Strengthen internal supervision and audit mechanisms, which include both regular and ad-hoc audits and checks.</li> <li>Understand the values of suppliers and build long-term relationships based on integrity with them and partners.</li> <li>Report to the board on the execution of ethical business operations to facilitate their oversight.</li> </ul> | Effectiveness Assessment      | <ul style="list-style-type: none"> <li>In the fiscal year 2022, 100% of employees participated in internal and external education and training related to ethical business operations issues, such as compliance with ethical business regulations, gender equality, and internal controls.</li> <li>Every month, during our monthly meetings, we promote the principles of ethical business operations to employees and post the 'Code of Business Ethics' on the electronic bulletin board.</li> <li>Annually, we report to the board on the execution of ethical business operations within the company.</li> </ul> |
| Complaint Channels       | <ul style="list-style-type: none"> <li>We have set up a physical suggestion box and an email address, allowing individuals to report any violations of ethical business conduct either in written form or electronically. The company commits to maintaining the confidentiality of personal information of those making the suggestions.</li> <li>For the fiscal year 2022, we did not receive any reported cases, and there were no incidents involving significant breaches of ethical conduct.</li> </ul>  |                               |  |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Principles for Implementing Suggestion Boxes

In order to strengthen corporate governance and foster effective communication, our company has established 'Principles for Implementing Suggestion Boxes.' These guidelines are aimed at welcoming valuable feedback from all employees to gain a better, more immediate, and efficient understanding, review, and improvement of company operations. Together, we strive to achieve the positive development of the company.

### Communication Channels

- Via Mail: Suggestion mail boxes are installed in both Plant 1 and Plant 2 facilities.
- Via E-mail : box@standard.com.tw
- Meeting with the General Manager: Feedback is communicated through mail or email, with the Audit Department assisting in scheduling face-to-face meetings with the General Manager.

### Acceptance of Verification Reports

- The company commits to maintaining the confidentiality of personal information of those making suggestions.
- Mail is consolidated and assigned a reference number by the Audit Department, and it is conveyed to the General Manager. Email correspondence is sent to the inboxes of the Audit Manager and the General Manager.
- The Audit Manager, after clarification and verification, is required to report to the Chairman and, when necessary, report relevant processing outcomes to the Board of Directors.

### Judgment Response

- If unlawful harm occurs in the course of performing job duties (such as violent incidents), it shall be processed in accordance with the relevant provisions of the 'Prevention Plan for Unlawful Harm Incurred in the Execution of Duties.'
- In cases of harassment, it shall be handled in accordance with the provisions of the 'Sexual Harassment Prevention Act.'
- Responses may be provided in the form of an interview or by publishing the results. If there are doubts about the response content, objections can be raised again.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity**
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Risks and Countermeasures of Violating Integrity

The Company upholds the principles of integrity in the operations, strives to eliminate corruption and fraudulent activities, and avoids involvement in anti-competitive, anti-trust, and monopolistic behaviors. To achieve this goal, we identify significant risks of violating integrity within the Company, as follows. For the year 2022, there were no known incidents.

| Significant Risks Identification  | Events of the Year 2022   |
|---|---|
| <ul style="list-style-type: none"> <li>• Direct or indirect bribery and receiving bribes</li> <li>• Providing illegal political contributions</li> <li>• Improper charitable donations or sponsorships</li> <li>• Offering or accepting unreasonable gifts, hospitality, or other improper benefits</li> <li>• Leaking trade secrets</li> <li>• Insider trading</li> <li>• Infringement on trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights</li> <li>• Engaging in unfair competitive practices</li> <li>• Direct or indirect harm to consumer or stakeholder rights, health, and safety in the development, procurement, manufacturing, provision, or sale of products and services</li> </ul> | <p>Including Factory 1, Factory 2, as well as offices in Taipei, Taichung, Chiayi, and Kaohsiung, there were no known integrity-related incidents such as fraud, insider trading, anti-competitive and antitrust practices, market manipulation, etc., in the year 2022. We remain committed to enhancing employee training to uphold Company's reputation for integrity and ethical conduct.</p> |

## Communication of Integrity Values

The Company has established the 'Employee Code of Conduct Guidebook' and 'Ethical Behavior Code,' which outline the standards and commitments that employees are expected to follow in the course of their work. We have also formulated the 'Sustainable Development Practices Code and Policies,' which are publicly disclosed on the Company's website and the public information observation platform, demonstrating our commitment to stakeholders. In addition to ensuring transparency through information disclosure, we periodically educate employees through monthly meetings, bulletin boards, and digital training to communicate our dedication to sustainable business development.

In the year 2022, the implementation status of integrity and anti-corruption education and training for employees is as follows:

| Employee Categories      | Total Number | Actual Number of Participants | Percentage |
|--------------------------|--------------|-------------------------------|------------|
| Management               | 66           | 66                            | 100%       |
| Sales                    | 210          | 210                           | 100%       |
| Research and Development | 55           | 55                            | 100%       |
| Production Line          | 438          | 438                           | 100%       |

In addition to internal awareness campaigns, Company's selection of external suppliers is primarily based on various criteria, including legality, excellent reputation, employment practices (labor conditions and working environment), a commitment to environmental protection, and corporate social responsibility. For the year 2022, the major suppliers we collaborated with had no known instances of corruption or integrity violations.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance**
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

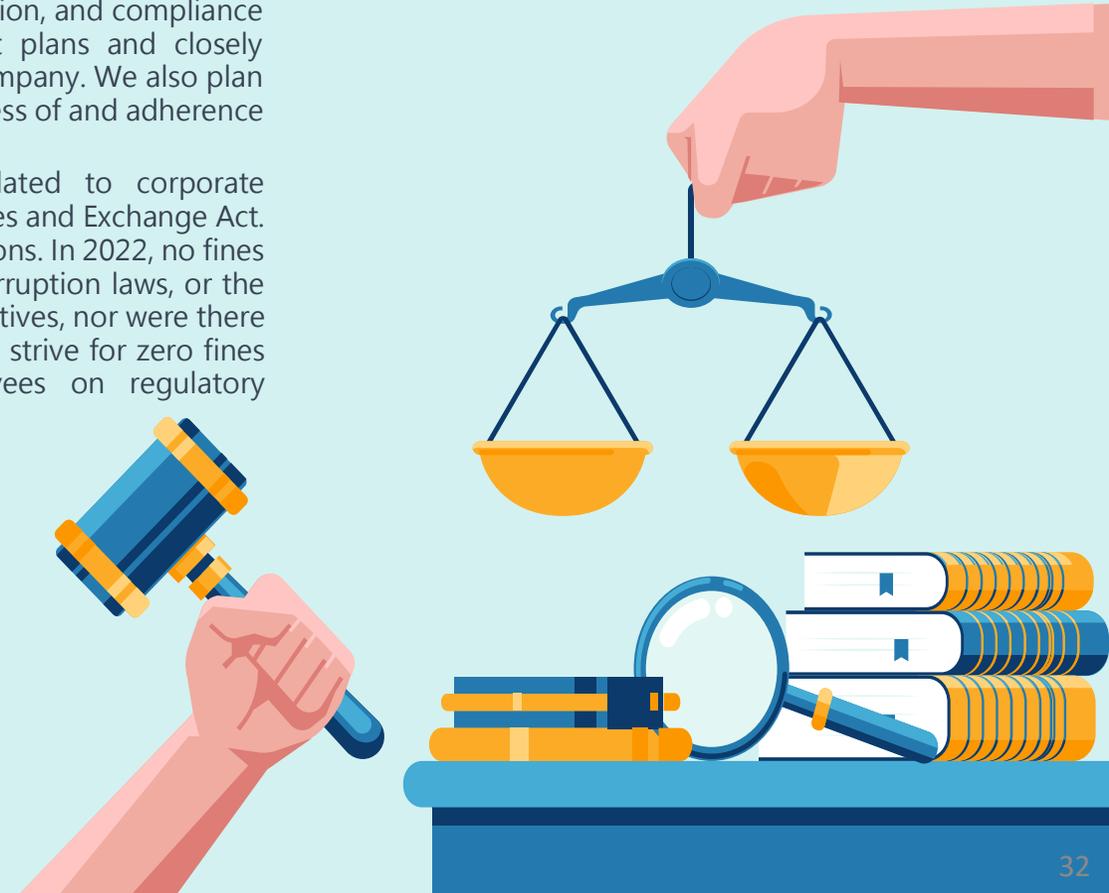
## 1.4 Regulatory Compliance

Ensuring regulatory compliance is a crucial foundation for the steady growth and sustainable operation of the Company. In all our business activities, we strive to comply with relevant legal regulations, ensuring Company's operational freedom while avoiding legal, regulatory, or contractual violations. This approach not only fulfills our obligations but also prevents the company from incurring substantial fines resulting from non-compliance.

To guarantee the implementation of regulatory compliance, the Company continuously monitors domestic and international policies and regulations that affect our operations. We establish relevant norms, processes, and systems to ensure that all operational activities adhere to regulatory standards. We regularly conduct regulatory audits, which encompass regulatory inventory, updates, identification, and compliance reviews. For non-compliant matters, we develop improvement plans and closely monitor the development of regulations that could impact the company. We also plan and coordinate training programs to enhance employees' awareness of and adherence to business-related regulations.

The Company effectively complies with significant laws related to corporate governance, such as the Company Act, Fair Trade Act, and Securities and Exchange Act. We also adhere to environmental and occupational safety regulations. In 2022, no fines were incurred due to violations of corporate governance, anti-corruption laws, or the Fair Trade Act. There were no instances of insider trading by executives, nor were there customer complaints regarding privacy breaches. We continue to strive for zero fines and provide training and awareness programs for employees on regulatory compliance.

Additionally, we have a dedicated legal unit that offers legal advice and assistance to various departments. Employees can access training course information and awareness materials on Company's internal website to stay informed about the latest legal regulations. Through timely information updates, updates to operational standards, internal reviews, and rigorous implementation, to ensure Company's commitment to legal compliance.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
  - 1.1 Corporate Governance
  - 1.2 Operational Performance
  - 1.3 Business Integrity
  - 1.4 Regulatory Compliance
  - 1.5 Supplier Management**
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 1.5 Supplier Management

The sourcing of raw materials for Company comes from both domestic and foreign suppliers. In order to secure a stable supply chain, Company maintains close cooperation with existing suppliers and actively seeks out new partnerships. We enhance coordination between suppliers and manufacturing facilities to integrate upstream and downstream production activities, thereby reducing production and distribution costs. In our supplier management approach, Company assesses various aspects, including legality, a strong reputation, compliance with employment practices (such as labor conditions and working environment), and the implementation of corporate social responsibility. Furthermore, our Quality Assurance department conducts routine audits of supplier quality systems to ensure the high quality of the products they provide.

### Supplier Management Process



In addition to our commitment to environmental responsibility, Company also encourages our suppliers to join us in pursuing sustainable development, ensuring that all operations conform to environmental and corporate social responsibility standards. We aim for stable growth and sustainable business together. The Company has successfully implemented and registered systems such as ISO 45001 and PIC/S GMP and requires all relevant suppliers to adhere to these standards, in our collective efforts to enhance corporate social responsibility.

Furthermore, through risk assessment, supplier audits, and management, we assess the social responsibility and environmental performance of key suppliers, assisting them in improving their social responsibility and environmental management capabilities.

We choose suppliers who share the values of ethical business practices as Company partners because we believe that only with such beliefs can we ensure the continuity of product value. The Company is dedicated to ethical and compliant procurement, ensuring that raw material suppliers respect and uphold the rights of their employees. We explicitly specify occupational health and safety matters in our contracts and purchase orders, requiring suppliers to commit to compliance with ISO 45001 standards.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## New Supplier Evaluation

In the year 2022, Company added a total of 22 new raw material suppliers. For first-time collaborations with raw material suppliers, the purchasing department initiates contact and conducts interviews to assess suitability. Subsequently, in accordance with the 'Supplier Management Procedure' and 'Procurement Management Procedure,' the supplier submits the 'Supplier Application, Evaluation Report, and Supplier Sustainability Commitment Statement,' along with relevant information or samples for review by the Quality Assurance Department. Once approved, the supplier is included in our list of qualified suppliers. The purchasing department also encourages suppliers and contractors to prioritize environmental protection, workplace safety, and human rights, collectively fulfilling corporate social responsibility. In the event that non-compliance with relevant matters is discovered during supplier audits, Company reserves the right to request timely improvements, and in cases of significant and substantiated violations, we reserve the right to terminate the contract."

| Assessment Categories | Assessment Content  |
|-----------------------|---|
| Environment           | Dangerous substances, industrial waste, air pollutants, or wastewater treatment, reduction of energy consumption and greenhouse gas emissions goals, preferential selection of environmentally-friendly raw materials and processes.  |
| Corporate Governance  | Integrity in operations, operational overview, regulatory compliance, emergency response procedures, and improvement plans.   |
| Quality               | Management of upstream suppliers, quality control, compliance with GMP (Good Manufacturing Practices).  |
| Social                | Employment conditions, working hours, wages and benefits, termination, layoffs, prohibition of forced labor, child labor prohibition, discrimination and inhumane treatment prohibition, and the creation of a safe and healthy working environment for construction workers. |

## Percentage of Procurement Expenditure from Local Suppliers

According to media reports, the proportion of imported raw materials for drug manufacturing, particularly active pharmaceutical ingredients (API), exceeds 90%. This is primarily due to the smaller scale of domestic API pharmaceutical factories, making it difficult to compete with the larger foreign pharmaceutical companies in terms of research and manufacturing costs. Company faces similar limitations, and due to the unique nature of the pharmaceutical industry, we cannot use recycled or reprocessed raw materials. However, to mitigate the environmental impact of raw material procurement and reduce greenhouse gas emissions, in recent years, our API sourcing has shifted from Europe and the Americas to neighboring countries like China, India, and Japan.

Due to the COVID-19 pandemic, many countries have been actively promoting the localization of supply chains to ensure a stable supply of pharmaceuticals domestically. Company has evaluated the advantages of local procurement, which include economic benefits such as reduced shipping and tariff costs, as well as immediate supply availability. From an environmental perspective, it helps reduce energy consumption and carbon emissions. Socially, it allows for cost-effective auditing of labor conditions and compliance with working environment standards. Moreover, it facilitates the establishment and maintenance of strong and stable partnerships. Therefore, under similar quality and price conditions, we are more inclined to prioritize outstanding local manufacturers as our partners.

| Raw Material Procurement   | 2020   | 2021   | 2022   |
|----------------------------|--------|--------|--------|
| Local Supplier Procurement | 25.21% | 24.07% | 22.60% |
| Percentage of Total Amount | 28.71% | 24.15% | 29.91% |

Regarding external packaging materials, we achieve a high ratio of 'local procurement and local supply' of up to 80%. While ensuring the safety of patient medication and the stability of drug storage, we strive to minimize the complexity of packaging.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Supplier Verification and Regular Assessment Mechanism

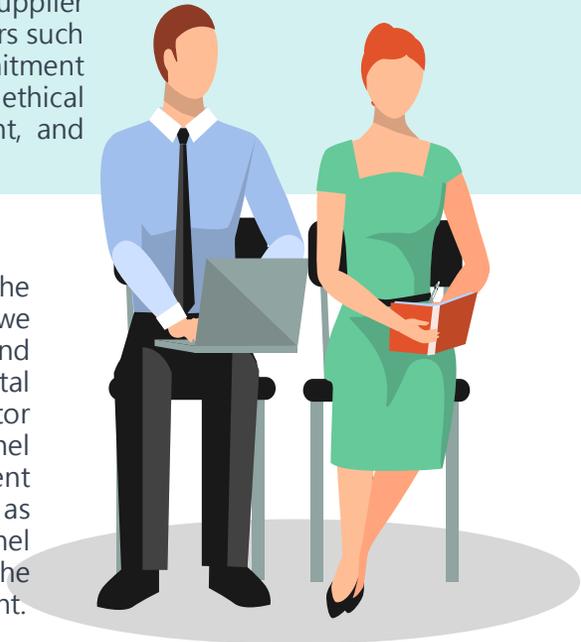
The scope includes raw material suppliers related to product quality (main ingredients, excipients, primary packaging materials, labeling materials, indirect packaging materials) and collaborators (contract testing, contract manufacturing, contract calibration, drug distribution, suppliers of gases directly in contact with the product, or other service providers). We establish supplier verification processes and create various assessment questionnaires tailored to their characteristics, resulting in verification assessment reports. Suppliers meeting the criteria are listed as qualified suppliers. If there are changes or additions to requirements, they must go through the change control process for assessment and approval. Qualified suppliers are subject to periodic re-verification, with audit frequency and method determined based on risk assessment, and the results are documented in the annual supplier re-verification plan.

Scoring criteria are established based on the types of raw materials provided by suppliers, the rate of abnormal deviations in incoming materials, and the impact of the service on product quality. The criteria categorize suppliers into high-risk, moderate-risk, and low-risk levels. While suppliers may not yet reach the time for re-verification, any significant quality events can trigger unscheduled supplier re-verification or risk assessment based on deviations and corrective actions. Additionally, a monitoring mechanism is in place, with designated personnel regularly checking quality conditions on relevant health authority websites in various countries, such as Taiwan's Food and Drug Administration (TFDA), the U.S. Food and Drug Administration (USFDA), and the China Food and Drug Administration (CFDA). This information is recorded in the 'Supplier Quality Information Search Record,' ensuring proper quality control over source materials and safeguarding product quality in production, ultimately ensuring the safety and effectiveness of medication for the public.

In 2022, to ensure the quality management of suppliers and the quality of incoming materials, we conducted assessments of 170 suppliers through on-site audits and document reviews as part of the regular supplier verification program. The results identified 142 qualified suppliers. We terminated 28 suppliers due to factors such as quality not meeting usage requirements, production stoppage, violations of our sustainability commitment policy, or a prolonged lack of supply records. Overall, suppliers have effectively managed aspects of ethical operation, environmental protection, corporate social responsibility, manufacturing quality management, and incoming material quality testing.

## Contractor Management Policy

Our Company places a strong emphasis on the safety of our partners. To prevent disasters and ensure the safety and health of company employees, the environment, and facilities, as well as promote labor rights, we have established the 'Maintenance and Engineering Supplier Management Operating Procedure' and 'Contractor Management Procedure' in accordance with occupational safety and health and environmental protection regulations. These procedures have been approved by management as the basis for contractor management. Contractors are required to complete safety and health training for their construction personnel before commencing work. During the operation, in addition to complying with the 'Contractor Management Procedure,' they must also adhere to other occupational safety and health regulations of our company, such as the Occupational Safety and Health Act, the Air Pollution Control Act, and the Waste Disposal Act. Personnel from the Engineering Department or the unit requesting the construction are assigned as supervisors. The Occupational Safety Office conducts periodic safety and health audits of contractors during their engagement.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance**
- 1.1 Corporate Governance
- 1.2 Operational Performance
- 1.3 Business Integrity
- 1.4 Regulatory Compliance
- 1.5 Supplier Management
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Contractor Evaluation and Selection

The process of contractor evaluation and selection begins with the submission of requirements by the requesting department. Management personnel then investigate the quality and safety and health standards of potential contractors, gathering essential information. After this, a selection is made to identify excellent contractors for quotation. The assessment of contractor quality is based on construction quality, safety and health management, and service cooperation. The appropriate actions are determined according to the assessment results, including upgrading or replacing underperforming contractors, with the ultimate goal of improving the quality of contracted services.

Periodic Evaluation Method and Results :

- Evaluation Target: Contractors with more than one transaction per year, and individual transactions exceeding NT\$100,000.
- At the completion of each contract, the 'Supplier Construction Evaluation Form' is filled out, covering the following criteria :
  1. Construction Quality and Safety & Health Requirements: 50%
  2. Accuracy of Construction Schedule: 30%
  3. Service Cooperation: 20%, evaluated by using units, supervisory units, procurement department, and safety and health department.
- Evaluation is divided into three levels: A Grade (80 points and above), B Grade (60-79 points), C Grade (below 60 points).
- 2022 Evaluation Results: 16 companies were evaluated, and all of them received an A Grade in the evaluation.

| Grade   | Disposition Measures  |
|---------|---|
| A Grade | Ongoing Collaboration   |
| B Grade | Ongoing Collaboration   |
| C Grade | <ul style="list-style-type: none"> <li>• Reporting to the procurement manager on whether to cease collaboration or request improvements. If improvements are requested, a written report should be submitted, and after the procurement manager's signature, a letter should be sent to the supplier.</li> <li>• The improvement progress of the supplier is closely monitored by procurement.</li> <li>• The procurement manager decides whether to revoke the qualification of a qualified supplier.</li> </ul> |





- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 02

# Net Zero Emissions and Sustainable Development

☆ 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management

2.2 Water Resource Management

2.3 Waste Management

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management

The impact of climate change have become humanity's greatest challenge. This crisis cannot be attributed solely to natural variability; human industrial and economic activities also contribute to extreme weather events and ecological destruction. Therefore, the most significant approach to mitigating climate change is the reduction and regulation of greenhouse gas emissions.

