SCI PHARMTECH, INC.
旭富製藥科技股份有限公司

2024 Sustainability Report

About the Report

Reporting Scope and Boundaries

This Sustainability Report is published by SCI Pharmtech, Inc. (hereinafter referred to as "SCI Pharmtech" or "SCI"). The information and data presented in this report cover the period from January 1 to December 31, 2024.

The reporting boundary is consistent with SCI's consolidated financial statement scope, ensuring disclosure that is comprehensive, consistent, and transparent.

Through this report, SCI hopes to provide stakeholders with a clear and sincere view of our ongoing commitment to sustainability and the progress we have made throughout the year.

Reporting Guidelines

This Sustainability Report has been prepared in alignment with the "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies." The report's structure adheres to the GRI Universal Standards 2021, issued by the Global Reporting Initiative (GRI). Further, it incorporates relevant disclosures guided by the Sustainability Accounting Standards Board (SASB) Chemical Industry Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Report Quality Management

Compilation	The preparation of this report is coordinated by the President Office. All disclosed data, strategic objectives, performance indicators, and related information are provided by the respective responsible units. The President Office then consolidates, drafts, and conducts the necessary editorial reviews.
Review	After the report has been compiled, the department managers review and verify the completeness and accuracy of the content. The report is then submitted to the President for final approval.
Finalization	The finalized manuscript is submitted to the Sustainability Development Committee and the Board of Directors for review and approval prior to public release.

External Verifications and Certifications

To ensure transparency and credibility of the disclosed information, the data and content presented in this Sustainability Report are verified or assured by independent third-party institutions. In cases where estimations are applied, relevant explanations are provided in the corresponding sections of the report.

Verification / Assurance Item	Standard Followed	Third-Party Institution (Acronym)
Sustainability Report	AA1000AS v3, Type I Moderate Assurance	British Standards Institution (BSI)
Financial Management	Audit of financial statements in accordance with applicable auditing standards	KPMG Taiwan (KPMG)
Business Operations & Customer Relations	ISO 9001:2015 Quality Management System	Bureau Veritas (BV)
Environmental and Occupational Safety Management	• ISO 14001:2015 Environmental Management System • ISO 45001:2018 Occupational Health and Safety Management System	Bureau Veritas (BV)
Carbon Management	• ISO 14064-1:2018 Organizational GHG Inventory • ISO 14067:2018 Product Carbon Footprint	British Standards Institution (BSI) SGS Taiwan Ltd. (SGS)

Publication Frequency

This is the sixth Sustainability Report published by SCI Pharmtech, Inc. The Chinese version of this report was released in August 2025, and the English version will be published in December 2025.

The previous editions—the Chinese and English versions—were released in August 2024 and December 2024, respectively.

Starting this year, SCI will publish its Sustainability Report on an annual basis, with the next Chinese and English editions scheduled for release in August 2026 and December 2026, respectively.

Publication Channels and Contact Information

To conserve natural resources, this report is primarily published in an electronic format and made available on SCI's official website. We encourage all stakeholders to access and download the report online.

In the event of any corrections or updates to the content, the electronic version published on SCI's website shall prevail.

Contact Information

If you have any questions or suggestions about the contents of this report, please feel free to contact us.

SCI Pharmtech, Inc.
Address: No. 61, Ln. 309, Haihu N. Rd., Luzhu District, Taoyuan City 33856, Taiwan
Tel: +886-3-354-3133#118
Fax: +886-3-354-3483
Website: http://www.sci-pharmtech.com.tw
Contact Window: Nelly Chen, Special Assistant to President
E-mail: nelly.chen@sci-pharmtech.com.tw

Contents

Contents

Message from the Chairman

Chairman

Dr. Wei-Chyun Wong

The year 2024 was marked by continued global economic uncertainty and geopolitical tensions. Extreme climate events, supply chain restructuring, and the accelerating transition to a low-carbon economy intertwined to create both challenges and new opportunities for industrial transformation. As the pharmaceutical sector moves through significant post-pandemic adjustments, SCI has demonstrated resilience and forward-looking action. In our first full year of operations following reconstruction, we delivered results that exceeded the previous year in both revenue and shipment volume, with main product lines maintaining stable demand. These achievements lay a solid foundation for continued growth in 2025.