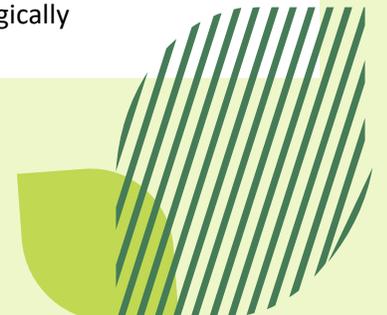
|                          |   |                               |   |
|--------------------------|---|-------------------------------|---|
| GRI Indicators           | GRI 201-2 Financial Implications and Other Risks and Opportunities Resulting from Climate Change<br>GRI 302 Energy<br>GRI 305 Emissions   | Positive and Negative Impacts | <p>Positive:</p> <ul style="list-style-type: none"> <li>•Stable deliveries and cost savings ; Maintaining stable customer relationships</li> <li>•Maintaining friendly relations with the surrounding community</li> </ul> <p>Negative:</p> <ul style="list-style-type: none"> <li>•Legal risks and fines</li> <li>•Irreversible environmental damage</li> </ul>  |
| Policies and Commitments | [Greenhouse Gas Inventory and Quantification][Air Pollution Control Management Program]<br>We address the global climate change issue and make continuous efforts to control greenhouse gas emissions throughout the product design, supplier management, manufacturing and assembly, and customer service stages. All management and system operations are in compliance with the environmental regulations set forth by the central regulatory authorities, aiming to enhance resource utilization efficiency.  | Objectives and Vision         | <ul style="list-style-type: none"> <li>• Short-term goals: Continuously monitor international developments in greenhouse gas emissions, energy management, and climate change, staying updated on the latest regulations to meet relevant requirements. Additionally, advocate for green procurement with a target of achieving a declared green procurement amount of 1 million dollars in 2023.</li> <li>• Mid-term goals: Continue to purchase energy-efficient equipment and prioritize the use of green building materials during renovations to improve the energy usage structure. Aim to achieve a stable annual reduction of 1% in greenhouse gas emissions.</li> <li>• Long-term goals: Ongoing assessment of climate threats faced by the company and early strategic planning to ultimately achieve carbon neutrality.</li> </ul> |
| Mitigation Measures      | <ul style="list-style-type: none"> <li>• Factory Renovation, T5 Fluorescent Light Replacement with LED Lights, and Other Energy-Saving Measures</li> <li>• The renovation of our factory premises includes replacing T5 fluorescent lights with LED lights, resulting in an annual electricity savings of approximately 24,960 kWh. Additionally, we have upgraded our ventilation system, replacing the 75HP and 50HP belt-driven blowers with 60HP and 40HP direct-drive variable frequency blowers, saving 295,650 kWh of electricity per year.</li> <li>• With a primary focus on preserving product quality, we have reorganized our inventory storage by product category, reducing the need for humidity control in certain warehouse sections and discontinuing the use of five dehumidifiers, which yields an annual energy savings of 91,980 kWh.</li> <li>• Furthermore, we have adopted energy-efficient HVAC systems, conducted regular checks on water heaters, implemented heat recovery to reduce natural gas consumption, improved RO system operational parameters, and adjusted the regeneration conditions for water softeners to reduce electricity consumption. These measures effectively reduce carbon emissions while balancing cost-effectiveness and energy conservation.</li> </ul> | Effectiveness Assessment      | <ul style="list-style-type: none"> <li>• In 2010, we were certified with the ISO 14001 Environmental Management System, and in 2023, we obtained ISO 14001:2015 certification, which is valid from 2023/2/13~2026/1/18.</li> <li>• In the fiscal year 2022, our green procurement expenditure reached 210,000, marking a growth of 29.8% compared to the fiscal year 2021.</li> </ul>   |
| Complaint Channel        | We have physical suggestion boxes as well as an email system where both internal and external personnel can provide feedback through either letter or via emails.   |                               |   |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## TCFD Management Framework

Due to significant emissions of pollutants from human industrial activities, global temperatures are steadily rising, leading to severe climate change. This inevitably has financial implications for companies and brings about other risks.

| Core Elements              | Resilience and Response Policies  |
|----------------------------|---|
| <b>Governance</b>          | The Board serves as the leading body for sustainability matters, continuously driving and executing sustainability initiatives and promptly responding to them. The daily operations of sustainability are overseen by the General Manager, who is responsible for climate change management issues, including decision-making, assessment, and supervision of climate-related matters, such as the financial impact of climate change, climate-related capital expenditures, and climate energy advocacy.  |
| <b>Strategy</b>            | First, short-, medium-, and long-term goals are established for climate issues. Then, strategies are formulated in accordance with these goals (such as advocating for green procurement, implementing energy-saving measures, and investing in green energy equipment), and the operational policies are adjusted annually based on the implementation results.  |
| <b>Risk Management</b>     | We will continuously monitor international developments related to greenhouse gas emissions, energy management, and climate change. We will stay updated on the latest regulations to refresh our risk assessment foundational data. Based on the impact severity and likelihood of occurrence of these changes, we will introduce risk mitigation measures. If an issue is deemed significant, it will be reported to the Board for review and, upon approval, implemented.  |
| <b>Metrics and Targets</b> | <ul style="list-style-type: none"> <li>Short-term Goals: Continuously monitor international developments related to greenhouse gas emissions, energy management, and climate change, and stay updated on the latest regulations to meet relevant requirements. Additionally, promote green procurement with a target of achieving a declared green procurement amount of 1 million dollars in 2023.</li> <li>Mid-term Goals: Continue to purchase energy-efficient equipment, prioritize the use of green building materials during renovations, and improve the energy usage structure, aiming to achieve a stable annual reduction of 1% in greenhouse gas emissions.</li> <li>Long-term Goals: Continuously assess the climate threats faced by the company and plan strategically in advance, ultimately achieving a carbon-neutral objective.</li> </ul> |



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Climate Risks and Opportunities

The following are the key climate risks identified by our company and the corresponding

|                  | Risk Category          | Risk Impacts   | Mitigation Measures  |
|------------------|------------------------|--|--|
| Transition Risks | Policy and Regulations | According to the domestic Climate Change Response Act, there may be a future imposition of carbon fees. If the government initiates greenhouse gas emission control, it will increase the operational costs of the company.  | Establish greenhouse gas reduction targets and adjust operational strategies based on rolling results.   |
|                  | Market                 | Due to the impact of extreme weather conditions and increasing market demands for carbon emissions management, the supply chain may face new challenges in terms of supply instability. If additional inventory is required, the company may need to invest in additional warehouse facilities or pay warehouse rental costs.            | For specific critical raw materials, establish secondary source suppliers to minimize the risk of supply instability.  |
|                  | Reputation             | As regulations become more stringent, customers expect businesses to offer more environmentally friendly, low-carbon products. If the effectiveness of greenhouse gas reduction falls short of expectations, it may potentially impact customer loyalty, leading to reduced revenue and affecting our company's operational performance. | Given the unique nature of the pharmaceutical industry, where recycled or circular materials cannot be used, in recent years, the company has shifted its API sourcing from Europe and the United States to neighboring countries such as China, India, and Japan to mitigate the environmental impact of raw material procurement and reduce greenhouse gas emissions. Promote green procurement, implement energy-saving measures, and invest in green energy equipment to enhance the corporate image.  |
| Physical Risks   | Immediate              | Flooding caused by heavy rain or typhoons on the factory premises, and unexpected power outages due to electricity shortages, can result in an immediate halt in production lines. Both of these situations may potentially impact delivery schedules and revenue.   | At Plant 1, measures have been taken to address drainage issues by installing waterproof barriers. Additionally, management personnel regularly clear the drains in anticipation of the typhoon season to reduce the risk of flooding. The Company has also established emergency power supply equipment in certain areas to minimize the impact of temporary power outages.   |
|                  | Long-term              | The ongoing water and electricity shortages in Taiwan continue to persist, leading to increased energy costs, which, in turn, affect Company's profitability. In severe cases, this could lead to production delays or stoppages, making it impossible to fulfill orders and exposing the company to the risk of contractual breaches.   | The almost inevitable financial impact of increased electricity prices has been addressed by prioritizing the selection of energy-efficient equipment when upgrading machinery to reduce the impact of future electricity price hikes. Water resource concerns have been mitigated as our plant is located near SYN-TECH plant, enabling us to access water resources within the group as needed. Furthermore, a comprehensive supplier list for water has been established, allowing us to purchase water from external suppliers when necessary. |

Opportunities brought to our company by climate change :

| Opportunity category           | Opportunity description  | Mitigation measures and financial impact   |
|--------------------------------|--|--|
| Enhancement of ESG initiatives | The aforementioned uncontrollable environmental factors may potentially impact the delivery schedules of all companies.  | If executed with appropriate strategies and effective responses, Standard can maintain shipping stability, seize opportunities, and enter new markets.                                     |
|                                | International and governmental entities are actively promoting ESG development, and customers and market investors are beginning to pay attention to these issues. | Continuing to advocate for green procurement, implementing energy-saving measures, and investing in green energy equipment can attract potential customer orders and investor investments. |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
  - 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
  - 2.2 Water Resource Management
  - 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Energy Consumption and Electricity Intensity Statistics

The Company's energy usage at the Tainan Xinying Plant 1 and Plant 2, which includes purchased electricity and natural gas, primarily serves the facility's equipment and natural gas boilers. In 2021, a fire at SYN-TECH, subsidiary of Standard, which also affected a portion of Standard's plant, leading to a temporary halt in some production lines, resulting in a decrease in total energy consumption and electricity usage for the year. In 2022, the synthetic department was transferred to the SYN-TECH, leading to a decline in revenue. As a result, the energy consumption intensity and electricity usage intensity increased compared to the year 2021.



|      | Total Energy Consumption (Gigajoules - GJ) | Revenue (Million New Taiwan Dollars - NTD) | Energy Consumption Intensity (GJ/Revenue in Million NTD) |
|------|--|--|--|
| 2020 | 74,571                                     | 2,739                                      | 27.2   |
| 2021 | 66,800                                     | 2,838                                      | 23.5   |
| 2022 | 69,782                                     | 2,772                                      | 25.2   |

|      | Electricity Usage (KWh) | Revenue (Million New Taiwan Dollars - NTD) | Electricity Intensity (Kilowatt Hours - KWh/Revenue in Million NTD) |
|------|-------------------------|--|---|
| 2020 | 16,540                  | 2,739                                      | 6.0   |
| 2021 | 15,540                  | 2,838                                      | 5.5   |
| 2022 | 15,886                  | 2,772                                      | 5.7   |

| New Measures in 2022   |  | Reduction in Energy Consumption (Gigajoules - GJ)* |
|--|--|--|
| Replaced the old 75HP+50HP belt-driven non-variable speed blower with a new 60HP+40HP direct-driven variable speed blower. |  | 1,064/year   |
| Removed a total of 5 Hitachi 5HP industrial dehumidifiers in the finished goods warehouse.                                 |  | 331/year   |
| Expanded and renovated the laboratory, replacing 350 sets of T5 fluorescent lights with LED lights.                        |  | 79/year  |
| Replaced 40 T5 fluorescent light fixtures with LED panel lights in the liquid paste factory packaging area.                |  | 10/year  |

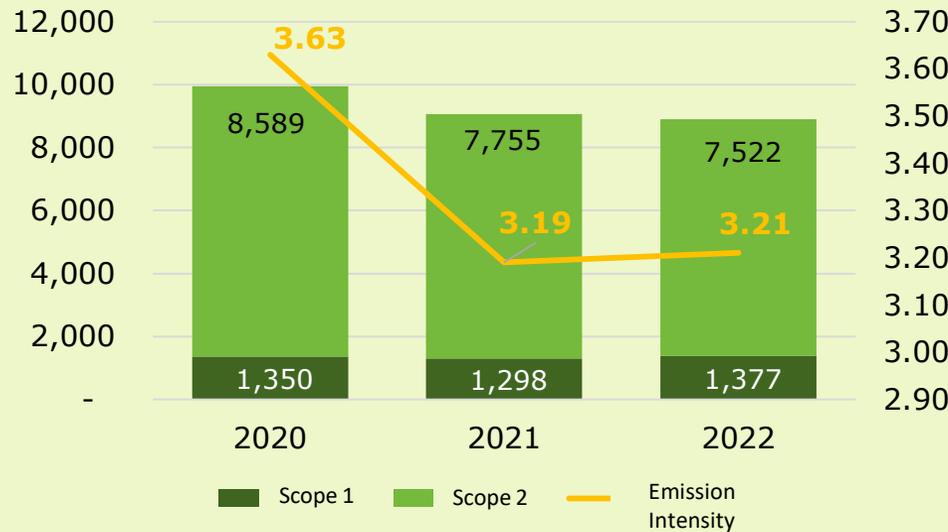
(Note)\* Electrical metering was not installed, and estimates were based on theoretical calculations.

To improve energy efficiency and achieve short, medium, and long-term energy management goals in the future, in addition to the measures introduced in the table for 2022, Company also employs energy-saving air conditioning systems, regular inspection of water heaters, heat recovery to reduce natural gas consumption, optimization of RO system operating parameters, modification of water softener manufacturing and regeneration conditions to reduce electricity consumption. Furthermore, we consistently implement a one-hour lights-off policy during lunch break in office areas and laboratories, as well as periodically disclose Company's electricity consumption to remind employees to collectively save energy.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Greenhouse Gas Emissions and Emission Intensity Statistics

In response to climate change, our Company has been proactively conducting greenhouse gas inventories since 2014. We have also engaged a third-party verification organization to carry out ISO 14064 greenhouse gas verification, enhancing the transparency and credibility of emission information. Examining the greenhouse gas emission intensity, the changes between 2021 and 2022, as previously mentioned, were influenced by the fire incident and the separation of the synthetic department.



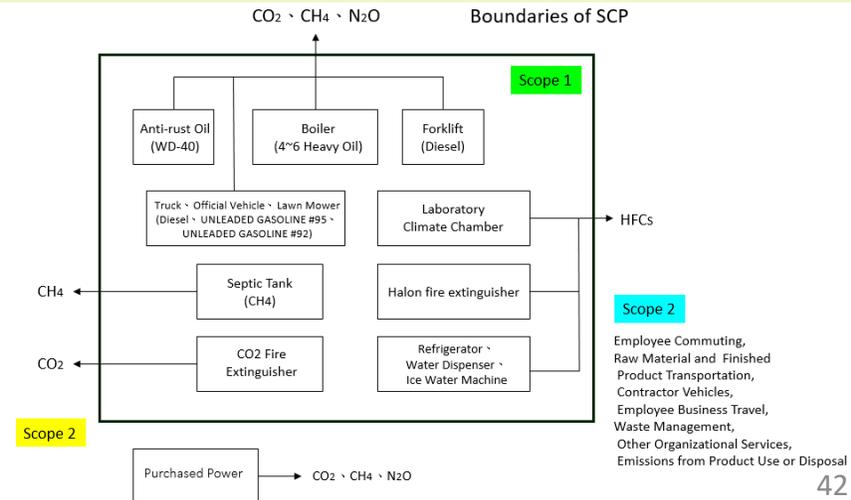
|  | 2020  | 2021  | 2022  |
|--|-------|-------|-------|
| Scope 1 + Scope 2 (tonCO2e)*                                     | 9,939 | 9,053 | 8,899 |
| Scope 3 (tonCO2e)**  | 0     | 0     | 225   |
| Annual Revenue (Million NTD)                                     | 2,739 | 2,838 | 2,772 |
| Emission Intensity<br>(Scope 1 + Scope 2/Revenue in Million NTD) | 3.63  | 3.19  | 3.21  |

(Note)\* The emission factors primarily rely on the 'Greenhouse Gas Emission Coefficient Management Table' published by the Environmental Protection Administration of the Executive Yuan. Starting from 2022, the Global Warming Potentials (GWP) for various types of GHGs from the IPCC AR6 (2023) report have been adopted as the basis for calculations.

\*\* In accordance with ISO14064, Scope 3 emissions have been calculated starting from the 2022 fiscal year.

The types of greenhouse gases refer to seven greenhouse gases, including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). The equipment responsible for generating greenhouse gases is shown in the diagram below:

|                           |   |
|---------------------------|---|
| Fixed Combustion Sources  | Refers to fuel combustion in stationary equipment such as steam boilers, emergency generators, etc.               |
| Mobile Combustion Sources | Refers to fuel combustion in transportation equipment such as government vehicles, forklifts, etc.                |
| Fugitive Emission Sources | Refers to both intentional and unintentional fugitive emissions, such as refrigerants leaking from chiller units. |



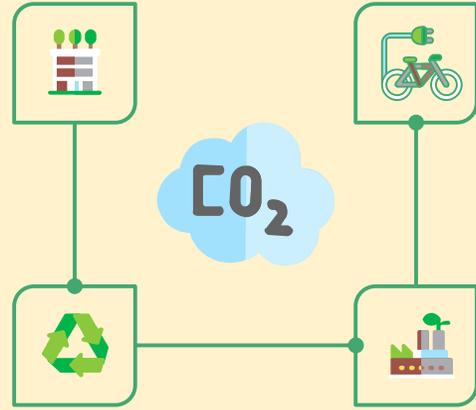
- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

The company's primary greenhouse gas emissions include three types: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). The scope and types of greenhouse gas emission sources are as shown in the table below:

| Scope  | Category  | Emission Source                                  | Corresponding Equipment/Equipment Type  |
|--|---|--|---|
| Scope 1<br>(Direct Greenhouse Gas Emissions)         | Greenhouse gas emissions generated from electricity, heat, steam, or other fossil fuel-derived energy production.             | • Fuel oil No. 4~6                               | • Boilers   |
|  | Transport-related greenhouse gas emissions from materials, products, waste, and employee commuting under operational control. | • Unleaded gasoline<br>• Unleaded gasoline 92    | • Diesel<br>• Government vehicles, lawnmowers<br>• Vehicle equipment (trucks, forklifts)  |
|  | Fugitive greenhouse gas emission sources.   | • CH <sub>4</sub><br>• HFCs                      | • WD<br>40<br>• CO <sub>2</sub><br>• Septic tanks<br>• Fire extinguishers<br>• Anti-rust oils<br>• Refrigerators/water coolers/climate-controlled machines  |
| Scope 2<br>(Indirect Greenhouse Gas Emissions)       | Greenhouse gas emissions generated from purchased electricity, heat, steam, or other fossil fuel-derived energy sources.      | • Purchased electricity                          | • Office activities<br>• Production process operations  |
| Scope 3<br>(Other Indirect Greenhouse Gas Emissions) | Other indirect greenhouse gas emissions.  | • Automobile<br>• Motorcycle<br>• Waste disposal | • Truck<br>• Landfill<br>• Employee commuting<br>• Employee business travel<br>• Production of imported raw materials<br>• Emissions from company-generated waste<br>• Transportation of products, raw materials, and waste not controlled by the company |

| Types of Greenhouse Gases          | 2020                          |            | 2021                          |            | 2022                          |            |
|------------------------------------|-------------------------------|------------|-------------------------------|------------|-------------------------------|------------|
|                                    | Metric tons CO <sub>2</sub> e | Proportion | Metric tons CO <sub>2</sub> e | Proportion | Metric tons CO <sub>2</sub> e | Proportion |
| Carbon dioxide(CO <sub>2</sub> )   | 9,356                         | 94.1%      | 8,331                         | 92.0%      | 8,194                         | 92.1%      |
| Methane(CH <sub>4</sub> )          | 51                            | 0.5%       | 51                            | 0.6%       | 56                            | 0.6%       |
| Nitrous oxide ( N <sub>2</sub> O ) | 1                             | 0.0%       | 1                             | 0.0%       | 1                             | 0.0%       |
| Hydrofluorocarbons ( HFCs )        | 532                           | 5.4%       | 671                           | 7.4%       | 649                           | 7.3%       |
| Total                              | 9,940                         | 100.0%     | 9,054                         | 100.0%     | 8,900                         | 100.0%     |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

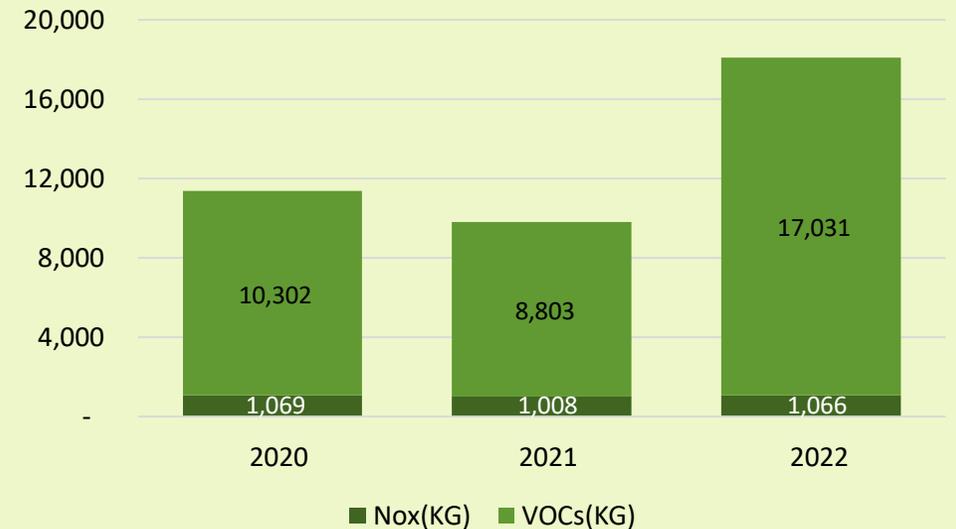


After conducting a greenhouse gas inventory, our Company identified the primary source of greenhouse gas emissions as the electrical equipment. We have been steadily implementing energy-saving and carbon reduction measures for various electrical equipment, with related units cooperating to execute the necessary improvements. This involves the practical reduction of electricity consumption and the enhancement of energy efficiency, ultimately aiming to reduce indirect greenhouse gas emissions through a decrease in energy consumption. Our goal for 2023 is to achieve a green procurement declaration of 1 million NTD and to establish a carbon reduction target of at least 1% reduction in greenhouse gas emissions annually. We are actively promoting and continuously driving these efforts forward.

## Air Pollution Management

The Company complies with government regulations, and other applicable international rules and requirements related to pollution control. We have obtained operating permits for fixed pollution sources in accordance with the law, and we conduct regular inspections, maintenance, reporting, and testing as required by these permits. Emissions from our fixed pollution sources are as follows: NOx (nitrogen oxides) has remained stable in recent years, while VOCs (volatile organic compounds) increased in 2022. This increase can be attributed to the synthetic department's temporary shutdown in 2021 due to a fire incident, followed by the accumulation of orders and increased production in 2022, a characteristic of the industry that led to a significant rise in VOC emissions. In July 2022, the synthetic department was separated and transferred to the SYN-TECH. Currently, Sheng Tai does not monitor substances that deplete the ozone layer (ODS), but this will be included in future control objectives.

Since 2010, Plant 1 has been using clean natural gas as fuel, and, as a result, it has not met the standards for air pollution fees for years. Plant 2 switched to natural gas as a boiler fuel in September 2018, effectively improving air quality.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management**
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 2.2 Water Resource Management

The Company complies with government regulations and other applicable international rules and requirements related to pollution control. For pollution prevention, we have obtained water pollution prevention permits in accordance with the law, and we conduct regular inspections, maintenance, reporting, and testing as required by these permits. The wastewater generated in each plant area is treated by wastewater treatment facilities and undergoes regular water quality testing to ensure minimal environmental impact. After the treated wastewater is confirmed to meet discharge standards, it is released into receiving bodies of water. In 2022, our wastewater discharges met all the effluent discharge standards, and no significant leaks or overflows occurred.

### Water Usage Overview

According to the Aqueduct Water Risk Atlas published by the World Resources Institute, all of Taiwan's water resources are located in regions with low to moderately low water availability. The precipitation in the region is influenced by climate factors such as typhoons and monsoons. As climate change intensifies, our Taiwanese facilities continue to face water scarcity challenges. Our company primarily sources water from tap water, with groundwater as a supplementary source, used under appropriate planning, management, and monitoring. Water usage is primarily for general daily facility operations and manufacturing processes. The water usage statistics from 2020 to 2022 are as follows: In 2021, water consumption per million NTD of revenue was higher due to increased production in the pharmaceutical plant, resulting in higher water consumption. However, there has been a noticeable improvement in 2022.

| Water Usage Overview  | 2020                 |             | 2021                 |             | 2022                 |             |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|
|   | Million cubic meters | Proportion  | Million cubic meters | Proportion  | Million cubic meters | Proportion  |
| Third-party (tap water)*  | 158.316              | 80%         | 143.263              | 72%         | 150.439              | 93%         |
| Groundwater   | 39.324               | 20%         | 55.893               | 28%         | 10.868               | 7%          |
| <b>Total Water Withdrawal (A)</b>   | <b>197.64</b>        | <b>100%</b> | <b>199.156</b>       | <b>100%</b> | <b>161.307</b>       | <b>100%</b> |
| Discharge (B)   | 173.481              | 88%         | 142.783              | 72%         | 134.562              | 83%         |
| Actual Water Consumption (C)=A-B  | 24.159               | 12%         | 56.373               | 28%         | 26.745               | 17%         |
| Annual Revenue (Million NTD)  | 2,739                |             | 2,838                |             | 2,772                |             |
| Water Resource Use Intensity (Actual Water Consumption/ Revenue in Million NTD) | 0.0088               |             | 0.0199               |             | 0.0096               |             |

(Note)\*The third-party (tap water) source is the Wushantou Reservoir, provided by the Taiwan Water Corporation.

Inappropriate water consumption can increase company's operating costs. To save water, Standard has implemented the following measures :

- Prioritizing the use of water-saving equipment to reduce water wastage.
- Conducting periodic maintenance of pipelines to reduce unnecessary water loss due to leaks.
- Regularly disclosing Company's water usage to remind employees to conserve water resources.
- Optimizing the production process and product design to reduce unnecessary water usage while improving production efficiency.

### Wastewater Impact Management

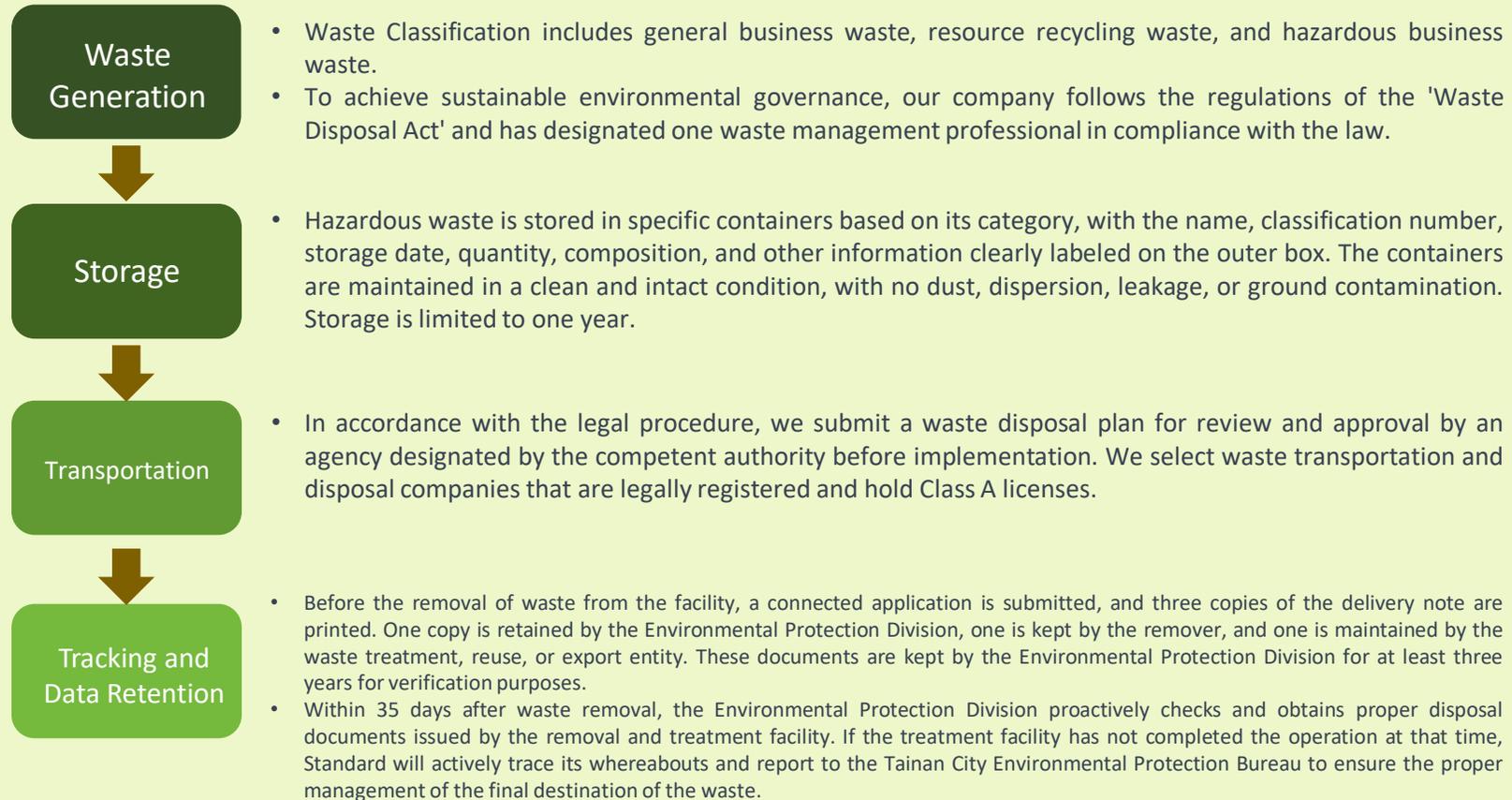
In order to protect the health of our employees and neighboring residents, the Company complies with the Water Pollution Control Act and has established a Water Pollution Control Management Procedure and a Wastewater Treatment System Operation Manual. The Engineering Department leads the execution of these procedures, with relevant units collaborating to implement necessary improvements. To reduce our environmental impact, the Company has invested approximately 26 million NTD to expand the wastewater treatment plant and has established a comprehensive wastewater treatment safety system. This system effectively controls the wastewater generated by various processes, ensuring it meets discharge standards. Through source control, regular personnel inspections, and emergency response mechanisms for abnormal situations, we diligently adhere to regulatory requirements and fulfill our corporate social responsibility. Our goal is to discharge water with quality that surpasses regulatory standards. In 2022, the actual COD content in the discharged wastewater was 26 mg/L, well below the local regulatory standard of 100 mg/L. Similarly, the actual SS content in the discharged wastewater for 2022 was 2.6 mg/L, which is lower than the local regulatory standard of 30 mg/L.45

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management**
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 2.3 Waste Management

To minimize environmental impact and achieve waste resource utilization, harmlessness, cost-effectiveness, and compliance with regulations from central authorities, our Company has established a 'Waste Management Procedure' for control. We inform our employees about waste classification through public announcements, labeling, or other means, ensuring that all personnel understand and cooperate with waste management. After sorting and collecting business waste, we engage qualified environmental service providers and recycling businesses certified by the Environmental Protection Agency to carry out cleaning and treatment or resource reuse.

### Waste Impact Management



In addition to the waste generated within our facilities, we also extend our environmental responsibility to our upstream suppliers. When establishing a collaborative relationship with suppliers for the first time and requesting them to complete a Supplier Assessment Questionnaire, the content includes topics related to environmental health and safety, safety policies, and waste disposal systems. This proactive approach ensures that suppliers comply with environmental and safety regulations, avoiding operational interruptions due to non-compliance and potential impacts on our shipment schedules. This, in turn, helps maintain the stability of our supply chain while collectively safeguarding the environment.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development**
- 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management
- 2.2 Water Resource Management
- 2.3 Waste Management
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Waste Disposal Methods within the Facility

Due to the unique nature of the pharmaceutical industry where recycled or remanufactured raw materials cannot be used in the production process, our Company focuses on waste reduction by improving the production process and minimizing packaging. In 2022, the Synthetic Department experienced an increase in waste generation due to the high production volume necessary to fulfill accumulated orders from 2021. However, this department was separated and transferred in July, and moving forward, the goal is to continue striving for an annual waste reduction target of 2%.

| Item                              | Disposal Method                          | Waste Composition                        | 2020   | 2021   | 2022   |
|-----------------------------------|--|--|--------|--------|--------|
| Hazardous Waste (metric tons)     | Combustion Treatment                     | Waste Solvents, Flammable Business Waste | 60.57  | 113.89 | 257.85 |
|                                   | Physical Treatment                       | Solvent Recycling                        | 7.74   | 48.79  | 236.28 |
|                                   | Thermal Treatment (excluding combustion) | Waste Solvents                           | 4.62   | 16.19  | 80.46  |
|                                   | Subtotal                                 |  | 72.93  | 178.87 | 574.58 |
| Non-Hazardous Waste (metric tons) | Combustion Treatment                     | General Waste, Mixed Plastic Waste       | 110.42 | 87.85  | 102.62 |
|                                   | Biological Treatment                     | Organic Sludge                           | 243.50 | 121.50 | 59.47  |
|                                   | Recycling and Reuse                      | Waste Metal, Waste Plastic, Waste Paper  | 89.96  | 58.22  | 53.25  |
|                                   | Physical Treatment                       | Obsolete Medicines                       | 53.61  | 33.87  | 40.13  |
|                                   | Cleaning Treatment                       | Raw Material Containers                  | 2.11   | 1.17   | 0.00   |
|                                   | Thermal Treatment (excluding combustion) | Mixed Waste Oil                          | 0.00   | 0.61   | 0.00   |
| Subtotal                          |  | 499.60                                   | 303.22 | 255.47 |        |

|   | 2020   | 2021   | 2022   |
|---|--------|--------|--------|
| Total Waste Generation (metric tons)                                      | 572.53 | 482.09 | 830.06 |
| Annual Revenue (million NT dollars)                                       | 2,729  | 2,838  | 2,772  |
| Waste Generation (Total Waste Generation / Revenue in million NT dollars) | 0.21   | 0.17   | 0.30   |





生達化學製藥

Standard Chem & Pharm CO., LTD.

Table of Contents

About the Report

Message from the Chairman

Performance and  
Contributions in the Past 3  
Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and  
Governance

02 Net Zero Emissions and  
Sustainable Development

**03 Product Innovation and  
Customer Safety**

3.1 Customer Health and  
Safety

3.2 Customer Relationship  
Management

3.3 Product Quality and  
Responsibility

3.4 Innovation and Research  
& Development

3.5 Essential Medicine  
Accessibility

04 Employee Relations

05 Social Care and  
Engagement

Appendix

03

## Product Innovation and Customer Safety

3.1 Customer Health and Safety

3.2 Customer Relationship Management

☆ 3.3 Product Quality and Responsibility

3.4 Innovation and Research &  
Development

3.5 Essential Medicine Accessibility

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety**
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

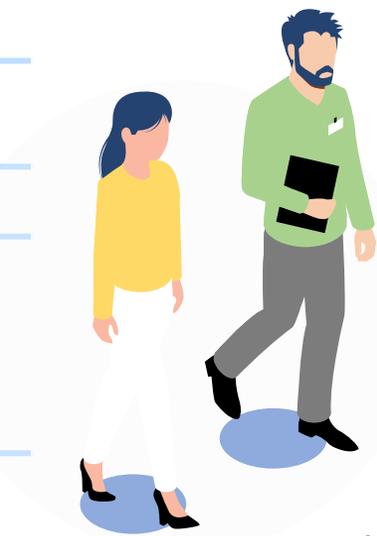
## 3.1 Customer Health and Safety

As a pharmaceutical company, customer health and medication safety are fundamental obligations and the cornerstone of our customer relationships and continued growth. Our marketing and labeling of products and services adhere to pharmaceutical laws and relevant regulations in various countries. New drug development is carried out in accordance with established clinical trial guidelines. We have established operational procedures to maintain the quality of our supply chain. We have set up effective monitoring and feedback mechanisms to gather customer input. Additionally, we provide our sales representatives with professional knowledge and support to raise awareness of patient health. Our commitment is to prioritize and ensure the health and safety of patients and customers by adhering to the highest standards.

### Enhancing Patient Health and Safety

In our commitment to patient health and safety, we dedicate our utmost efforts across five major areas: legal compliance and quality control, safety assessment, supply chain management, monitoring and feedback, and customer education and communication. In the year 2022, all of our major products underwent a 100% review of health and safety regulations, with no instances of non-compliance with any customer health and safety regulations or voluntary agreements.

| Facets                               | Strategies and Achievements   |
|--------------------------------------|---|
| Legal Compliance and Quality Control | <ul style="list-style-type: none"> <li>• Compliance with pharmaceutical regulations with no violations in 2022.</li> <li>• In accordance with the regulations of the 'Pharmaceutical Relief Business and Pharmaceutical Relief Fund Management,' a certain percentage of the net sales amount is deposited into the Foundation for Pharmaceutical Relief to protect consumer rights.</li> <li>• Obtained ISO 9001 international quality certification.</li> <li>• Obtained PIC/S GMP certification from health authorities.</li> <li>• Passed GDP facility inspection.</li> </ul> |
| Safety Assessment                    | <ul style="list-style-type: none"> <li>• Our main products are generic drugs, and in accordance with the 'Guidelines for Bioavailability and Bioequivalence Testing of Drugs,' clinical trials are required. In 2022, a total of 11 clinical trials were conducted.</li> </ul>  |
| Supply Chain Management              | <ul style="list-style-type: none"> <li>• Please refer to section 2.4 Supplier Management.</li> </ul>  |
| Monitoring and Feedback              | <ul style="list-style-type: none"> <li>• We conduct an annual customer satisfaction survey to understand customer needs and formulate improvement measures. In 2022, an average of 97% of respondents provided positive feedback on the questionnaires received.</li> <li>• We have established a toll-free service hotline for direct communication with patients.</li> <li>• We have established the 'Guidelines for Adverse Reaction Reporting and Handling,' outlining the responsibilities of each department and the corresponding response measures.</li> </ul>            |
| Customer Education and Communication | <ul style="list-style-type: none"> <li>• We provide specialized training for our sales personnel to enhance their collaboration with healthcare professionals. This collaboration assists healthcare professionals in improving patient knowledge, enhancing medical quality, and optimizing operational efficiency.</li> </ul>   |



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management**
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 3.2 Customer Relationship Management

In order to enhance customer satisfaction, provide solutions for customer needs and complaints, and understand customer suggestions regarding Life Data's services and product quality, we have established a 'Customer Service Management Procedure.' A well-defined handling process is in place, and relevant departments maintain regular contact with customers, during which customer needs are submitted for supervisor approval. We have also established a toll-free 0800 hotline, where local office personnel receive calls and report them to responsible managers and relevant departments. This information serves as a reference for improving product quality and formulating customer service strategies, with the aim of meeting the demands of our 'customer satisfaction' business principle.



### Customer Satisfaction Surveys

Maintaining a record of 55 years without losses is, to a significant extent, attributed to the valuable feedback from all customers and patients. This feedback serves as a vital source for adjusting specific operational policies. Our Company conducts an annual customer satisfaction survey to understand customer needs and formulate improvement measures. In 2022, Life Data distributed 894 customer satisfaction survey questionnaires, marking a 15.3% increase compared to 2021. Out of the 295 returned questionnaires, an average of 97% of respondents provided positive feedback.

| Questionnaire Items            | Excellent | Good | Satisfactory | Needs Improvement |
|--------------------------------|-----------|------|--------------|-------------------|
| Overall Impression             | 59%       | 38%  | 2%           | 1%                |
| Overall Service Quality        | 78%       | 21%  | 1%           | 0%                |
| Product Stability Satisfaction | 61%       | 36%  | 2%           | 0%                |
| Order Delivery Satisfaction    | 61%       | 34%  | 3%           | 2%                |
| Complaint Service Satisfaction | 80%       | 18%  | 1%           | 0%                |

The reasons for the scores falling in the "Satisfactory" or lower range in the 2022 Customer Satisfaction Survey were primarily:

- Delays in shipments due to drug shortages.
- The perception that there should be more options for diabetes-related products. Customers hoped for more sample trials of new products to facilitate promotion.

In response to the feedback received in the 2022 Customer Feedback, after verification and clarification, the following specific improvement measures have been implemented:

- Drug shortages were primarily due to the impact of the pandemic, which resulted in delayed supplies from the suppliers. The Company has actively coordinated delivery schedules and worked to stabilize the supply. With the pandemic gradually subsiding in 2023, it is expected that this issue will see further improvement.
- Feedback regarding the promotion of new products has been relayed to the relevant internal departments. Discussions with customers have taken place to address and resolve these concerns. The company is committed to a more proactive approach in the future, aiming to achieve the desired level of satisfaction.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management**
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Customer Complaint Handling

To enhance customer service satisfaction and product quality, the Company has established a Customer Complaint Handling Procedure that allows relevant responsible units to promptly and efficiently address customer requests related to products or quality. It is required that all quality complaints from customers are recorded in a customer complaint report within 3-7 days, and preliminary responses are provided within 30 days, with the final investigation and detailed response. Through standardized operating procedures, the aim is to ensure that customer opinions and complaints are handled and addressed in the most efficient and comprehensive manner.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility**
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

### 3.3 Product Quality and Responsibility

Company's quality management system adheres to the spirit of "continuous improvement" and implements GMP and PIC/S standards, along with rigorous scientific management, to produce high-quality active pharmaceutical ingredients and medical formulations.

|                          |   |                               |   |
|--------------------------|---|-------------------------------|---|
| GRI Indicators           | GRI 416-1 Assessment of the Impacts of Products and Services on Health and Safety<br>GRI 417-1 Requirements for Product and Service Information and Labeling  | Positive and Negative Impacts | <p>Positive:</p> <ul style="list-style-type: none"> <li>Assurance of customer health and safety</li> <li>Positive feedback loop from a good reputation</li> </ul> <p>Negative:</p> <ul style="list-style-type: none"> <li>Increased costs due to product recalls</li> <li>Penalties for non-compliance, potentially leading to severe business disruptions</li> </ul>   |
| Policies and Commitments | 【Quality Manual】【Western Medicine Quality Manual】【Quality Policy】【Manufacturing Control Standard Operating Procedure (MPCR)】<br>Incorporating the ISO 9001 as the foundational standard, we continuously enhance system efficiency, adhere to GMP and PIC/S regulations, and, by refining the Manufacturing Control Standard Operating Procedure (MPCR), we proactively integrate quality considerations at the initial stages. This involves establishing clear standards to reduce production line error rates, reinforcing the quality management system, and, with a dual approach, achieving quality assurance objectives.   | Goals and Vision              | <ul style="list-style-type: none"> <li>Short-term goals: Continuously update relevant policies, conduct regular education and training, and enhance employee awareness.</li> <li>Mid-term goals: Analyze feedback from adverse events, collect data on the causes, track root causes, and gradually update the management system to respond quickly and address quality issues.</li> <li>Long-term goals: Adjust gradually in response to international regulatory trends, become a market leader in quality excellence, and meet international quality standards in various countries.</li> </ul>  |
| Mitigation Measures      | <ul style="list-style-type: none"> <li>We have drafted the MPCR for reference, with its clear instructions aimed at optimizing production line efficiency.</li> <li>Our Quality Department is divided into Quality Assurance (QA) and Quality Control (QC) sections, each with independent responsibilities. The QA department establishes and ensures the operation of the quality system to meet the requirements of GMP and GDP regulations and fulfill customer demands. The QC department is responsible for actual testing operations to ensure data accuracy.</li> <li>We have intensified education and training for all employees to enhance their understanding and awareness of regulations and compliance requirements.</li> <li>All exported pharmaceuticals and health food products are covered by product liability insurance.</li> </ul> | Effectiveness Assessment      | <ul style="list-style-type: none"> <li>In 1998, the Company underwent an audit conducted by BVQI and obtained ISO 9001 international quality certification.</li> <li>In 2011, the Company achieved certification in compliance with PIC/S GMP standards issued by the health authorities.</li> <li>In 2016, the Company passed a GDP facility inspection, and in 2020, it successfully underwent a follow-up audit for the pharmaceutical sales industry under GDP guidelines.</li> <li>In 2022, the Company was inspected by the USFDA, and the inspection resulted in a clean bill of health with no deficiencies noted.</li> <li>Also in 2022, the Company underwent a routine inspection by the TFDA (Taiwan Food and Drug Administration) and received approval without any issues.</li> </ul> |
| Complaints Channels      | <ul style="list-style-type: none"> <li>We have established a toll-free service hotline for direct communication with patients.</li> <li>We have a "Adverse Reaction Reporting and Handling Procedure Manual" in place, which clearly outlines the responsibilities of various units and the corresponding response measures.</li> </ul>   |                               |   |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility**
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Quality Management System

Our company, through the implementation and establishment of the ISO 9001 international quality standard system, continuously enhances the effectiveness of our systems. We further uphold the essence of the GMP system and PIC/S regulations, ensuring a robust quality management system to achieve quality assurance. This enables us to strive towards our quality objectives and, through a comprehensive quality control system, effectively reduce defects, eliminate errors, and provide the highest product and service quality to achieve customer satisfaction. The internal quality management system of the company is as follows :

| Department                          | Responsibilities  |
|-------------------------------------|---|
| Research and Development Department | <ul style="list-style-type: none"> <li>• Quality considerations will be integrated into the design process in the early stages of product development.</li> <li>• Following environmental, health, and safety management systems and pharmaceutical regulations to draft the MPCR and determine critical quality attributes and performance indicators.</li> </ul>  |
| Production Department               | <ul style="list-style-type: none"> <li>• In accordance with MPCR, ISO9001, GMP regulations, and PIC/S, the production process is carried out. Batch production records, along with relevant quality documents and laboratory inspection reports, are submitted to the Quality Assurance Department.</li> <li>• Communicate with various departments, address production line challenges, and improve yield and productivity through design changes or process enhancements.</li> <li>• Enhance education and training for production line employees to reduce systemic errors.</li> </ul> |
| Quality Assurance Department        | <ul style="list-style-type: none"> <li>• Responsible for approving the MPCR, establishing and ensuring the operation of the quality system to meet the requirements of GMP and GDP regulations and achieve customer standards.</li> <li>• Based on customer feedback and discussions with the production department, improvements are made to meet customer needs.</li> </ul>   |
| Quality Control Department          | <ul style="list-style-type: none"> <li>• Understand quality control regulations and industry trends, anticipate future developments, and formulate corresponding strategies.</li> <li>• Responsible for conducting actual testing operations to ensure data accuracy and perform testing analysis for items that do not meet the standards.</li> </ul>  |

The Company adheres to the business philosophy of 'sincerity, pragmatism, and innovative development' to establish a quality policy. Annual quality objectives are formulated through discussions with the management review committee, department heads, and relevant personnel. These objectives serve as the Company's overall quality management guiding principles. Adequate and available resources are provided to participate in the establishment and promotion of the quality system. Communication with employees at all levels is carried out, and management review activities are implemented to ensure the effectiveness of the quality system, enabling all relevant personnel involved in quality activities to continuously enhance management efficiency and improve operational quality.