The long-term value of a company is built upon honest and responsible engagement with its stakeholders, as well as the ability to identify, assess, and proactively respond to emerging risks and trends. In 2024, SCI obtained third-party external assurance for our sustainability report for the first time—an important milestone that strengthens the quality and transparency of our disclosures. We have also aligned with IFRS S2 and TCFD frameworks, enhancing our capability to assess and disclose climate-related risks and opportunities with greater clarity and foresight.

With the implementation of Taiwan's Climate Change Response Act and the forthcoming carbon-fee mechanism, carbon management will become a new cornerstone of corporate governance. SCI has initiated internal carbon pricing and long-term decarbonization planning, and we continue to invest in research, technology upgrades, and green innovation. By exploring opportunities in sustainable products and circular economy solutions, we aim to deliver greater value to our customers while preparing our business for a carbon-constrained future.

In corporate governance, we remain committed to strengthening board effectiveness, enhancing transparency, and reinforcing risk-management mechanisms. Integrity is at the heart of SCI's culture—we uphold ethical conduct, regulatory compliance, and corporate responsibility as the foundation of our long-term sustainability and our credibility in the global market.

Innovation in science and technology continues to be SCI's driving force. We closely monitor global therapeutic trends and customer needs, investing in high-potency APIs (HPAPIs), specialized processes, and diversified product development. Our strategic investment in HoneyBear Biosciences, particularly in antibody-based therapeutics, and our ongoing collaboration with Energenesis Biomedical reflect our commitment to advancing in emerging healthcare technologies. We believe these efforts will strengthen our global competitiveness and support sustained growth in the years ahead.

We recognize that resilience is built through embracing challenges with courage and openness. As we move forward from the experience of rebuilding, we remain committed to listening to our stakeholders, acting with responsibility, and transforming risks into momentum for growth. Through this report, we hope to share our progress on SCI's sustainability journey and invite all stakeholders to join us as we continue to innovate, evolve, and create shared value for society.

Message from the President

For SCI, 2024 was a year defined by purpose, resilience, and disciplined execution. Amid intensifying global uncertainty and rapid changes across the pharmaceutical industry, we remained focused on long-term value creation—strengthening our operational foundations while preparing for transformation-driven growth.

Quality remains our most unshakable commitment. In response to rising regulatory expectations and global competition, SCI continued to uphold rigorous GMP standards, ISO 9001 quality management, and continuous process optimization. Our R&D teams advanced new drug development, enhanced Brinzolamide and CBD processes, expanded upstream API applications, and strengthened CDMO partnerships. By leveraging our accumulated expertise in API development, we are extending our capabilities into broader industries and creating new opportunities for innovation and collaboration.

Sustainability is a responsibility we carry with purpose. Since 2022, SCI has systematically strengthened its carbon management framework. To date, five products have completed verified carbon-footprint assessments, and our organizational greenhouse gas inventory provides a clear baseline for future improvement. These efforts guide our next phase of action, including renewable energy adoption, process efficiency enhancement, resource circularity, and continued reinforcement of ISO 14001 and ISO 45001 management systems. Sustainability is not a short-term initiative, but a long-term commitment translated into measurable progress.

Progress at the Guanyin facility represents a key milestone in SCI's future development. Four advanced production lines—equivalent to approximately half the capacity of our Luzhu site—are under construction. Through collaboration with our joint-venture partner, Framosa, the new plant integrates efficient steam systems, advanced wastewater treatment and recycling, and GMP-compliant solvent recovery, forming the foundation of a low-carbon, next-generation manufacturing site. Trial production and GMP inspections planned for late 2025 are expected to further enhance operational resilience and growth potential.

Our people remain the driving force behind SCI's achievements. In 2024, nearly 40,000 training participations reflected our continued investment in talent development across quality, technology, management, and global industry trends. Beyond professional growth, we are committed to fostering an inclusive and supportive workplace. Our parental-leave programs and high reinstatement rates demonstrate respect for employees' life stages and reinforce long-term engagement.

Let care guide your professionalism.
Let purpose steady your ambition.
Let integrity shape your journey.

Together, we will continue advancing SCI's sustainable future—with confidence, resilience, and responsibility.

President
Dr. Wen-Chih Chou

Chapter 0

About SCI

SCI Pharmtech, Inc. was founded in 1987 through a joint venture between Switzerland's Siegfried Group—an enterprise with over a century of history—and private investors from Taiwan and the United States. In 2001, SCI's management rights were acquired by the Mercuries & Associates Group, and SCI was subsequently listed on the Taiwan Stock Exchange in 2004 under stock code 4119.