## Product Labeling

Our Company as a part of pharmaceutical industry, and in addition to the regulations mentioned in the production process, our packaging is also subject to pharmaceutical labeling regulations and pharmaceutical advertising and promotional laws. According to the guidelines of the 'Drug Inspection and Registration Examination,' the labels, prescription forms, and packaging of our produced drugs are all in accordance with the approvals of the central health authorities. In the year 2022, all of Company's products fully complied with the relevant regulations, and there were no incidents of violating the regulations of the Act Governing Food Safety and Sanitation, or voluntary agreements.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development**
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## 3.4 Innovative Research and Development

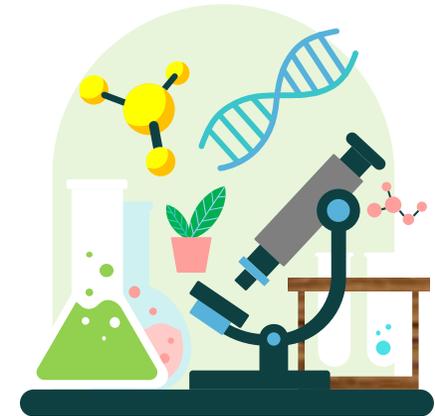
Research and development are the lifeblood of the pharmaceutical industry. In the current stage, our Company's key focus is not only to increase R&D funding but also to accelerate alignment with international technology through strategies like alliances, CDMO (Contract Development and Manufacturing Organization), or investments. We aim to enhance our R&D capabilities through international cooperation, technology transfer, and by selecting product areas and directions with relative competitive advantages to avoid duplicative competition with international pharmaceutical companies. Our R&D team is robust, with years of accumulated experience. New products, including those for hypertension, diabetes, psychiatric medications, gastrointestinal medications, and blood circulation, have been successively introduced to the market. In addition to the domestic market, the Company is actively expanding into the international market, allocating R&D resources for the application of Abbreviated New Drug Applications (ANDA) in the United States. Regarding bio-nutritional products, including ODM (Original Design Manufacturing) and our own brands, we have launched several dozen new products.

### Resource Allocation in the Research and Development Department

To support R&D objectives and meet business demands, Company's R&D department comprises a total of 55 employees. Among them, 49 hold master's or doctoral degrees, constituting 90% of the department's workforce. Each of them possesses expertise in their respective knowledge domains. Additionally, six members are licensed pharmacists, with a deep understanding of drug characteristics, therapeutic effects, applications, and drug interactions. The entire team exhibits professional knowledge, skills, experience, collaboration, communication, coordination abilities, and innovative thinking. To better support R&D operations, apart from dedicated R&D personnel, the R&D department also includes pharmaceutical regulatory specialists. They are responsible for studying regulatory requirements and hold past successful registration experience in the United States and Japan. This expertise contributes to product development and registration, shortening the time to market.

The majority of Company's research and technology are self-developed. In recent years, we have continued to expand our investments in R&D, focusing on the development of special dosage forms, new products, and new drug delivery systems. We integrate resources from Taiwan's biopharmaceutical industry and operate on an international model. We collaborate with foreign strategic alliance partners to seek opportunities for generic and new drug niche products. This helps reduce R&D costs and shorten the product development timeline. Our aim is to develop the foundation for the internationalization of the pharmaceutical industry in Taiwan and enter the international market for generic and new drugs. The research and development expenditures in the past three years are as follows :

| Item  | 2020    | 2021    | 2022    |
|---|---------|---------|---------|
| Research and Development Expenditure (Unit: NTD Thousand) | 158,793 | 167,402 | 148,410 |
| Ratio to Revenue  | 5.80%   | 5.90%   | 5.35%   |



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development**
- 3.5 Essential Medicine Accessibility
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

## Research and Development Status

Company's product portfolio includes medications for hypertension, diabetes, psychiatry, gastroenterology, and circulatory disorders. In recent years, we have placed a strong emphasis on the development of Special Named Medications (Better Than Generics). This focus is aimed at reducing side effects and enhancing patient compliance. To achieve this, we have researched and developed special dosage forms such as injectables, sustained-release formulations, laser-drilled sustained-release formulations, and orally disintegrating dosage forms. We are at the forefront of providing "Single Source New Drugs" and "New Drug-Like" formulations, creating a unique niche in the market. Currently, several niche products have obtained drug licenses and are on the market. Designing orally disintegrating dosage forms facilitates medication administration for elderly patients who have difficulty swallowing. The patented laser-drilled sustained-release formulation uses Zero-Order release mechanisms, ensuring a stable and continuous release of the medication. In addition to the domestic market, Company is actively exploring international markets. We invest in research and development resources to apply for Abbreviated New Drug Applications (ANDA) in the United States. We have been supplying diabetes medications to the U.S. for several years, and in 2020, we began shipments for Amyotrophic Lateral Sclerosis (ALS). Our lipid-lowering medication has obtained regulatory approval and began shipping in 2023. Leveraging our capabilities to secure U.S. drug licenses has allowed us to successfully enter the Japanese and Chinese markets, accelerating our international market expansion and increasing export value. In recent years, we have introduced dozens of new products in the booming market of nutritional supplements, including ODM and our proprietary brands. These products span a range of categories, such as Nattokinase Red Yeast Rice, Anti-Allergy Probiotics, Menopausal Support, and Eye Health, among others.

We undertake research and development of new products every year, not only in domestic categories but also with a strong focus on international products. In 2022, in addition to the development achievements listed in the table, a total of 11 products are currently undergoing BE testing.

| Category  | Development Overview   |
|---|--|
| Domestic Western Pharmaceutical Preparations      | 5 submissions for inspection and registration, 5 licenses obtained   |
| International Western Pharmaceutical Preparations | 11 submissions for inspection and registration, 13 licenses obtained |
| New Product Mass Production and Market Launch     | 4 in the Western pharmaceutical category, 9 in food                  |
| Submission of BA/BE Research Trials               | 1 submission, 2 approvals granted                                    |
| Food  | 9 submissions for inspection and registration, 9 licenses obtained   |



In recent years, our research and development efforts have received recognition from the external

| Year | Development Overview  |
|------|---|
| 2022 | 2022 Pharmaceutical Technology Research and Development Award: Bronze Award in the Manufacturing Technology category for "Tamlosin Prolonged Release Tablets 0.4mg".                      |
| 2020 | 19th Pharmaceutical Technology Research and Development Award: Gold Award in the Manufacturing Technology category for "Co-Midis Tablets 80/5 mg".  |
| 2017 | 16th Pharmaceutical Technology Research Award: Silver Award in the Pharmaceutical category for "Tamlosin D Sustained Release Orally Disintegrating Tablets 0.2mg".                        |
| 2013 | Obtained a patent in the Republic of China for "Sustained-Release Drug Tablet Manufacturing Device with Laser-Shaped Drug Release Holes" (Patent No. M452771).                            |
| 2011 | Received support from the Ministry of Economic Affairs' "Industry Development Industrial Technology Program" for the policy project on doubling the international value of generic drugs. |
| 2010 | "Migbose F.C.Tab." received the Pharmaceutical Technology Research and Development Award: Bronze Award in the Manufacturing Technology category.  |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety**
- 3.1 Customer Health and Safety
- 3.2 Customer Relationship Management
- 3.3 Product Quality and Responsibility
- 3.4 Innovation and Research & Development
- 3.5 Essential Medicine Accessibility**
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix

### 3.5 Pharmaceutical Accessibility

The core mission of our Company in pharmaceutical accessibility is to be "affordable," "accessible," and "used correctly." Given the current state of the patent system for new drugs, the high cost of medications poses a significant challenge for low-income families. Additionally, when developed countries' major pharmaceutical companies invest in new drug research and development, they often overlook the medical needs of low-income countries, making it difficult for these nations to access cutting-edge medical resources. As an ISO 9001, GMP-certified, and PIC/S-certified generic drug manufacturer, our company provides medications that are therapeutically equivalent to brand-name drugs but at relatively lower prices. This approach effectively reduces the medical burden on low-income households and less-developed countries while ensuring the quality of pharmaceuticals.



#### Pharmaceutical Accessibility Strategy and Achievements

Company's primary product focus is on medications for chronic diseases. While this may not be directly related to the concept of pharmaceutical accessibility, it is important to recognize that chronic disease patients often require long-term, continuous medication. This situation can still impose an economic burden on low-income families and may be relevant to underserved regions with medical needs. Therefore, our company upholds the following strategies in the context of pharmaceutical accessibility, even though it is mainly centered on being "affordable," "accessible," and "used correctly": :

| Mission       | Strategies   | Achievements  |
|---------------|--|---|
| Affordability | <ul style="list-style-type: none"> <li>Our pricing strategy should take into account reasonability and affordability.</li> </ul>   | <ul style="list-style-type: none"> <li>In the fiscal year 2022, a total of 202 Western pharmaceutical items were sold (considering different packaging specifications as one item), out of which 190 items have been included in the National Health Insurance coverage, accounting for 94% of the total. This inclusion effectively alleviates the burden on users of chronic disease medications.</li> </ul>  |
| Accessibility | <ul style="list-style-type: none"> <li>Consider the medical resource needs of third-world countries and conflict zones.</li> </ul> | <ul style="list-style-type: none"> <li>We export pharmaceutical products to countries in Southeast Asia, Yemen, Mauritius, and other regions. We establish local operational bases or collaborate with local distributors to ensure the timely supply and widespread distribution of medications.</li> <li>We sponsor medical school outreach missions to remote or underdeveloped areas and countries. In the fiscal year 2022, we donated a total of 15 types of medical resources, effectively supporting regions with limited healthcare resources.</li> <li>In the fiscal year 2022, we made a contribution of approximately 20,000 New Taiwan Dollars to the local medical association in Vietnam.</li> </ul> |
| Proper Usage  | <ul style="list-style-type: none"> <li>Patients should easily and clearly access medication instructions.</li> </ul>               | <ul style="list-style-type: none"> <li>In accordance with the "Pharmaceutical Inspection and Registration Review Guidelines," the labels, package inserts, and packaging of our manufactured pharmaceutical products comply with the approvals issued by the central health regulatory authorities.</li> <li>We have established a toll-free service hotline to facilitate direct communication with patients.</li> </ul>   |



生達化學製藥

Standard Chem & Pharm CO., LTD.

Table of Contents

About the Report

Message from the Chairman

Performance and  
Contributions in the Past 3  
Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and  
Governance

02 Net Zero Emissions and  
Sustainable Development

03 Product Innovation and  
Customer Safety

04 Employee Relations

4.1 Talent Attraction and  
Retention

4.2 Talent Cultivation and  
Development

4.3 Occupational Health and  
Safety

05 Social Care and  
Engagement

Appendix

04

## Employee Relations

4.1 Talent Attraction and Retention

4.2 Talent Cultivation and Development

★ 4.3 Occupational Health and Safety



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention**
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## 4.1 Talent Attraction and Retention

The pharmaceutical industry is constantly advancing, requiring highly skilled individuals with technical expertise and a strong educational background. Government agencies have also introduced subsidy programs to incentivize the return of overseas talent and implemented national defense training measures to support talent cultivation, retention, and recruitment in the industry. These proactive efforts have gradually attracted individuals from both domestic and international locations to return to the country.

Our Company is actively shaping a diverse and equitable workplace environment, and our salary and benefits planning is guided by the value of "shared, co-operated, co-prospered, and shared." Additionally, we offer employee trust savings fund subsidies and stock incentive programs to provide further security in the lives of our employees. These salary and benefits initiatives have received multiple recognitions from government agencies as an outstanding employer with excellent labor conditions and worker welfare.



### Human Resources Policy

The Company respects the labor rights of employees and adheres to the principles and spirit of the "Universal Declaration of Human Rights" and the "Declaration on Fundamental Principles and Rights at Work" by the International Labor Organization. We actively implement policies to protect human rights, in accordance with domestic labor laws such as the "Labor Standards Act," the "Occupational Safety and Health Act," the "Gender Equality in Employment Act," and the "Sexual Harassment Prevention Act." These policies are designed to continuously improve the working environment and welfare of all employees. We emphasize that colleagues should treat each other with respect, and any incidents of humiliation, threats, harassment, defamation, or workplace bullying can be reported through the appropriate channels. The company actively implements and promotes relevant human rights policies, fully reflecting our responsibility to respect and protect human rights. The specific implementation guidelines are as follows:

| Category                   | Specific Implementation Guidelines  |
|----------------------------|---|
| Prohibition of Child Labor | <ul style="list-style-type: none"> <li>• In accordance with the "Rules of Employment" established under the Labor Standards Act, child labor may not work more than eight hours a day, and they are not permitted to work between 8 PM and 6 AM the following morning. Moreover, they must not engage in hazardous or harmful work.</li> <li>• We strictly adhere to labor laws and regulations, prioritizing children's rights, and since our establishment, we have never employed anyone under the age of 16.</li> </ul> |

| Category                    | Specific Implementation Guidelines  |
|-----------------------------|---|
| Prohibition of Forced Labor | <ul style="list-style-type: none"> <li>• In accordance with the Labor Standards Act, our "Rules of Employment" clearly stipulate that overtime work should not exceed the legal limits, and no one should be compelled or coerced into performing work against their will. Overtime is always based on voluntary agreement by employees, and they are provided with compensation in accordance with legal requirements.</li> <li>• Employees are allowed to refuse work beyond regular working hours for health or other legitimate reasons.</li> </ul> |

Table of Contents

About the Report

Message from the Chairman

Performance and  
Contributions in the Past 3  
Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and  
Governance

02 Net Zero Emissions and  
Sustainable Development

03 Product Innovation and  
Customer Safety

**04 Employee Relations**

**4.1 Talent Attraction and  
Retention**

4.2 Talent Cultivation and  
Development

4.3 Occupational Health and  
Safety

05 Social Care and  
Engagement

Appendix

| Category   | Specific Implementation Guidelines  |
|--|---|
|  | <ul style="list-style-type: none"> <li>In accordance with the Labor Standards Act and international human rights trends, we have established "Safety and Health Work Guidelines," "Environmental Health and Safety Manual," "Environmental Health and Safety Risk Assessment Management Procedures," and "Health Examination Operation Guidelines." These documents are issued after approval by the Chairman. Additionally, we have developed documents such as "Occupational Accident Emergency Response Operation Guidelines," "Hazard Awareness Program," "Emergency Disaster Response Operation Guidelines," "Human Factor Hazard Prevention Management Operation Guidelines," "Abnormal Load Management Operation Guidelines," and "Maternal Protection Management Operation Guidelines" to promote safety and health operations and prevent occupational injuries.</li> </ul>  |
| Providing a Safe and Healthy Workplace Environment | <ul style="list-style-type: none"> <li>We follow the regulations outlined in the Occupational Safety and Health Act to conduct regular work environment monitoring every six months. According to the Fire Service Act, annual fire safety inspections are carried out, and regular emergency response drills and evacuation drills are held. In compliance with the Building Public Safety Regulations, annual public safety inspections of buildings are conducted.</li> <li>We organize annual employee health check-ups, with a frequency that exceeds the requirements of the Labor Safety and Health Act. We have established a system for tracking and providing guidance to employees with abnormal health examination results to prevent potential health risks. Following the Rules for the Protection of Workers' Health, we employ physicians to provide on-site health services every month, ensuring the well-being of our employees.</li> <li>We have developed a "Prevention and Handling Measures for Sexual Harassment" policy that includes appropriate measures for prevention, correction, discipline, and resolution to prevent any occurrences of workplace sexual harassment or discriminatory behavior.</li> </ul> |

| Category   | Specific Implementation Guidelines  |
|--|---|
| Eradicating Employment Discrimination and Ensuring Equal Job Opportunities | <ul style="list-style-type: none"> <li>Establishing "Rules of Employment" and various regulations, we abide by labor laws, which apply to all employees universally. Our colleagues are treated fairly and equitably within the company, and no differentiation is made in salary or benefits based on gender, religion, political orientation, race, nationality, party affiliation, appearance, physical or mental disabilities, or language. We promote and implement internal control measures and periodically disseminate this information during company monthly meetings, management meetings, executive meetings, and labor-management meetings (held quarterly) for the benefit of employee awareness.</li> </ul> |
| Maternal Health Protection Management                                      | <ul style="list-style-type: none"> <li>We have established the "Maternal Protection Management Operation Guidelines" to provide appropriate and reasonable facilities and maternity leave for female employees during pregnancy and within one year after childbirth, in compliance with legal regulations regarding pregnant employees.</li> <li>We also offer specialized nutritional supplements for female employees during pregnancy.</li> </ul>   |
| Diversity, Equality, and Inclusion   | <ul style="list-style-type: none"> <li>Adhering to the principles of diversity and equality for all, we strictly comply with government labor regulations. We respect and protect the rights of foreign workers, honoring their cultural customs, dietary habits, and religious beliefs, as well as their life needs.</li> </ul>  |
| Personal Data Protection   | <ul style="list-style-type: none"> <li>We have established the "Personal Data Protection Management Measures," which regulate the inventory and management of personal data. Personal data may not be collected, processed, or utilized without a lawful specific purpose, and we periodically disseminate this information during monthly meetings. Additionally, we provide relevant digital learning courses to enhance employees' understanding of data protection laws.</li> </ul>   |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
  - 4.1 Talent Attraction and Retention**
  - 4.2 Talent Cultivation and Development
  - 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## Employee Structure in 2022

In the fiscal year 2022, the Company did not experience significant layoffs, and the distribution of our workforce did not differ significantly from previous years. As of the end of December 2022, our total workforce was 778 individuals, with a predominance of regular employees (331 males and 438 females), while contract employees accounted for 1.2% of the total (5 males and 4 females). The employee structure is as follows:

| Category         | Content                  | Male   |            | Female |            | Total  |            |
|------------------|--------------------------|--------|------------|--------|------------|--------|------------|
|                  |                          | Number | Percentage | Number | Percentage | Number | Percentage |
| Age Distribution | 30 years old and below   | 72     | 21.8%      | 81     | 18.5%      | 153    | 19.9%      |
|                  | 31-50 years old          | 192    | 58.0%      | 267    | 61.0%      | 459    | 59.7%      |
|                  | Above 50 years old       | 67     | 20.2%      | 90     | 20.5%      | 157    | 20.4%      |
|                  | Subtotal                 | 331    | 100.0%     | 438    | 100.0%     | 769    | 100.0%     |
| Job Type         | Management               | 25     | 7.6%       | 52     | 11.9%      | 77     | 10.0%      |
|                  | Sales                    | 116    | 35.0%      | 91     | 20.8%      | 207    | 26.9%      |
|                  | Research and Development | 17     | 5.1%       | 38     | 8.7%       | 55     | 7.2%       |
|                  | Production Line          | 173    | 52.3%      | 257    | 58.6%      | 430    | 55.9%      |
|                  | Subtotal                 | 331    | 100.0%     | 438    | 100.0%     | 769    | 100.0%     |
| Employment Type* | Full-time                | 331    | 98.5%      | 438    | 99.1%      | 769    | 98.8%      |
|                  | Contract                 | 5      | 1.5%       | 4      | 0.9%       | 9      | 1.2%       |
|                  | Subtotal                 | 336    | 100.0%     | 442    | 100.0%     | 778    | 100.0%     |

(Note) As of December 2022, there were no dispatched personnel currently employed.

Our internal promotion assessment encompasses aspects such as job performance, skill experience, leadership capabilities, and interpersonal relationships, while also respecting individual employee preferences. We uphold a spirit of fairness and transparency and conduct evaluations based on objective criteria. The distribution of senior, middle-level, and entry-level personnel within the company (including full-time employees only) is as follows:

| Category                     | 30 years old and below |        | 31-50 years old |        | Above 50 years old |        | Total |
|------------------------------|------------------------|--------|-----------------|--------|--------------------|--------|-------|
|                              | Male                   | Female | Male            | Female | Male               | Female |       |
| Senior (Manager and above)   | 0                      | 0      | 4               | 2      | 19                 | 6      | 31    |
| Middle-level (Section Chief) | 0                      | 0      | 26              | 22     | 11                 | 5      | 64    |
| Entry-level Employees        | 72                     | 81     | 162             | 243    | 37                 | 79     | 674   |
| Total                        | 72                     | 81     | 192             | 267    | 67                 | 90     | 769   |

In line with our commitment to corporate social responsibility, the promotion of diverse and inclusive values, as well as the encouragement of innovation and sustainable development, Company also employs a certain number of indigenous people, foreign employees, and individuals with disabilities. We have implemented corresponding measures in recruitment, training, and work environment to ensure that these employees have equal opportunities and support.

| Category                      | 30 years old and below |        | 31-50 years old |        | Above 50 years old |        | Total |
|-------------------------------|------------------------|--------|-----------------|--------|--------------------|--------|-------|
|                               | Male                   | Female | Male            | Female | Male               | Female |       |
| Indigenous People             | 1                      | 1      | 2               | 2      | 0                  | 1      | 7     |
| Foreign Employees             | 1                      | 0      | 1               | 1      | 0                  | 0      | 3     |
| Individuals with Disabilities | 2                      | 0      | 2               | 2      | 2                  | 0      | 8     |
| Total                         | 4                      | 1      | 5               | 5      | 2                  | 1      | 18    |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention**
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## Salary Structure

Our company establishes salary policies and disburses compensation based on the following principles:

| Principles                                | Content Explanation   |
|---|---|
| Company Financial and Market Conditions   | Taking into account the company's recent financial performance and industry salary levels.  |
| Fairness and Equality                     | Evaluating compensation based on quantifiable indicators such as education, experience, job performance, and contributions, without being influenced by gender or age, among other demographic characteristics. |
| Transparency and Continuous Communication | Maintaining transparency in the compensation system and actively communicating with employees to explain the salary structure and the principles it is based on, reducing speculation and uncertainty.          |
| Regular Evaluation and Adjustment         | Periodically reviewing the fairness, applicability, and effectiveness of the compensation strategy and making necessary adjustments when needed to ensure the fairness and sustainability of the system.        |

In the fiscal year 2022, the ratio between the annual total income of the highest-paid individual in the Company and the median annual total income of other employees (excluding the highest-paid individual) was 6.60:1. The percentage increase in the annual total income of the highest-paid individual (including salary and other non-routine compensation, such as bonuses) compared to the median percentage increase in the annual total income of other employees (excluding the highest-paid individual) was 0.53:1.

## New Hires and Departures

New Employee and Departing Employee Information for 2022:

| Category            | Age Distribution       | Male   |            | Female |            | Total  |            |
|---------------------|------------------------|--------|------------|--------|------------|--------|------------|
|                     |                        | Number | Percentage | Number | Percentage | Number | Percentage |
| New Employees       | 30 years old and below | 37     | 56.9%      | 32     | 60.4%      | 69     | 58.5%      |
|                     | 31-50 years old        | 27     | 41.5%      | 21     | 39.6%      | 48     | 40.7%      |
|                     | Above 50 years old     | 1      | 1.6%       | 0      | 0.0%       | 1      | 0.8%       |
|                     | Subtotal               | 65     | 100.0%     | 53     | 100.0%     | 118    | 100.0%     |
| Departing Employees | 30 years old and below | 22     | 26.2%      | 31     | 41.9%      | 53     | 33.5%      |
|                     | 31-50 years old        | 53     | 63.1%      | 35     | 47.3%      | 88     | 55.7%      |
|                     | Above 50 years old     | 9      | 10.7%      | 8      | 10.8%      | 17     | 10.8%      |
|                     | Subtotal               | 84     | 100.0%     | 74     | 100.0%     | 158    | 100.0%     |

## Labor Relations

The Company respects the employees' right to assemble and associate freely. However, as of now, there is no labor union organization, and therefore, no collective bargaining agreement is in place. To safeguard employee rights, in cases where employee terminations are unavoidable, Company complies with the Labor Standards Act. Unless other regulations apply, it provides severance pay equivalent to one month's average salary for every year of service. The notice period varies based on the employee's length of service : (1) Employees working for more than three months but less than one year: 10 days' notice ; (2) Employees working for more than one year but less than three years: 20 days' notice(3) Employees working for more than three years: 30 days' notice.

The Company also follows the Mass Redundancy Labor Protection Act. In the event of significant operational changes leading to mass employee layoffs, the company will notify the competent authority and relevant parties or individuals at least 60 days in advance, and make public disclosures.

For employees affected by layoffs, the company complies with legal requirements to report and, in the report, states whether they require employment counseling or are willing to undergo vocational training. Additionally, the company provides the mandated severance payments as required by law.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## Employee Compensation and Benefits

In addition to complying with government labor laws and regulations, the Company provides various employee benefits, including labor insurance, health insurance, retirement fund contributions, and a five-day workweek. We also offer an employee trust savings fund subsidy to provide additional security for our employees. These compensation and benefits measures have received recognition from government authorities as exemplary practices in labor conditions and employee welfare. In the future, we aim to continuously improve and align our benefits with industry standards, striving to enhance the quality of life for our employees. Here are the details of our employee benefits and their implementation :

| Category                       | Items  |
|--------------------------------|--|
| Insurance and Health Promotion | Group insurance, overseas travel insurance, annual health check-ups (covering 100% of employees).  |
| Bonus Rewards                  | Monthly performance bonuses, project bonuses, key performance bonuses, outstanding employee recognition (a total of 12 employees for the year 2022, each awarded a pure gold coin), senior employee recognition (a total of 131 employees for the year 2022, each awarded 2 to 18 gold coins based on seniority). Total expenditure on gold coins: 6.29 million. |
| Employee-Friendly Workplace    | Pregnancy care, lactation room facilities, employee-exclusive discounts at nearby childcare facilities, shuttle services, gym access, rental subsidies, infant formula assistance (a total of 390,000 in 2022), rental subsidies (a total of 897 individuals in 2022).   |
| Cash Subsidies                 | Holiday cash bonuses, birthday cash bonuses, marriage and bereavement assistance, illness sympathy funds, home purchase grants (awarded to 13 employees in 2022, each receiving 6,000 RMB), maternity subsidies (26 employees received 12,000 RMB each in 2022).   |
| Recreation and Leisure         | Discounts from contracted vendors, group meal subsidies, discounts on products from affiliated companies.  |
| Educational Assistance         | Tuition assistance for in-service education, language course training subsidies (a total of 10,000 subsidies in 2022), employee children's scholarship (a total of 1.94 million subsidies in 2022).  |
| Employee Activities            | Year-end banquets for employees with their families, annual family day, club activity subsidies, employee trips (temporarily replaced with allowances due to the pandemic, a total of 370,000 allowances in 2022).   |
| Retirement Planning and Others | Retirement savings contributions, 30% employee trust savings contributions.  |

## Maternity/Paternity Leave

The Company provides employees with maternity and paternity leave rights in accordance with the law. This contributes to achieving a balance between work and life, reducing employee stress, and demonstrating corporate social responsibility as well as respect for employee rights. It is worth mentioning that in past years, there have been records of both men and women applying for maternity and paternity leave, which helps break down gender equality barriers and promotes diverse and inclusive values.

| Items   | Male   | Female | Total |
|---|--------|--------|-------|
| Total number of employees eligible for maternity/paternity leave in 2022 (A)  | 34     | 36     | 70    |
| Total number of employees who actually used maternity/paternity leave in 2022 (B)   | 1      | 11     | 12    |
| Maternity leave usage rate (B/A)  | 2.9%   | 30.6%  | 17.1% |
| Total number of employees expected to return to work after completing maternity/paternity leave in 2022 (C)                                       | 1      | 7      | 8     |
| Total number of employees who returned to work in 2022 after completing maternity/paternity leave (D)   | 0      | 7      | 7     |
| Return to work rate (D/C)   | 0.0%   | 100.0% | 87.5% |
| Total number of employees who returned to work in 2021 after completing maternity/paternity leave (E)   | 1      | 7      | 8     |
| Total number of employees who remained in employment twelve months after returning to work in 2021 after completing maternity/paternity leave (F) | 1      | 6      | 7     |
| Retention rate (F/E)  | 100.0% | 85.7%  | 87.5% |



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development**
- 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## 4.2 Talent Cultivation and Development

In the age of information and knowledge, people are a company's most valuable asset. Our Company's guiding philosophy considers employee career development as an investment, allowing employees to grow in sync with the company. Our approach involves not only guiding employees to have the correct understanding of career design but also taking into account individual backgrounds, experiences, interests, and personality traits to arrange relevant education and training.

|                          |  |                               |  |
|--------------------------|--|-------------------------------|--|
| GRI Indicators           | GRI 404-1 Average Hours of Training per Employee per Year GRI 404-2 Programs for Upgrading Employee Skills and Managing the Transition GRI 404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews  | Positive and Negative Impacts | <p>Positive:</p> <ul style="list-style-type: none"> <li>• Increase employee retention rates.</li> <li>• Boost employee productivity.</li> </ul> <p>Negative:</p> <ul style="list-style-type: none"> <li>• Talent attrition.</li> <li>• Lower productivity and increased costs.</li> </ul>  |
| Policies and Commitments | <p>[Employee Training and Development Programs] [Requirements for Training Courses for Promotion at All Levels] [Departmental Book Club Incentive Program] [New Employee Referral Incentive Program]</p> <p>Utilizing a comprehensive E-Learning system, new employees gain an understanding of the company's background, job nature, basic requirements, skills, and familiarity with the work environment, enhancing employee safety awareness. For existing employees, we conduct on-the-job education and training programs, providing the necessary information and skill training required for executing their roles, thereby improving work efficiency.</p>   | Goals and Aspirations         | <ul style="list-style-type: none"> <li>• Short-term Goals: Develop managerial capabilities by assessing gaps in managerial skills and conducting 1-2 management training sessions to enhance supervisors' management skills.</li> <li>• Mid-term Goals: Understand employee needs through annual employee satisfaction surveys. Propose improvement plans for 1-2 critical issues each year to enhance employee satisfaction and retention rates.</li> <li>• Long-term Goals: Continuously update the internal knowledge management system according to succession planning. Develop and retain high-potential talents within the organization to meet future leadership needs.</li> </ul> |
| Measures Taken           | <ul style="list-style-type: none"> <li>• Digital Learning Platform: Standard has transformed internal knowledge into an E-Learning system and continually updates it to impart professional knowledge and skills to all colleagues.</li> <li>• Book Clubs: Colleagues (7 or more) can independently form book clubs to meet at a fixed time during non-working hours. After compiling lecture notes and relevant materials, colleagues can apply for allowances from the company.</li> <li>• Specialized Courses: Special courses are scheduled for personnel involved in quality control, research and development, equipment calibration, auditing, and other specialized technical roles to equip them with the necessary skills for their work.</li> <li>• Internal and External Training Courses: We view education and training as a strategic investment and allocate a specific budget for educational and training purposes each year.</li> </ul> | Effectiveness Assessment      | <ul style="list-style-type: none"> <li>• In 2022, the actual expenditure on education and training amounted to 890,000 USD, and book clubs were subsidized with a total of 30,000 USD.</li> <li>• In 2022, 92.9% of managerial vacancies were filled through internal employee promotions.</li> <li>• The managerial retention rate in 2022 was 78.5%.</li> </ul>  |
| Complaint Mechanisms     | <ul style="list-style-type: none"> <li>• Physical Mail: Physical suggestion boxes are available within Factory 1 and Factory 2.</li> <li>• Email: Reach us at <a href="mailto:box@standard.com.tw">box@standard.com.tw</a>.</li> <li>• General Manager's Time: You can provide feedback to the General Manager through letters or email. The Audit Office will assist in facilitating face-to-face discussions to address feedback.</li> </ul>   |                               |  |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development**
- 4.3 Occupational Health and Safety
- 05 Social Care and Engagement
- Appendix

## Knowledge Enhancement and Reemployment: Continual Contribution and Growth

The Company has established an "Employee Education and Training Program" as a guideline for employee education. The program includes procedures for in-house or outsourced training, covering new employee training, on-the-job training, GMP training, and more. This program aims to enrich employees' knowledge and skills, improve work efficiency and quality, and align employee growth with corporate goals. In the year 2022, 100% of our employees participated in education and training, with a total training duration of 29,373 hours. On average, each employee received 38.2 hours of training. Additionally, as our company operates in the pharmaceutical industry, we place significant emphasis on product quality. Therefore, we have developed a "GMP Education and Training Operations Manual" to enhance the production quality capabilities of our personnel and ensure that our product quality complies with both domestic and international regulatory requirements.

| Category                 | Male                |                |                        | Female              |                |                        |
|--------------------------|---------------------|----------------|------------------------|---------------------|----------------|------------------------|
|                          | Number of Employees | Training Hours | Average Training Hours | Number of Employees | Training Hours | Average Training Hours |
| Management               | 23                  | 470            | 20.4                   | 43                  | 534            | 12.4                   |
| Sales                    | 117                 | 6,784          | 58.0                   | 93                  | 1,642          | 17.7                   |
| Research and Development | 17                  | 920            | 54.1                   | 38                  | 2,377          | 62.6                   |
| Production Line          | 174                 | 6,144          | 35.3                   | 264                 | 10,502         | 39.8                   |
| <b>Total</b>             | <b>331</b>          | <b>14,318</b>  | <b>43.3</b>            | <b>438</b>          | <b>15,055</b>  | <b>34.4</b>            |

For employees who retire or terminate their employment relationship, the company offers measures for post-retirement rehiring or transitioning into consulting roles. This allows retired employees with outstanding performance to return to the workforce and continue contributing their professional skills. This approach not only facilitates the transfer of internal expertise but also enables retired employees to maintain their professional capabilities and continue experiencing a sense of achievement.

## Talent Development and Assessment

The Company primarily uses regular assessments to help employees identify their performance and achievements in their roles, recognize their strengths and weaknesses, and provide appropriate support, training, and development opportunities. This approach enables employees to achieve their business objectives, find personal fulfillment and success in their work, and maintain their passion for the workplace. In 2022, 100% of full-time employees, regardless of gender, underwent regular performance assessments, and 28 employees were promoted following these assessments.

To maximize the use of internal talent, our company also encourages internal transfers between departments and transfers to related enterprises. This mobility allows employees to bring new perspectives, experiences, and expertise to their new departments, breaking down information silos between departments, promoting knowledge sharing, and fostering cross-departmental collaboration. When the organization faces future changes, expansions, or restructurings, this preparation makes it easier to deploy human resources to adapt to new changes and challenges. In 2022, there were a total of 79 internal transfers among employees.

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety**
- 05 Social Care and Engagement
- Appendix

## 4.3 Occupational Health and Safety

Prioritizing the occupational health and safety of our employees is a fundamental responsibility of the Company. Creating a safe and healthy work environment is not only in compliance with legal requirements but also forms the basis for establishing a stable and successful business. To effectively manage the safety and health of our employees, we have systematically improved our management based on the PDCA (Plan-Do-Check-Act) cycle. In 2019, to align with international occupational safety and health standards, we enhanced our existing management system as per the requirements of ISO 45001:2018 Occupational Health and Safety Management System. In 2020, we obtained certification from an external third-party verification company, and our system's execution status continues to be inspected annually by third-party verification companies.

### Occupational Health and Safety Management System

The Company has two Class A occupational safety and health supervisors, one occupational safety engineer, and one occupational safety and health officer responsible for managing safety and health-related matters in the plant area and for improvement initiatives. Additionally, we have established an Occupational Safety and Health Committee (referred to as the Safety Committee) in accordance with the Occupational Safety and Health Act. The committee comprises a total of 17 members, including the general manager, occupational safety and health personnel, medical staff, and various unit heads as ex officio members. Five of the committee members are worker representatives selected through the labor-management meeting, accounting for approximately one-third of the total committee members.

| Members                                 | Composition   | Roles and Responsibilities   |
|---|---|--|
| Chairman                                | Employers, Business Unit Heads, Plant Workplace Supervisors | Oversee and supervise the operations of the Occupational Safety and Health Committee in accordance with their authority.   |
| Committee Member (Executive Secretary)  | Occupational Safety and Health Management Unit Personnel    | Develop, plan, supervise, and promote safety and health management matters and provide guidance for the relevant departments to implement.                                   |
| Committee Member                        | Unit Managers   | Command and supervise the execution of safety and health management matters within their jurisdiction, and coordinate and instruct the relevant personnel to carry them out. |
| Committee Member (Labor Representative) | Representatives from Labor-Management Meetings              | Participate in the discussions of various safety and health issues within the Occupational Safety and Health Committee.  |

The Safety and Health Committee convenes once every quarter, primarily holding physical meetings. In response to the severe domestic epidemic situation, adjustments may be made to conduct online meetings. After each meeting, the content and resolutions of the meeting are posted on the workplace safety notice board to inform all employees. To ensure the effective operation of the occupational safety and health management system, internal audit personnel conduct at least one system audit annually, covering 100% of workplace personnel. This is done to identify any non-compliance issues and to facilitate continuous improvement and enhancement of the management system. Following the internal audit, an external audit is conducted by a third-party verification agency within the factory to address any identified deficiencies and ensure the normal operation of the factory's management system.

#### Occupational Safety and Health Committee Communication Topics for 2022 :

- Discussion of Occupational Safety and Health Policy
- Review of the Implementation Plan for Safety and Health Education and Training
- Review of Self-Inspection and Occupational Safety and Health Audit Issues for Various Departments
- Evaluation of On-Site Safety and Health Management Performance
- Review of the Necessity of Updating Risk Assessments
- Review of Operational Environmental Monitoring Plans, Monitoring Results, and Implementation Measures
- Discussion of Health Management, Occupational Disease Prevention, and Health Promotion Matters
- Review of Preventive Measures for Machinery, Equipment, or Hazardous Materials
- Consultation on the Formulation of Safety and Health Goals/Targets and Confirmation of Performance
- Consultation on Employee Safety and Health Management Affairs
- Coordination and Recommendation of Occupational Safety and Health Self-Management Plans
- Review of Various Safety and Health Proposals
- Review of Occupational Accident Investigation Reports
- Review of Safety and Health Management for Contracted Services
- Recent Regulatory Compliance Assessment Results Report



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
  - 4.1 Talent Attraction and Retention
  - 4.2 Talent Cultivation and Development
  - 4.3 Occupational Health and Safety**
- 05 Social Care and Engagement
- Appendix

## Hazard Identification and Risk Assessment

The Company conducts regular unit hazard identification and risk assessments each year. By evaluating the risk levels, subsequent improvement methods are determined to maintain operational safety. If new machinery or equipment is added to the unit, a risk assessment is carried out according to the environmental health and safety change control procedures. In accordance with occupational safety regulations, environmental monitoring of the work environment is periodically performed. This is carried out by a labor department-approved occupational safety and health agency that comes to the factory for implementation. Subsequently, improvements are made based on the results of the monitoring report. To ensure the quality of this process, there is a clear procedure manual for hazard identification, and personnel responsible for conducting hazard identification must undergo relevant education and training before they can proceed. The identification results are reviewed by the unit manager and occupational safety personnel to ensure that the process and results cover the entire scope of the activity without omissions. In addition, hazard identification and assessment are re-executed in cases of new equipment, changes in operations, organizational changes, or abnormal incidents, to prevent oversights. In the year 2022, there were a total of 30 hazard identification cases, with zero unacceptable risks. Seven management plans were formulated, and all have been processed 100%.

The company categorizes identified risks into five levels based on severity and formulates different improvement measures :

| Risk Levels | Measures to Eliminate Risks   |
|-------------|---|
| Critical    | Immediate risk reduction measures must be taken; operations should not commence or continue until the risk is reduced.                          |
| High        | Existing protective measures should be reviewed as a priority, and risk control facilities should be implemented within a specified time frame. |
| Moderate    | Further assessment is required before deciding on risk control facilities.  |
| Low         | Temporary acceptance is allowed, with control in the current manner.  |
| Mild        | Acceptable risk; no need for risk reduction facilities.   |

## Occupational Accident Investigation Flowchart

The Company follows the regulations specified by the Occupational Safety and Health Act for incident reporting and accident investigation processes. Through accident investigations, we identify the root causes and understand the consequences of incidents, in order to develop preventative and improvement measures for reducing the likelihood of such accidents recurring in the future.

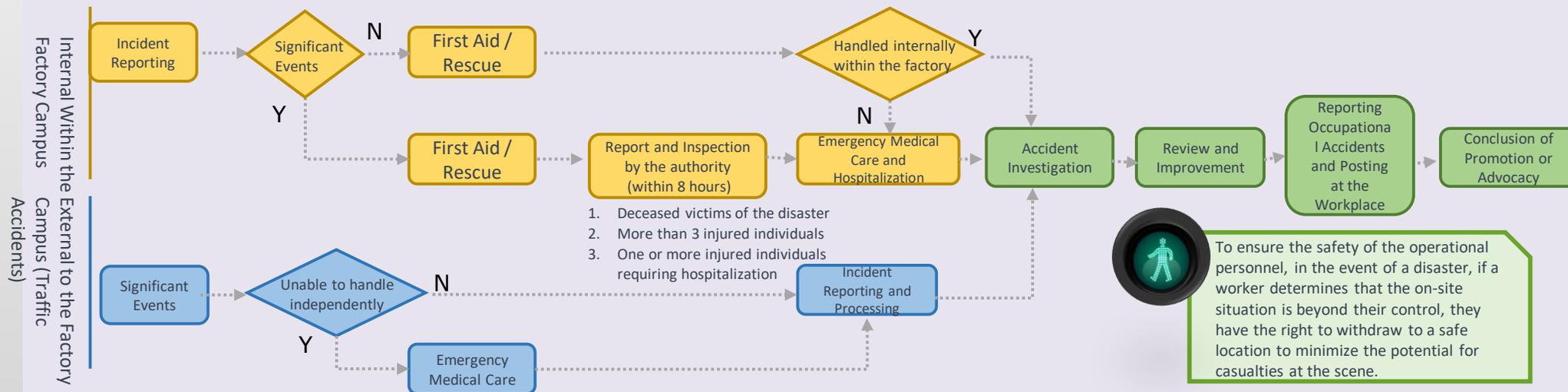


Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

**04 Employee Relations**

4.1 Talent Attraction and Retention

4.2 Talent Cultivation and Development

**4.3 Occupational Health and Safety**

05 Social Care and Engagement

Appendix

## Occupational Injury and Occupational Disease Statistics

In the year 2022, Company experienced nine occupational injury incidents, with a recordable occupational injury incidence rate of 7.29. The total loss in work hours due to injuries amounted to 68.5 hours. There were no occupational injuries resulting in fatalities, severe occupational injuries, or occupational diseases.

| Category   | Description  | Incident Rate |
|--|--|---------------|
| Employees  | Occupational Fatality Rate for Occupational Injuries | 0             |
|  | Serious Occupational Injury Rate                     | 0             |
|  | Recordable Occupational Injury Rate                  | 7.29          |
|  | Occupational Fatality Rate for Occupational Diseases | 0             |
| Non-Employees<br>(Whose work or workplace is controlled by the organization) | Recordable Occupational Disease Rate                 | 0             |
|  | Occupational Fatality Rate for Occupational Injuries | 0             |
|  | Serious Occupational Injury Rate                     | 0             |
|  | Recordable Occupational Injury Rate                  | 0             |
|  | Occupational Fatality Rate for Occupational Diseases | 0             |
|  | Recordable Occupational Disease Rate                 | 0             |

Note : (1) The statistics do not include commuting accidents to and from work; incident rates are rounded to two decimal places.

(2) Recordable Occupational Injury Rate = Number of Recordable Occupational Injuries / Total Work Hours\* 1,000,000

## Safety and Health Culture

In order to effectively reduce the incidence rate of occupational accidents, the Company recognizes the importance of enhancing the safety and health mindset among our colleagues. Besides improving the working environment and strengthening equipment safety measures, promoting a culture of safety is crucial. Continuous education is vital in increasing awareness of hazards and hazard prevention, which in turn fosters a culture of safety and safety-oriented behavior among our colleagues. This contributes to an overall enhancement of the company's safety culture. Information regarding the occupational safety and health refresher training courses held in the year 2022 is presented in the table below :



| Course Content                                 | Class Schedule | Target Audience                      | Number of students in the class | Class instructor    | Class date |
|--|----------------|--------------------------------------|---------------------------------|---------------------|------------|
| Golden 10 minutes(AED)                         | 15Min          | Non-Production Line Personnel        | 239                             | Internal Instructor | 9/29-10/14 |
| First Class Pressure Vessel License Course     | 3Hr            | First Class Pressure Vessel Operator | 18                              |                     | 4/4        |
| Forklift License Course                        | 3Hr            | Forklift Operator                    | 23                              |                     | 5/12       |
| Hazardous Operations Supervisor License Course | 6Hr            | Hazardous Operations Supervisor      | 24                              | External Instructor | 6/14       |
| First Aid Personnel Certification Course       | 3Hr            | First Aid Personnel                  | 12                              |                     | 11/15      |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
  - 4.1 Talent Attraction and Retention
  - 4.2 Talent Cultivation and Development
  - 4.3 Occupational Health and Safety**
- 05 Social Care and Engagement
- Appendix

## Safety Change Management

The scope of the Safety Change Management system encompasses operational activities, workflow, process chemicals, process equipment, process technology, operating procedures, and any other facilities or utilities that can impact the process. Changes to fire safety facilities must also adhere to the change management system and require a reassessment of occupational safety and environmental considerations by the MOC (Management of Change) team. The execution of these changes can only proceed once occupational safety and environmental risks have been determined and controlled. In order to prevent oversight in occupational safety and health considerations regarding pharmaceutical changes, pharmaceutical changes are also subject to review by the occupational safety department. When necessary, pharmaceutical changes will follow the occupational safety and health change process for implementation. In the year 2022, there were a total of 5 environmental, safety, and health change cases.

## Emergency Response Drills

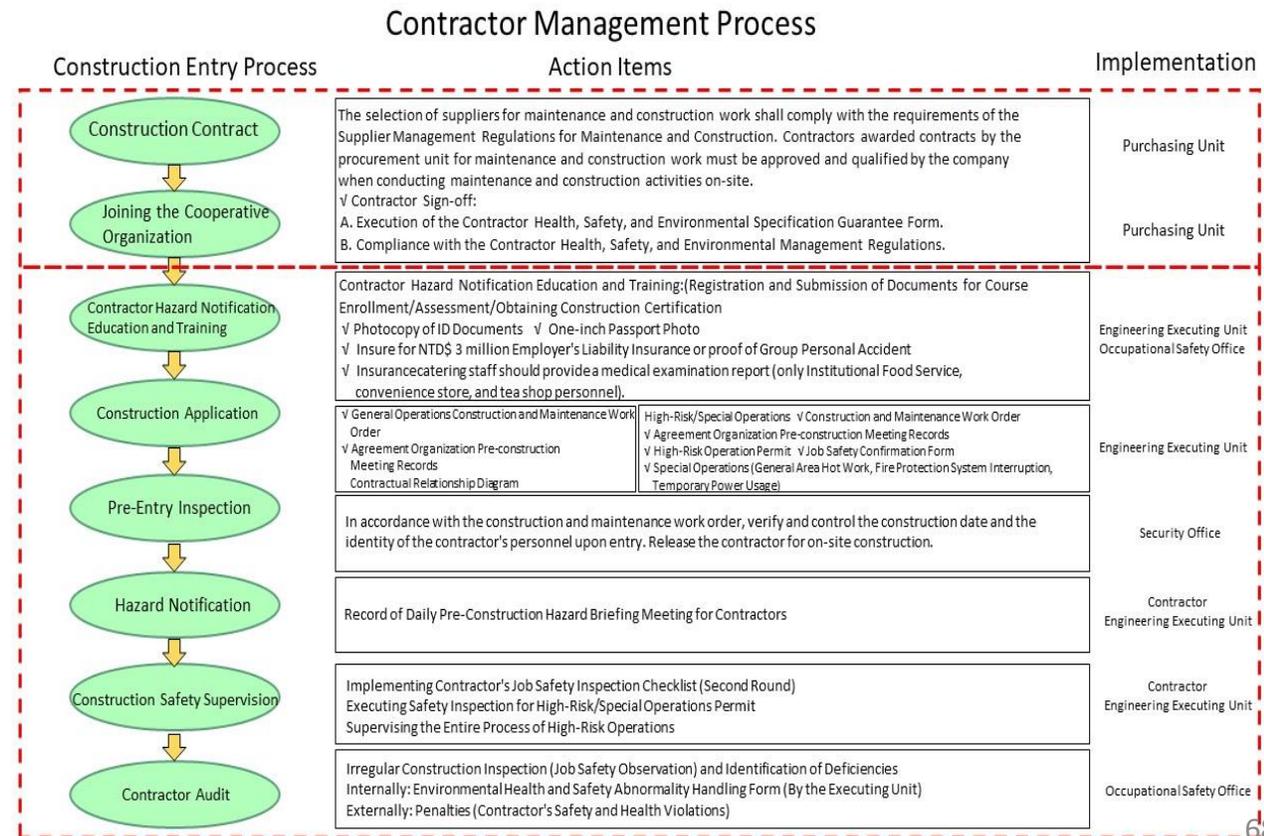
To enhance the response capabilities of Company's personnel in the event of accidents, we schedule regular drills every six months. Company employees are divided into self-defense and fire-fighting teams based on the geographical location of their work areas. Each team conducts practical exercises to simulate how to initiate response procedures and disaster relief in the event of a fire or chemical hazard. Through these practical drills, we strengthen the emergency response abilities of our employees. Following the drills, we conduct reviews and discussions to identify any shortcomings and recommendations, which are used to make improvements in the next round of drills.

## Contractor Construction Management

The Company is committed to preventing disasters and ensuring the safety and health of our employees, facilities, property, and the environment. Before entering our factory for construction, contractors are required to submit a commitment to adhere to safety, health, and environmental regulations set by the Company. Construction within the factory premises must adhere to the safety standards outlined in the "Contractor Management Procedure."

In order to mitigate the shared risks associated with contractors entering the premises for construction, meetings are convened prior to construction based on the nature of the work and the results of risk assessments. These meetings involve relevant responsible parties from our company and the contractor or their subcontractors. The primary purpose is to discuss and formulate safety measures to prevent the occurrence of disasters, thereby reducing the risks associated with contractor construction.

The relevant procedures for contractors entering the factory premises for construction are outlined in the diagram below:



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety**
- 05 Social Care and Engagement
- Appendix

## Contractor Construction Management

In 2022, there were a total of 1,105 contractor construction projects, out of which 413 were classified as high-risk or special operations. To ensure awareness and control of contractor activities within the premises, pre-construction meetings are held for high-risk operations to discuss construction methods, risks, and safety measures. During construction, safety observations are conducted, and any violations found are subject to penalties according to the contractor management procedure. Contractors are also required to make necessary improvements.

To prevent accidents resulting from high-risk operations with elevated hazard levels, permits are required for such operations within the facility. Before commencing operations, relevant personnel and contractor construction workers must hold pre-construction safety meetings, conduct risk assessments, and discuss preventive measures, which are recorded. During the execution of high-risk operations, the occupational safety department carries out safety observations to supervise and ensure the implementation of safety measures and checkpoint inspections to prevent accidents.

To enhance the efficiency of contractor management and enforce various management systems, the electronic contractor management system Standard Group was officially launched in October 2021. The system controls the number of contractors and construction projects within the facility. It also verifies the qualifications of contractor personnel (education and training, insurance, and construction reservations) and ensures that construction reservations do not exceed the expiration date of personnel insurance. Non-reserved personnel are not allowed to enter the premises for operations. Additionally, the system allows for online application for permits related to special operations and high-risk operations, reducing paper waste and the time required for document transfers.

## Special Health Management

In accordance with Article 16 of the Labor Health Protection Regulations, our company conducts regular special health checks and implements health management based on the following criteria. In addition to this, our in-house occupational health nurses and contracted occupational disease specialists also conduct interviews or phone calls with employees undergoing special health checks. They explain the reasons for the checks, discuss the results, identify any items that require follow-up examinations, and provide education and guidance on relevant diseases and examination procedures. The statistics for special health checks in the year 2022 are as follows:

| Special Operation Items        | Noise Operations | Dust Operations | Dimethylacetamide (DMA) Operations | Hexane Operations |
|--------------------------------|------------------|-----------------|------------------------------------|-------------------|
| Frequency of Inspection Visits | 109              | 115             | 88                                 | 88                |

2022 Annual High-Risk/Special Operation Statistics

| High-Risk Operations              | Operation Count |
|-----------------------------------|-----------------|
| Hot Work in General Areas         | 233             |
| Lifting Operations                | 81              |
| Elevated Operations Over 5 Meters | 49              |
| Fire Breaks                       | 37              |
| Confined Spaces                   | 10              |
| Live Electrical Proximity         | 1               |
| Material Handling Operations      | 1               |
| Temporary Electrical Usage        | 1               |
| <b>Total</b>                      | <b>413</b>      |

Electronic Management System for Contractor Management in Standard Group



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations**
- 4.1 Talent Attraction and Retention
- 4.2 Talent Cultivation and Development
- 4.3 Occupational Health and Safety**
- 05 Social Care and Engagement
- Appendix

## Annual Health Checkup

The physical and mental health of our employees is a vital element in maintaining a work-life balance and a primary factor in sustaining and enhancing the productivity of the Company. Every year, Company organizes comprehensive health checkups for all employees of all ages. Our health checkup program exceeds the requirements of current regulations and includes additional examinations such as breast ultrasound, abdominal ultrasound, and blood tests beyond the mandatory items. These comprehensive checkups provide employees with a better understanding of their health status.

Nurses classify and manage employee health based on the results of these health checkups and conduct follow-up phone calls to care for the well-being of our employees.

We also extend our care for the health of our employees' family members, allowing them to undergo health checkups alongside their family members, with special discounts similar to those offered to our employees. Taking care of the health of family members provides peace of mind for our employees.

In 2022, during the COVID-19 pandemic, the Company complied with guidelines from the central command center regarding indoor gathering limits. We planned checkup station locations, scheduling, and department-specific registration based on the number of employees in each region. Our employees actively participated in the health checkup program, achieving a 99% participation rate.



## Human Factors Engineering Improvement

In accordance with Article 6, Paragraph 2 of the Occupational Safety and Health Act, the Company takes necessary measures to prevent musculoskeletal disorders in tasks that involve repetitive operations. Every year during the health checkup, employees are asked to complete a questionnaire about musculoskeletal symptoms. After the checkup, the data is categorized by department to analyze and track various pain symptoms among employees. Based on the annual ranking, our company collaborates with occupational disease specialists and safety personnel to conduct on-site visits to the workplace and assist in improving the working environment.



On-site visits by occupational disease specialists

### Occupational Disease Division Site Visit Human Factors Engineering(three Section two Subsection)

Reason: Ranked first in musculoskeletal pain in 2022 (32 respondents, pain rate of 42%).

Recommendation:

1.Observations:

- Colleagues may perform wrist and finger movements tens of thousands of times a day, excluding rest time, characterized by low force and high repetition
- Colleagues work on a narrow work surface, and when four people work together, the space is cramped, requiring some personnel to twist their waists to assist in the operation



Due to the limited desktop space, colleagues are working on the conveyor belt.



Due to the narrow desktop, colleagues at the exit must twist their waists to reach for medication

2.Recommendation: Increase the size of the accessible workspace as needed.

3.Given the urgent situation where improvements in the machinery are progressing slowly, it is strongly recommended to implement administrative rotations promptly.

Table of Contents

About the Report

Message from the Chairman

Performance and  
Contributions in the Past 3  
Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and  
Governance

02 Net Zero Emissions and  
Sustainable Development

03 Product Innovation and  
Customer Safety

**04 Employee Relations**

4.1 Talent Attraction and  
Retention

4.2 Talent Cultivation and  
Development

**4.3 Occupational Health and  
Safety**

05 Social Care and  
Engagement

Appendix

## Support for Postpartum Return to Work

In compliance with Article 5, Paragraph 3 of the Public Places Breastfeeding Act, the Company has established a breastfeeding room equipped with facilities, including a backrest chair, handwashing facilities, covered trash bins, emergency call buttons, ultraviolet disinfection equipment, and more. The room is cleaned daily by female cleaning staff, and the environmental management and maintenance of the breastfeeding room are overseen by the General Affairs Division of the Management Department.

To create a relaxing environment for breastfeeding mothers, the breastfeeding room is adorned with cute decorations to foster a warm and comfortable atmosphere, allowing mothers to pump milk without stress.

In the year 2022, 22 of our colleagues received maternal protection management. During the management period, our occupational health nurses and occupational disease specialists conducted face-to-face interviews and regular phone calls with the employees. Postpartum return to work also involves providing care based on the employees' recovery progress.



Breastfeeding Room Setup

## Employee Assistance Program (EAP)

The Company collaborates with an EAP team to assist employees in addressing various psychological or family-related issues. We provide professional and confidential support through different channels, such as a 24-hour hotline, email, LINE instant messaging, and in-person counseling sessions with psychologists. This program aims to enhance employee job satisfaction and quality of life, creating a harmonious and healthy work environment.

In addition, we organize seminars on mental and physical health, offering a variety of courses, workshops, and growth-oriented groups led by psychologists. These activities help improve communication between supervisors and employees, enhance team cohesion, and build skills for crisis recognition and management, stress adaptation, and a wide range of other topics.



EAP Pocket Information



EAP Workshops

Table of Contents

About the Report

Message from the Chairman

Performance and  
Contributions in the Past 3  
Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and  
Governance

02 Net Zero Emissions and  
Sustainable Development

03 Product Innovation and  
Customer Safety

**04 Employee Relations**

4.1 Talent Attraction and  
Retention

4.2 Talent Cultivation and  
Development

**4.3 Occupational Health and  
Safety**

05 Social Care and  
Engagement

Appendix

## COVID-19 Prevention

On May 28, 2021, the Central Epidemic Command Center announced that the local COVID-19 situation remained severe, leading to the nationwide expansion of the Level 3 epidemic alert. Our company followed the guidelines of the Command Center and made adjustments to the internal epidemic prevention measures based on the evolving situation.

To protect the health of our employees, the COVID-19 prevention measures for the year 2022 are as follows:

| Category                                 | Control Measures   | Photos   |
|--|--|--|
| Entry and Epidemic Prevention Management | <ul style="list-style-type: none"> <li>Wearing masks at all times when entering the factory premises</li> <li>Daily temperature measurement</li> <li>Separate entry and exit routes for commuting</li> <li>Elevator grid arrangement</li> <li>Outdoor meeting room setup</li> </ul>  |   |
| Daily Operational Management             | <ul style="list-style-type: none"> <li>Important units implement remote or two-shift work</li> <li>Installation of document transfer boxes to reduce personnel contact</li> <li>Cancellation of group meals and issuance of individual boxed meals</li> <li>Installation of dining dividers in specific areas</li> <li>Regular disinfection of the entire factory premises</li> <li>Each operating unit has an epidemic response assistant to promptly address unit-related epidemic issues</li> </ul> |  |
| Visitor Management                       | <ul style="list-style-type: none"> <li>External personnel entering the factory premises must undergo epidemiological investigation</li> <li>Implementation of real-name registration and temperature measurement</li> </ul>  |  |

## Employee Welfare Facilities

In order to allow employees to easily relieve stress and maintain a healthy work-life balance during their leisure time, our company has established multiple welfare facilities for employees to use:

| Facilities          | Description   |
|---------------------|---|
| Library             | We have a dedicated library within the company premises, managed by a librarian. The library boasts a rich and diverse collection of books. We not only collaborate with libraries worldwide but also organize periodic book exchange events. All employees are free to borrow books without restrictions. We encourage our colleagues to read more and acquire knowledge, promoting learning and professional development. |
| Fitness Area        | We have a fitness area within the Company premises, providing free access to fitness facilities for employees. This is aimed at improving employees' physical fitness and overall health, helping them relieve stress, and enhancing their work efficiency.   |
| Community Classroom | Currently, within the company, we have established various clubs such as a table tennis club, a badminton club, and an aerobic dance club. Employees can join these club activities after work based on their own interests and abilities, fostering interaction and communication among the employees.   |



生達化學製藥

Standard Chem & Pharm CO., LTD.

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in  
the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and  
Sustainable Development

03 Product Innovation and  
Customer Safety

04 Employee Relations

**05 Social Care and Engagement**

5.1 Social Participation

Appendix



## 05 Social Care and Engagement

☆ 5.1 Social Participation

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement**
- 5.1 Social Participation**
- Appendix

## 5.1 Social Engagement

In recent years, due to issues related to gender equality, labor rights, income inequality, environmental pollution, and more, governments, civil organizations, and businesses worldwide have been collaborating to explore different aspects of corporate social responsibility. In addition to generating profits and benefiting shareholders, the Company is also actively engaged in various social issues.

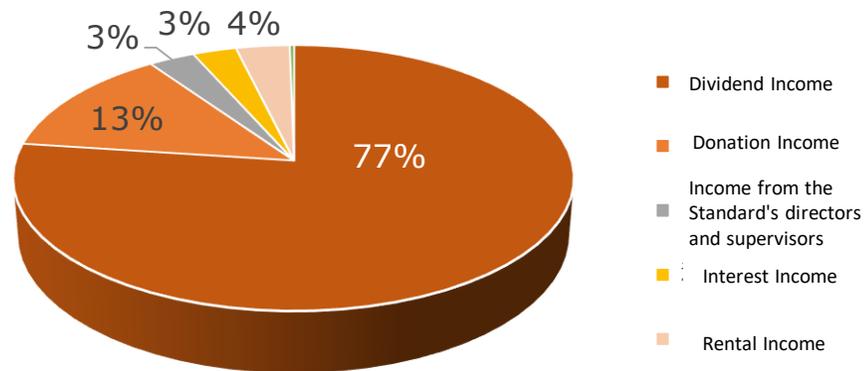
|                          |  |                               |   |
|--------------------------|--|-------------------------------|---|
| GRI Indicators           | GRI 2-28 Membership in Associations<br>GRI 413 Local Communities   | Positive and Negative Impacts | <p>Positive :</p> <ul style="list-style-type: none"> <li>Creating employment opportunities in the community</li> <li>Promoting social welfare</li> </ul> <p>Negative :</p> <ul style="list-style-type: none"> <li>Lack of influence of the company in society, hindering network building.</li> </ul>   |
| Policies and Commitments | <p>【 Introduction to the Fan Dao Nan Foundation 】</p> <p>【 Blood Donation Incentive Guidelines 】</p> <p>【 Introduction to the Da Kang Sports and Health Center 】</p> <p>The establishment of the Fan Dao Nan Foundation primarily involves organizing cultural and educational activities, providing scholarships, and conducting health seminars, among other related charitable educational initiatives. Additionally, it collaborates with local governments to create Dotcom Sports and Health Center, aimed at preventing and delaying disability care while enhancing health and well-being.</p>   | Goals and Vision              | <ul style="list-style-type: none"> <li>Short-term goals: Continue to focus on social issues, promote various activities, and quietly contribute to and support education and nonprofit projects in Taiwan.</li> <li>Medium-term goals: Pursue social and environmental impact, strive to expand recognition, and attract more resources from various sectors.</li> <li>Long-term goals: Strive to create diversified income streams, achieve economic sustainability (break-even), and reinvest some of the profits back into the social enterprise to sustain its growth and development.</li> </ul> |
| Mitigation Measures      | <ul style="list-style-type: none"> <li>Fan Dao Nan Foundation: Publishes the 'Standard Medicine Journal' and conducts health seminars to disseminate relevant knowledge; establishes scholarships for university, high school, junior high school, and elementary school students to alleviate the financial burden on students from disadvantaged backgrounds; organizes children's drawing competitions, national table tennis championships, and children's carnivals to accompany children in their happy growth; provides tutoring activities, offering after-school learning opportunities for students in remote areas.</li> <li>Da Kang Sports and Health Center: The first AI-customized circular muscle strength sports and health center in the country, with two branches in Liuying and Madou. In addition to providing fitness equipment, it offers fitness programs for individuals aged 65 and above and yoga aerobics classes. The center also sells health food and small exercise equipment.</li> </ul> | Effectiveness Assessment      | <ul style="list-style-type: none"> <li>The Fan Dao Nan Foundation was honored with the 2022 Ministry of Education's Contribution Award for Social Education (Group Category).</li> <li>Awarded the Excellent Recognition for Environmental Protection Administration's 111th Annual Air Quality Improvement Zone Adoption Unit.</li> <li>The Fan Dao Nan Foundation donated a total of 9.09 million in 2022.</li> <li>The Dotcom Sports and Health Center has been approved for the 2022-2024 Silver Fitness Club Subsidy Program.</li> </ul>   |
| Complaint Channels       | <ul style="list-style-type: none"> <li>Company's email address : <a href="mailto:box@standard.com.tw">box@standard.com.tw</a></li> <li>For the Fan Dao Nan Foundation : 06-6361516#6018 Ms. Chen</li> <li>For the Dotcom Sports and Health Center : 06-6361516#6303 Ms. Cao</li> </ul>   |                               |   |

## The Fan Dao Nan Foundation

In order to ensure the sustainability of corporate giving activities, our company established the Fan Dao Nan Foundation as a public benefit foundation in 1987. The foundation is responsible for promoting and executing public welfare activities. All employees of Standard Corporation are volunteers for the foundation, and various departments take turns organizing social and educational activities regularly. This also helps in training department managers in event coordination and planning.

### 2022 Fan Dao Nan Foundation Financial Sources :

The income sources for the Fan Dao Nan Foundation



### 2022 Fan Dao Nan Foundation Achievements :

| Business Activities              | 2022 Achievements  |
|----------------------------------|--|
| Scholarship Program              | <ul style="list-style-type: none"> <li>Pharmacy-Related Departments: 4 departments with 5 individuals</li> <li>High Schools: 8 schools with 146 individuals</li> <li>Junior High Schools: 60 schools with 752 individuals</li> <li>Elementary Schools: 234 schools with 2,732 individuals</li> </ul> <p>A total of 5.79 million NT dollars was provided in the fiscal year 2022.</p> |
| Student After-school Care        | <ul style="list-style-type: none"> <li>Hope Tutoring : 38 schools, 2,635 students. Total assistance in the fiscal year 2022: 1.71 million NT dollars</li> <li>Sunflower Tutoring : 13 schools, 726 students. Total assistance in the fiscal year 2022: 0.4 million NT dollars</li> </ul>   |
| Other Public Welfare Assistance  | Sponsored 13 charitable organizations, with a total sponsorship of 650,000 NT dollars in the year 2022.  |
| Winter and Summer Vacation Meals | Provided meals for 6,775 people, with a total sponsorship of 540,000 NT dollars in the year 2022.  |
| Public Welfare Events            | <ul style="list-style-type: none"> <li>Received the 2022 Ministry of Education's Contribution Award for Social Education.</li> <li>Standard Cup Children's Drawing Contest (Canceled in 2022 due to the COVID-19 pandemic).</li> <li>Standard Cup National Table Tennis Championship (Canceled in 2022 due to the COVID-19 pandemic).</li> </ul>                                     |

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

5.1 Social Participation

Appendix

## Scholarship Program

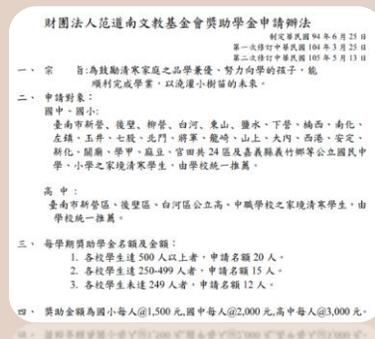
The founder of the foundation, Chairman Fan Chin-Tsai, established the Standard Scholarship after achieving success in his career. He was deeply aware of the poverty he experienced during his childhood and the challenges he faced in pursuing an education. He was also grateful for the support and mentorship he received from a benefactor. As a result, he established the Standard Scholarship with the hope of encouraging underprivileged students to seize educational opportunities and become future leaders in society.

The Fan Dao Nan Foundation Scholarship program is divided into four categories to provide assistance to different groups of students :

- 1.Scholarships for first-year students in the daytime programs of public and private universities, particularly those majoring in medicine and related fields.
- 2.Scholarships for junior high school and elementary school students, with specific eligibility criteria and guidelines.
- 3.The Liu Qiusheng Teacher Memorial Scholarship.
- 4.The Yuchai Scholarship.

These scholarships aim to offer diverse forms of assistance to students of various age groups and family backgrounds. The goal is to reduce the financial burden on students and provide them with tangible encouragement.

### Scholarship Application Guidelines



## Student After-School Care

Many rural elementary schools are often attended by students from extended or dual-income families. These schools typically lack daycare facilities for children, making it difficult for parents to provide care after school. The Fan Dao Nan Foundation aims to enhance the academic capabilities of students in remote areas, reduce the urban-rural education gap, and cooperate with school faculty.

By extending the school day, we offer guidance to students during their after-school hours. This approach helps avoid situations where children are left without supervision after school, which could lead to potential issues. It also allows us to support disadvantaged students by providing additional social resources. Our goal is to create a harmonious and supportive community, nurture various student abilities, enrich their learning experience, and offer a five-day-a-week "Hope After-School Tutoring Program" along with the "Sunflower After-School Program" every Wednesday afternoon.

### Acknowledgement Letter for Tutoring Program



## Nutritious Summer and Winter Break Lunch

To ensure that economically disadvantaged children in a vulnerable home environment don't worry about their lunch during winter and summer breaks, the Fan Dao Nan Foundation, a non-profit organization, initiated a Nutritious Lunch Sponsorship Program in 2016. This program primarily focuses on providing heartfelt meals to children from low-income households. Currently, it includes 16 schools across six districts, namely Xinying District, Yanshui District, Liuying District, Baihe District, Houbi District, and Dongshan District. Various businesses and stores, such as 7-11, FamilyMart, Huang Ji Beef Noodle, Zhen Yuan Store, Yanshui Mama Noodles, 520 Lunch Shop, Liuying Tai Kang Organic Farm, and Morning Kitchen, have participated in this program.

### Appreciation Letter for Winter and Summer Camp Nutritious Lunch

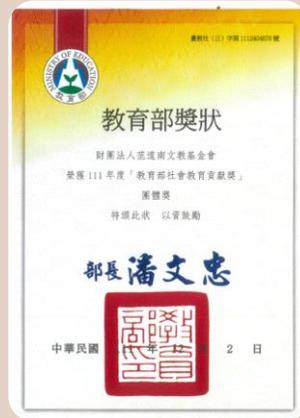


- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- 5.1 Social Participation
- Appendix

## Charitable Activities

### 1. Received the Ministry of Education's Contribution Award for Social Education

The Ministry of Education recognizes the longstanding contributions of the Fan Dao Nan Foundation and has awarded them the "2022 Ministry of Education Contribution Award for Social Education - Group Award." The receipt of this award not only represents support for past efforts and achievements but also serves as motivation and encouragement for the future. The Fan Dao Nan Foundation is committed to continuing its efforts and ongoing cultivation, dedicating itself to promoting lifelong education and providing better opportunities for the general public.



### 2. Charitable Acts by the Foundation

To care for junior high and elementary school students and families facing financial difficulties due to unexpected accidents, the Xinying District Office in Tainan City collaborated with the Fan Dao Nan Foundation. They provided small household appliances and learning materials tailored to the needs of each household, with a market value of approximately 4,000 NT dollars per household. A total of 20 households benefited from this initiative. Tainan City Mayor Wei-Che Huang and Mr. Weng, Chief of Xinying District Office, presented an appreciation certificate to General Manager Fan in recognition of this effort.



### 3. Standard Cup National Table Tennis Championship

To promote the sport of table tennis, the Fan Dao Nan Cultural and Educational Foundation has been organizing the Standard Cup National Table Tennis Championship every winter since 1986. Each year, hundreds of teams from all over the country register to participate, attracting numerous table tennis enthusiasts, including national players. It has become an important annual event in the world of table tennis. The event also introduced an innovative individual all-around competition with a "left-right hand switch" format. However, in the past two years, the event was canceled due to the impact of the COVID-19 pandemic.



### 4. Standard Cup Children's Sketch Competition

To encourage children's creative expression and enhance their sense of achievement, the Standard Cup Children's Sketch Competition has been organized by the Fan Dao Nan Foundation every autumn since 1986. The competition has been held for 35 consecutive years. However, in the past two years, it was canceled due to the impact of the pandemic.



- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement**

### 5.1 Social Participation

#### Appendix

## Datcom Sports and Health Center

The Company operates in the pharmaceutical industry and upholds the business philosophy of "benefiting the public." We allocate Company resources to give back to society, combining our core business with a focus on health issues to help raise awareness of health among the general population. Considering the aging population and urban-rural disparities, rural areas tend to have a higher proportion of elderly residents compared to urban areas. To address this, we have established the "Leisure Fitness Center – Dotcom Sports and Health Center" to provide specialized health promotion facilities for middle-aged and elderly individuals. We utilize AI-powered analysis of health assessments to tailor personalized strength training exercise programs for the public. Additionally, we have professional nutritionists on-site to provide dietary and lifestyle care recommendations. Dotcom Sports and Health Center - Liuying Branch has been approved for subsidies from the Tainan City Health Bureau's Silver Fitness Club Program from 2022 to 2024. The Madou Branch offers free health measurements and fitness experiences, with all equipment available for free use. In addition to providing fitness equipment, we offer fitness courses for individuals aged 65 and above to maintain or improve their physical functions. We also offer yoga and aerobic courses suitable for individuals of all ages. On-site, we sell health supplements and small exercise equipment to create diverse income streams. In the year 2022, we have had a total of 76,826 users and organized 20 health and well-being seminars, providing knowledge on disease prevention and nutrition care.



Dotcom Health Seminars



Dotcom Strength Training Exercise Experience

## Other Public Welfare Activities

### Blood Donation Event

The Company collaborates with the blood donation center to organize blood donation event during times of blood shortages, encouraging our colleagues to donate blood. In the past year, we arranged two visits from the blood donation vehicle to enter our premises, allowing our colleagues to roll up their sleeves and donate blood during their break times. Despite the challenges posed by the COVID-19 pandemic in 2022, Standard remained committed to conducting blood donation events, contributing to the medical community. In total, we collected 125 bags of blood, amounting to 62,500cc.

To encourage employees to actively participate in blood donation, we have implemented a reward program. Regardless of whether they donate blood within the Company or outside, as long as they meet the criteria outlined in the "Blood Donation Incentive Policy," they are eligible to receive a blood donation reward. This initiative is aimed at motivating employees to support blood donation efforts.



2022 Blood Donation Event

### Public Welfare Bone Density Screening

The Company collaborates with medical institutions, local communities, and pharmacies to jointly organize bone density screenings and health seminars. These events aim to help the public detect and become aware of the symptoms of osteoporosis through early screening. The events feature educational lectures by professional doctors, with opportunities for the public to ask questions and seek advice. Unfortunately, due to the COVID-19 pandemic, these activities were temporarily suspended in the year 2022.



2021 Bone Density Screening Event

## External Organization Participation

The Company actively participates in activities organized by relevant industry associations to acquire new technological knowledge and stay updated on international trends. We also maintain interactions and exchanges with organizations in related fields. In the year 2022, the external organizations we participated in are as follows :

| Association Name   | 2022       | Association Name                                  | 2022       |
|--|------------|---|------------|
|  | Membership |   | Membership |
|  | Fee        |   | Fee        |
| Taiwan Pharmaceutical Manufacturer's Association               | 210,000    | Taiwan Parenteral Drug Association                | 7,000      |
| Taiwan Pharmaceutical Manufacturer and Development Association | 50,000     | Sino Human Resources Representatives Association  | 4,800      |
| Taiwan Generic Pharmaceutical Association                      | 30,000     | Tainan Pharmacist Association                     | 4,571      |
| Tainan Nan Ying Pharmacist Association                         | 28,125     | Parenteral Drug Association (PDA) - United States | 3,888      |
| Japan Natto Kinase Association                                 | 25,691     | Tainan Medical Devices Commercial Associations    | 3,600      |
| Taiwan Bio Industry Organization                               | 20,000     | Tainan County Importers & Exporters Association   | 3,600      |
| Taiwan Functional food Industry Association                    | 20,000     | Interlibrary Cooperation Association              | 3,000      |
| Taiwan Veterinary Medicinal & Health Industry Association      | 18,000     | Chemical Society Located in Taipei                | 3,000      |
| Tainan City General Industrial Association                     | 14,400     | Tainan Drug Commercial Association                | 2,300      |
| Taiwan Society of Regulatory Affairs for Medical Products      | 10,000     | Tainan Nan Ying Pharmacist Association            | 2,300      |
| The Pharmaceutical Society of Taiwan                           | 10,000     | Great Tainan Nurses Association                   | 1,000      |
| Chinese Process Safety Association (CHPSS)                     | 10,000     | The Institute of Internal Auditors-Chinese Taiwan | 1,000      |
| International Society for Pharmaceutical Engineering (ISPE)    | 7,622      |   |            |

## Community Environment Monitoring and Care

The Company conducts neighborhood environmental inspections at least once every workday. If any abnormal activities are observed during the inspections, we immediately report them to the Company and deploy personnel for emergency response. We also proactively inform residents, neighborhood leaders, and community heads about the abnormal situations and provide progress updates. Additionally, we engage in two neighborhood care activities with nearby residents each year. Through building closer neighborly relationships, we inform residents about the potential pollution or impact caused by our daily operations and understand the community's expectations and desires through communication. In 2022, the Company participated in the Tainan City government's air quality purification zone initiative and contributed to the community by jointly adopting the surroundings of the Tuku Railway Station with the Tuku Community Development Association. We promoted the cleanliness, greening, and beautification of the area, providing a high-quality recreational environment and enhancing the cityscape. In May 2023, we received the Excellent Recognition Award for the 111th year of the Environmental Protection Administration's Air Quality Purification Zone Adoption Program as a recognition of our efforts.

If community residents discover any environmental issues, nearby community members can file complaints through various channels, including neighborhood leaders, community heads, the company's contact numbers, the 24-hour security office staff, and relevant personnel from the Company's environmental department. They can also file complaints with the public Environmental Protection Bureau. The complaints from stakeholders will be appropriately addressed, tracked, and responded to, and the improvement process and results will be publicly presented at the Company's management review meetings. In the year 2022, the Company did not receive any complaints related to community environmental issues.



Excellent Recognition Award for the 111th Year of the Air Quality Purification Zone Adoption Program

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix**
- App.1 GRI Standard Comparison Table**
- App.2 Verification Statement

## Appendix 1: GRI Guidelines Comparison Table

| Usage Statement                        | We have utilized the GRI Guidelines for reporting the content from January 1, 2022, to December 31, 2022. |                                     |               |
|--|---|-------------------------------------|---------------|
| We have used GRI 1.                    | GRI 1: Basic 2021   |                                     |               |
| GRI Guidelines                         | Disclosure Items  | Referenced Sections                 | Page Numbers  |
| GRI 2: General Disclosures 2021        |   |                                     |               |
| Organizational and Reporting Practices |   |                                     |               |
| 2-1                                    | Organizational Details  | About Standard                      | 7、10          |
| 2-2                                    | Entities Included in the Sustainability Report  | About the Report                    | 3             |
| 2-3                                    | Reporting Period, Frequency, and Contact Information  | About the Report                    | 4             |
| 2-4                                    | Data Restatements   |                                     | No occurrence |
| 2-5                                    | External Assurance/Verification   | About the Report                    | 4             |
| Activities and Stakeholders            |   |                                     |               |
| 2-6                                    | Activities, Value Chain, and Other Business Relationships   | About Standard                      | 7~9           |
| 2-7                                    | Employees   | 4.1 Talent Attraction and Retention | 60~61         |
| 2-8                                    | Non-Employee Workers  | 4.1 Talent Attraction and Retention | 60~61         |
| Governance                             |   |                                     |               |
| 2-9                                    | Governance Structure and Composition  | 1.1 Corporate Governance            | 19            |
| 2-10                                   | Nomination and Selection of the Highest Governance Body   | 1.1 Corporate Governance            | 20            |
| 2-11                                   | Chair of the Highest Governance Body  | 1.1 Corporate Governance            | 19~20         |
| 2-12                                   | Role of the Highest Governance Body in Oversight of Impact Management                                     | 1.1 Corporate Governance            | 19、23         |
| 2-13                                   | Person Responsible for Impact Management  | About the Report                    | 3             |
| 2-14                                   | Role of the Highest Governance Body in Sustainability Reporting   | About the Report                    | 3             |
| 2-15                                   | Conflicts of Interest   | 1.1 Corporate Governance            | 23            |

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

**App.1 GRI Standard Comparison Table**

App.2 Verification Statement

| GRI Guidelines                          | Disclosure Items                                  | Referenced Sections  | Page Numbers   |
|---|---|--|--|
| <b>GRI 2 : General Disclosures 2021</b> |   |  |  |
| <b>Governance (Continuation)</b>        |   |  |  |
| 2-16                                    | Key Communication Major Events                    | Significant Theme Analysis   | 14   |
| 2-17                                    | Collective Wisdom of the Top Governance Body      | 1.1 Corporate Governance   | 21   |
| 2-18                                    | Performance Evaluation of the Top Governance Body | 1.1 Corporate Governance   | 22   |
| 2-19                                    | Compensation Policies                             | 1.1 Corporate Governance   | 21~22  |
| 2-20                                    | Compensation Decision Process                     | 1.1 Corporate Governance   | 21~22  |
| 2-21                                    | Annual Total Compensation Ratio                   |  | Confidentiality Restriction:<br>The Company categorizes this as an internal and highly important confidential matter, not to be disclosed to the public. |
| <b>Strategy, Policy, and Practice</b>   |   |  |  |
| 2-22                                    | Statement of Sustainability Strategy              | Message from the Chairman<br>About Standard  | 5<br>7   |
| 2-23                                    | Policy Commitments                                | 1.3 Business Integrity<br>1.4 Supplier Management<br>4.1 Talent Attraction and Retention   | 31<br>35<br>58~59  |
| 2-24                                    | Incorporation of Policy Commitments               | 1.3 Business Integrity<br>2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management<br>3.3 Product Quality and Responsibility<br>4.2 Talent Cultivation and Development<br>5.1 Social Participation | 29<br>38<br>52<br>63<br>74   |

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

**App.1 GRI Standard Comparison Table**

App.2 Verification Statement

| GRI Guidelines                                      | Disclosure Items                                      | Referenced Sections  | Page Numbers   |
|---|---|--|--|
| <b>GRI 2 : General Disclosures 2021</b>             |   |  |  |
| <b>Strategy, Policy, and Practice(Continuation)</b> |   |  |  |
|   |   | 1.3 Business Integrity   |  |
|   |   | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 29<br>38   |
| 2-25  | Remediation Procedures for Negative Impacts           | 3.3 Product Quality and Responsibility   | 52   |
|   |   | 4.2 Talent Cultivation and Development   | 63   |
|   |   | 5.1 Social Participation   | 74   |
| 2-26  | Mechanisms for Seeking Advice and Addressing Concerns | 1.3 Business Integrity   | 29~30  |
| 2-27  | Regulatory Compliance                                 | 1.4 Regulatory Compliance  | 32   |
| 2-28  | Membership in Industry Associations                   | 5.1 Social Participation   | 79   |
| <b>Stakeholder Engagement</b>                       |   |  |  |
| 2-29  | Stakeholder Engagement Policies                       | Stakeholder Negotiations   | 11~13  |
| 2-30  | Collective Agreement                                  |  | Not Applicable: Standard does not have a labor union organization in place, and therefore, no collective agreement has been signed. However, labor-management meetings are convened quarterly in accordance with legal requirements. |

## Significant Themes

| GRI Guidelines   | Disclosure Items  | Referenced Sections  | Page Numbers |
|--|---|--|--------------|
| <b>GRI 3 : Significant Themes 2021</b>   |   |  |              |
| 3-1  | Process for Determining Significant Themes                                      | Significant Theme Analysis   | 14           |
| 3-2  | List of Significant Themes  | Significant Theme Analysis   | 15           |
| GRI Guidelines   | Disclosure Items  | Referenced Sections  | Page Numbers |
| <b>1. Integrity in Business</b>  |   |  |              |
| 3-3  | Management of Significant Themes  | 1.3 Business Integrity   | 29           |
| 205-1  | Operational Locations Subject to Corruption Risk Assessment                     | 1.3 Business Integrity   | 31           |
| 205-2  | Communication and Training on Anti-Corruption Policies and Procedures           | 1.3 Business Integrity   | 31           |
| 206-1  | Legal Actions Related to Anti-Competitive, Antitrust, and Monopolistic Behavior | 1.3 Business Integrity   | 31           |
| <b>2. Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management</b> |   |  |              |
| 3-3  | Management of Significant Themes  | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 38           |
| 201-2  | Financial Impacts and Other Risks and Opportunities Arising from Climate Change | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 40           |
| 302-1  | Organizational Energy Consumption   | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 41           |
| 302-3  | Energy Intensity  | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 41           |
| 302-4  | Reduction in Energy Consumption   | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 44           |
| 305-1  | Direct (Scope 1) Greenhouse Gas Emissions                                       | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 42~43        |
| 305-2  | Indirect Energy (Scope 2) Greenhouse Gas Emissions                              | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 42~43        |
| 305-4  | Greenhouse Gas Emission Intensity   | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 42~43        |
| 305-5  | Greenhouse Gas Emission Reduction   | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 42~43        |
| 305-7  | Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gas Emissions | 2.1 Greenhouse Gas Emissions, Climate Change and Adaptation, and Energy Management | 42~43        |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix
- App.1 GRI Standard Comparison Table
- App.2 Verification Statement

| GRI Guidelines                               | Disclosure Items   | Referenced Sections                    | Page Numbers  |
|--|--|--|---------------|
| <b>3. Product Quality and Responsibility</b> |  |  |               |
| 3-3  | Management of Significant Themes   | 3.3 Product Quality and Responsibility | 52            |
| 416-1  | Assessment of Health and Safety Impacts by Product and Service Category  | 3.1 Customer Health and Safety         | 49            |
| 416-2  | Incidents Violating Health and Safety Regulations Related to Products and Services                               |  | No occurrence |
| 417-1  | Requirements for Product and Service Information and Labeling  | 3.3 Product Quality and Responsibility | 53            |
| 417-2  | Incidents of Non-Compliance with Product and Service Information and Labeling Regulations                        |  | No occurrence |
| 417-3  | Incidents of Non-Compliance with Marketing Communication Regulations   |  | No occurrence |
| <b>4. Talent Development and Growth</b>      |  |  |               |
| 3-3  | Management of Significant Themes   | 4.2 Talent Cultivation and Development | 63            |
| 404-1  | Average Hours of Training Received by Each Employee Annually   | 4.2 Talent Cultivation and Development | 64            |
| 404-2  | Employee Skill Enhancement and Transition Assistance Programs  | 4.2 Talent Cultivation and Development | 64            |
| 404-3  | Percentage of Employees Subject to Regular Performance and Career Development Assessments                        | 4.2 Talent Cultivation and Development | 64            |
| <b>5. Social Engagement</b>                  |  |  |               |
| 3-3  | Management of Significant Themes   | 5.1 Social Participation               | 74            |
| 413-1  | Operational Activities Involving Communication with Local Communities, Impact Assessments, and Development Plans | 5.1 Social Participation               | 78~79         |
| 413-2  | Operational Activities with Significant Actual or Potential Negative Impacts on Local Communities                |  | No occurrence |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix
- App.1 GRI Standard Comparison Table
- App.2 Verification Statement

## General Topics

| GRI Guidelines                    | Disclosure Items   | Referenced Sections   | Page Numbers |
|-----------------------------------|--|---|--------------|
| <b>1. Corporate Governance</b>    |  |   |              |
| 2-9                               | Governance Structure and Composition                                 | 1.1 Corporate Governance  | 19           |
| 2-10                              | Nomination and Selection of the Top Governance Body                  | 1.1 Corporate Governance  | 20           |
| 2-11                              | Chair of the Top Governance Body                                     | 1.1 Corporate Governance  | 19~20        |
| 2-12                              | Role of the Top Governance Body in Supervising Impact Management     | 1.1 Corporate Governance  | 19、23        |
| 2-13                              | Head of Impact Management  | About the Report  | 3            |
| 2-14                              | Role of the Top Governance Body in Sustainability Reporting          | About the Report  | 3            |
| 2-15                              | Conflict of Interest   | 1.1 Corporate Governance  | 23           |
| 2-17                              | Collective Wisdom of the Top Governance Body                         | 1.1 Corporate Governance  | 21           |
| 2-18                              | Performance Evaluation of the Top Governance Body                    | 1.1 Corporate Governance  | 22           |
| 2-19                              | Compensation Policies  | 1.1 Corporate Governance  | 21~22        |
| 2-20                              | Compensation Decision Process  | 1.1 Corporate Governance  | 21~22        |
| 2-21                              | Annual Total Compensation Ratio                                      | Confidentiality Restriction: The company categorizes this as an internal and highly important confidential matter, not to be disclosed to the public. |              |
| <b>2. Operational Performance</b> |  |   |              |
| 201-1                             | Direct Economic Value Generated and Distributed by the Organization  | 1.2 Operational Performance<br>4.1 Talent Attraction and Retention  | 24<br>62     |
| 201-3                             | Determination of Benefit Obligations and Other Retirement Plans      | 1.2 Operational Performance   | 28           |
| <b>3. Regulatory Compliance</b>   |  |   |              |
| 2-27                              | Regulatory Compliance  | 1.4 Regulatory Compliance   | 32           |
| <b>4. Supplier Management</b>     |  |   |              |
| 204-1                             | Percentage of Procurement Expenditure from Local Suppliers           | 1.5 Supplier Management   | 34           |
| 308-1                             | Use of Environmental Criteria to Screen New Suppliers                | 1.5 Supplier Management   | 34           |
| 308-2                             | Negative Environmental Impacts in the Supply Chain and Actions Taken | 1.5 Supplier Management   | 35~36        |
| 414-1                             | Use of Social Criteria to Screen New Suppliers                       | 1.5 Supplier Management   | 34           |

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

Appendix

App.1 GRI Standard Comparison Table

App.2 Verification Statement

| GRI Guidelines                                      | Disclosure Items   | Referenced Sections                       | Page Numbers  |
|---|--|---|---------------|
| <b>5. Water Resource Management</b>                 |  |   |               |
| 303-1   | Mutual Impact of Shared Water Resources  | 2.2 Water Resource Management             | 45            |
| 303-2   | Management of Drainage-Related Impacts   | 2.2 Water Resource Management             | 45            |
| 303-3   | Water Extraction Volume  | 2.2 Water Resource Management             | 45            |
| 303-5   | Water Consumption Volume   | 2.2 Water Resource Management             | 45            |
| <b>6. Customer Health and Safety</b>                |  |   |               |
| 306-1   | Generation of Waste and Significant Waste-Related Impacts                          | 2.3 Waste Management                      | 46~47         |
| 306-2   | Management of Significant Waste-Related Impacts                                    | 2.3 Waste Management                      | 46~47         |
| 306-3   | Waste Generation   | 2.3 Waste Management                      | 46~47         |
| 306-4   | Waste Disposal and Transfer  | 2.3 Waste Management                      | 46~47         |
| 306-5   | Direct Waste Disposal  | 2.3 Waste Management                      | 46~47         |
| <b>7. Customer Relationship Management</b>          |  |   |               |
| 416-1   | Assessment of Health and Safety Impacts by Product and Service Category            | 3.1 Customer Health and Safety            | 49            |
| 416-2   | Incidents Violating Health and Safety Regulations Related to Products and Services | 3.1 Customer Health and Safety            | No occurrence |
| <b>8. Customer Relationship Management</b>          |  |   |               |
|   | Custom Topics  | 3.2 Customer Relationship Management      | 50~51         |
| <b>9. Innovation and Research &amp; Development</b> |  |   |               |
|   | Custom Topics  | 3.4 Innovation and Research & Development | 54            |
| <b>10. Pharmaceutical Proximity</b>                 |  |   |               |
|   | Custom Topics  | 3.5 Essential Medicine Accessibility      | 56            |

Table of Contents

About the Report

Message from the Chairman

Performance and Contributions in the Past 3 Years

About Standard

Stakeholder Negotiations

Significant Theme Analysis

01 Operations and Governance

02 Net Zero Emissions and Sustainable Development

03 Product Innovation and Customer Safety

04 Employee Relations

05 Social Care and Engagement

**Appendix**

**App.1 GRI Standard Comparison Table**

App.2 Verification Statement

## General Topics

| GRI Guidelines                             | Disclosure Items  | Referenced Sections                 | Page Numbers |
|--|---|-------------------------------------|--------------|
| <b>11. Talent Attraction and Retention</b> |   |                                     |              |
| 401-1                                      | New Hires and Employee Turnover   | 4.1 Talent Attraction and Retention | 61           |
| 401-2                                      | Benefits Provided to Full-Time Employees  | 4.1 Talent Attraction and Retention | 62           |
| 401-3                                      | Maternity Leave   | 4.1 Talent Attraction and Retention | 62           |
| 402-1                                      | Shortest Notice Period for Operational Changes  | 4.1 Talent Attraction and Retention | 61           |
| 405-1                                      | Diversity of the Governance Body and Workforce  | 4.1 Talent Attraction and Retention | 60           |
| 408-1                                      | Significant Risks of Child Labor in Operational Locations and among Suppliers                               | 4.1 Talent Attraction and Retention | 58           |
| <b>12. Occupational Health and Safety</b>  |   |                                     |              |
| 403-1                                      | Occupational Health and Safety Management System  | 4.3 Occupational Health and Safety  | 65           |
| 403-2                                      | Hazard Identification, Risk Assessment, and Accident Investigation  | 4.3 Occupational Health and Safety  | 66           |
| 403-3                                      | Occupational Health Services  | 4.3 Occupational Health and Safety  | 70           |
| 403-4                                      | Worker Participation, Consultation, and Communication on Occupational Health and Safety                     | 4.3 Occupational Health and Safety  | 70           |
| 403-5                                      | Worker Training on Occupational Health and Safety   | 4.3 Occupational Health and Safety  | 67           |
| 403-6                                      | Worker Health Promotion   | 4.3 Occupational Health and Safety  | 70           |
| 403-7                                      | Prevention and Mitigation of Occupational Health and Safety Impacts Directly Related to Business Operations | 4.3 Occupational Health and Safety  | 70           |
| 403-8                                      | Workers Covered by the Occupational Health and Safety Management System                                     | 4.3 Occupational Health and Safety  | 65           |
| 403-9                                      | Occupational Injuries   | 4.3 Occupational Health and Safety  | 67           |
| 403-10                                     | Occupational Diseases   | 4.3 Occupational Health and Safety  | 67           |

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix**
- App.1 GRI Standard Comparison Table
- App.2 Verification Statement**

## Appendix 2: Verification Statement

The company has undergone third-party verification for 'ISO 14064-1 Greenhouse Gas Inventory,' and the following is the greenhouse gas verification statement.



**VERIFICATION OPINION  
GREENHOUSE GAS EMISSIONS**

茲證明

**生達化學製藥股份有限公司**

臺南市新營區開元路154號  
持有聲明書編號：TWN18337069 GT/C Rev.1

台灣衛理國際品保驗證股份有限公司對生達化學製藥股份有限公司所報告的溫室氣體聲明進行了獨立查證，此查證聲明適用於以下描述工作範圍內的相關資訊。  
生達化學製藥股份有限公司負責報告溫室氣體聲明。台灣衛理國際品保驗證股份有限公司的責任為對其所報告溫室氣體聲明的準確性，以及用於蒐集、分析和審查資訊的基礎系統和過程提供獨立查證。

**查證範圍：**

- 生達化學製藥股份有限公司(管制編號：R8400452)，位於臺南市新營區土庫里土庫6之20號
- 生達化學製藥股份有限公司二廠(管制編號：R8400836)，位於臺南市新營區開元路154號
- 盤查期間：2022年1月1日至2022年12月31日

**報告邊界及查證數據：**

- 類別 1：直接溫室氣體排放與移除：1,377.2951 公噸二氧化碳當量
- 類別 2：輸入能源之間接溫室氣體排放：7,522.4845 公噸二氧化碳當量
- 類別 3：運輸之間接溫室氣體排放：225.0421 公噸二氧化碳當量
- 類別 4：組織使用產品之間接溫室氣體排放：1,720.3165 公噸二氧化碳當量

**查證意見：**  
依據台灣衛理國際品保驗證股份有限公司所進行之查證過程與程序，有充分證據顯示生達化學製藥股份有限公司之溫室氣體聲明為實質正確且公正地呈現溫室氣體數據及相關資訊，以及根據 ISO 14064-1:2018 所準備，符合查證協議之合理保證等級。

  
技術審查：劉建宏  
廠次發行日期：15/6/2023

  
副總經理：李宗哲  
廠次發行日期：15/6/2023

  
Validation and Verification  
V8005

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

Page 1 of 4  
template ver.: 20220301

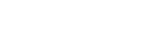


聲明書編號：TWN18337069 GT/C Rev.1  
廠次發行日期：15/6/2023

溫室氣體排放及移除資訊：  
生達化學製藥股份有限公司：臺南市新營區土庫里土庫6之20號

| 類別                          | 子類別                        | 說明                         | tCO <sub>2</sub> e |             |
|-----------------------------|----------------------------|----------------------------|--------------------|-------------|
| 類別 1：<br>直接溫室氣體排放與移除        | 1.1 固定燃燒之直接排放              | —                          | 400.2103           | 575.1697    |
|                             | 1.2 移動燃燒之直接排放              | —                          | 0.1934             |             |
|                             | 1.3 產業過程產生之直接過程排放與移除       | —                          | 0.0000             |             |
|                             | 1.4 人員系統中溫室氣體釋放產生之直接過程排放   | —                          | 174.7660           |             |
|                             | 1.5 土地利用、土地利用變更及林業之直接排放與移除 | —                          | 0.0000             |             |
| 類別 2：<br>輸入能源之間接溫室氣體排放      | 2.1 輸入電力之間接排放              | 地點基準方法*                    | 2,423.8590         | 2,423.8590* |
|                             | 2.2 輸入能源之直接排放              | 市場基準方法                     | N.A.               |             |
|                             | 2.3 上游貨物運輸與配送之排放           | N.S.                       | 0.0000             |             |
| 類別 3：<br>運輸之間接溫室氣體排放        | 3.1 上游貨物運輸與配送之排放           | N.S.                       | N.A.               | 41.2854     |
|                             | 3.2 下游貨物運輸與配送之排放           | N.S.                       | N.A.               |             |
|                             | 3.3 員工通勤之排放                | 所有員工通勤所使用交通工具產生之排放         | 41.2854            |             |
|                             | 3.4 客戶和访客交通之排放             | N.S.                       | N.A.               |             |
|                             | 3.5 商務旅行之排放                | N.S.                       | N.A.               |             |
| 類別 4：<br>組織使用產品之間接溫室氣體排放    | 4.1 購入貨物之排放                | 外購能源之生產相關但包含於類別 1、2 中產生之排放 | 420.3406           | 437.8175    |
|                             | 4.2 資本貨物之排放                | N.S.                       | N.A.               |             |
|                             | 4.3 固體及液體廢棄物處理之排放          | 固體及液體廢棄物最終處理及其運輸產生之排放      | 17.4759            |             |
|                             | 4.4 資產的使用之排放               | N.S.                       | N.A.               |             |
|                             | 4.5 使用上述子類別未提及服務的使用之排放     | N.S.                       | N.A.               |             |
| 類別 5：<br>與使用組織產品有關之間接溫室氣體排放 | 5.1 產品的使用階段之排放與移除          | N.S.                       | N.A.               | N.A.        |
|                             | 5.2 下游租賃資產之排放              | N.S.                       | N.A.               |             |
|                             | 5.3 產品的生命結束階段之排放           | N.S.                       | N.A.               |             |
|                             | 5.4 投資之排放                  | N.S.                       | N.A.               |             |
| 類別 6：<br>其它來源之間接溫室氣體排放      |                            | N.S.                       | N.A.               | N.A.        |

#: N.S.: Non-significant 非重大; N.A.: Not available 未有資料

  
技術審查：劉建宏  
廠次發行日期：15/6/2023

  
副總經理：李宗哲  
廠次發行日期：15/6/2023

  
Validation and Verification  
V8005

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

Page 2 of 4  
template ver.: 20220301

- Table of Contents
- About the Report
- Message from the Chairman
- Performance and Contributions in the Past 3 Years
- About Standard
- Stakeholder Negotiations
- Significant Theme Analysis
- 01 Operations and Governance
- 02 Net Zero Emissions and Sustainable Development
- 03 Product Innovation and Customer Safety
- 04 Employee Relations
- 05 Social Care and Engagement
- Appendix
  - App.1 GRI Standard Comparison Table
  - App.2 Verification Statement



聲明書編號: TWN18337069 GT/C Rev.1  
版次發行日期: 15/6/2023

溫室氣體排放及移除資訊:  
生達化學製藥股份有限公司二廠: 臺南市新營區開元路 154 號

| 類別                          | 子類別                        | 說明                          | tCO <sub>2</sub> e |
|-----------------------------|----------------------------|-----------------------------|--------------------|
| 類別 1:<br>直接溫室氣體排放與移除        | 1.1 固定燃燒之直接排放              | --                          | 256.4800           |
|                             | 1.2 移動燃燒之直接排放              | --                          | 15.8648            |
|                             | 1.3 制程過程產生之直接過程排放與移除       | --                          | 0.0000             |
|                             | 1.4 人為自然溫室氣體釋放產生之直接過程排放    | --                          | 529.7806           |
|                             | 1.5 土地利用、土地利用變更及林業之直接排放與移除 | --                          | 0.0000             |
| 類別 2:<br>輸入能源之間接溫室氣體排放      | 2.1 輸入電力之間接排放              | 地點基準方法*                     | 5,098.6265         |
|                             | 2.2 輸入能源之間接排放              | 市場基準方法                      | N.A.               |
|                             | 2.2 輸入能源之間接排放              | N.A.                        | 0.0000             |
| 類別 3:<br>運輸之間接溫室氣體排放        | 3.1 上游貨物運輸與配送之排放           | N.S.                        | N.A.               |
|                             | 3.2 下游貨物運輸與配送之排放           | N.S.                        | N.A.               |
|                             | 3.3 員工通勤之排放                | 所有員工通勤所使用交通工具產生之排放          | 183.7567           |
| 類別 4:<br>組織使用產品之間接溫室氣體排放    | 4.1 購入貨物之排放                | 外購能源之生產相關但未包含於類別 1、2 中產生之排放 | 889.2998           |
|                             | 4.2 資本貨物之排放                | N.S.                        | N.A.               |
|                             | 4.3 固體及液體廢棄物處理之排放          | 固體及液體廢棄物最終處理及再運輸產生之排放       | 393.1992           |
|                             | 4.4 資產的使用之排放               | N.S.                        | N.A.               |
|                             | 4.5 使用上述子類別未提及服務的使用之排放     | N.S.                        | N.A.               |
| 類別 5:<br>與使用組織產品有關之間接溫室氣體排放 | 5.1 產品的使用階段之排放或移除          | N.S.                        | N.A.               |
|                             | 5.2 下游租賃資產之排放              | N.S.                        | N.A.               |
|                             | 5.3 產品的生命結束階段之排放           | N.S.                        | N.A.               |
|                             | 5.4 投資之排放                  | N.S.                        | N.A.               |
| 類別 6:<br>其它來源之間接溫室氣體排放      |                            | N.S.                        | N.A.               |

\* N.S.: Non-significant 非重大; N.A.: Not available 未有資料

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

Page 3 of 4  
template ver.: 20230316

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

Page 4 of 4  
template ver.: 20230316



聲明書編號: TWN18337069 GT/C Rev.1  
版次發行日期: 15/6/2023

詳細查證範圍:

- 用於進行查證的查證協議: ISO 14064-1:2018, ISO 14064-3:2019
- 查證期間: 2022 年 1 月 1 日至 2022 年 12 月 31 日
- 排放溫室氣體種類: 二氧化碳(CO<sub>2</sub>)、甲烷(CH<sub>4</sub>)、氧化亞氮(N<sub>2</sub>O)、氫氟碳化物(HFCs)、全氟碳化物(PFCs)、六氟化硫(SF<sub>6</sub>)、三氟化氮(NF<sub>3</sub>)
- 全球暖化潛勢(GWP): 引自 IPCC 2023 年第六次評估報告
- 外購電力排放係數: 引自經濟部能源局民國 111 年公布之 110 年度電力排碳係數 0.509 kgCO<sub>2</sub>e/kWh
- 彙總排放量的方法: 營運控制
- 盤查清冊版本: 20230530
- 盤查報告版本: 20230530

查證方法:

依據風險評估及取樣計畫, 對生達化學製藥股份有限公司及生達化學製藥股份有限公司二廠進行現場訪視, 訪談有關人員, 審查其產生的文件證據; 於生達化學製藥股份有限公司及生達化學製藥股份有限公司二廠的辦公室及現場, 審查蒐集、彙總及分析的方法、資訊系統和數據; 以及稽核生達化學製藥股份有限公司及生達化學製藥股份有限公司二廠用於決定溫室氣體聲明的數據樣本。

查證作業實施日期:

- 2023 年 4 月 11 日 及 2023 年 4 月 12 日

查證小組:

- 主導查證員: 馮政顯 Ryan Mon
- 查證員: 劉志浩、陳復宏 Carter, Jim, Brian Chen

查證聲明/保證聲明/利益衝突迴避聲明

本查證聲明, 包括本文件所述的意見, 僅為根據生達化學製藥股份有限公司雙方之查證協議提供。台灣勳理國際品保驗證股份有限公司(Bureau Veritas Certification Taiwan)同意生達化學製藥股份有限公司將此聲明提供與使用者以證明溫室氣體排放資訊, 但不接受或承擔任何法律責任。本查證聲明及所有內容可能包含生達化學製藥股份有限公司之機密資訊, 未經生達化學製藥股份有限公司書面同意, 其他個人、團體或公司禁止自行複製及發行。台灣勳理國際品保驗證股份有限公司(Bureau Veritas Certification Taiwan)與生達化學製藥股份有限公司並無財務投資之關係, 符合利益衝突迴避之要求。

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

Page 4 of 4  
template ver.: 20230316



生達化學製藥股份有限公司

[www.standard.com.tw](http://www.standard.com.tw)

+ 886 6-6361516

No. 154, Kaiyuan Rd., Xinying Dist.,  
Tainan City 730401, Taiwan (R.O.C.)