SCI specializes in the research, development, manufacturing, and sales of active pharmaceutical ingredients (APIs), advanced intermediates, and custom products.. The company also acts as an agent for domestic and international manufacturers, providing quotation. tendering, distribution. and related product development services.

Currently, SCI's operations are located exclusively in Taiwan. The headquarters is based at the Luzhu Plant in Taoyuan City, which is a manufacturing facility compliant with both the U.S. FDA regulations and international cGMP standards. To meet future capacity expansion needs and increasing global market demand, SCI is also constructing the Guanyin Plant in Taoyuan City.

In addition, SCI actively collaborates with industry associations to share market information, promote research and development, strengthen industry exchange, and accelerate technological advancement—enhancing the competitiveness and sustainable development of Taiwan's pharmaceutical sector.

0-1 Operational Performance

Following the major fire incident in 2020, SCI faced significant challenges. Through effective crisis management and stable operational strategies, the company demonstrated strong resilience and steadily improving performance year over year. Financial data from 2019 to 2024 clearly illustrates the journey from post-incident impact to progressive recovery and renewed growth.

2022: Maintaining Profitability Despite Constraints

Despite ongoing limitations in production capacity due to the aftermath of the fire, SCI delivered solid operating results in 2022. Annual revenue reached NT$899,738 thousand, with a gross margin of 32% and operating income of NT$118,970 thousand. Although non-operating results fluctuated, net income after tax amounted to NT$308,780 thousand, with earnings per share (EPS) of NT$3.24.

Operating under constrained resources, the company upheld strict cost management while pursuing opportunities for revenue generation. The ability to remain profitable amid adversity reflected SCI's management effectiveness and crisis-response capabilities, offering strong encouragement to all employees.

2023: A Year of Recovery and Turning Point

With production capacity at the Luzhu Plant gradually restored, SCI's operations rebounded in 2023. Annual revenue increased to NT$1,204,159 thousand, marking 26.5% growth. Operating income rose to NT$160,300 thousand, indicating improving core profitability.

However, gross margin declined slightly to 29% due to intensified market competition and fluctuations in raw material costs. Nevertheless, substantial non-operating income from insurance claims significantly boosted overall profitability, resulting in a net income of NT$294,721 thousand and EPS of NT$2.7.

During the year, SCI enhanced operational efficiency, strengthened customer engagement, and expanded market share—laying a foundation for stable business recovery.

2024: Entering a New Phase of Growth

In 2024, SCI entered a new stage of recovery and expansion. Annual revenue climbed to NT$1,523,738 thousand, again achieving 26.5% year-over-year growth. Operating income increased to NT$198,285 thousand, representing 23.7% annual growth.

Gross margin, however, declined to 27%, primarily due to incomplete capacity utilization and shifts in product mix. Even so, non-operating income rose sharply—stemming from insurance claims and foreign exchange gains—driving net income after tax to NT$534,678 thousand, with EPS reaching NT$4.47, the highest in recent years.

The performance in 2024 not only confirms SCI's full emergence from post-incident challenges but also demonstrates the company's strengthened capabilities and future growth potential following restructuring and transformation. With the Guanyin Plant progressing toward intelligent and automated production, trial runs are scheduled to begin in late 2025. This expansion will meaningfully enhance SCI's order-handling capacity, operational flexibility, and customer satisfaction.

Consistent Recovery Since 2021

Financial results over recent years show that since the 2021 fire incident, SCI has experienced steady recovery. Strengthened capital structure, rising revenue, and improved profitability each year demonstrate a renewed operational foundation. Between 2022 and 2024, revenue grew consistently, operating income trended upward, and net income surged nearly 80% in 2024—evidence that SCI has rebuilt competitive strength and established a more resilient, sustainable operating model.

Looking Ahead

SCI will continue deepening research and product development, advancing smart manufacturing, and integrating sustainability into its core strategy. Through these efforts, the company aims to enhance operational performance, create greater social value, and progress toward becoming a globally competitive API manufacturer.

Financial Performance of SCI Over the Past Five Years

	2020	2021	2022	2023	2024
Paid-in Capital (NT$ thousand)	794,853	953,824	953,824	1,195,087	1,195,087
Revenue (NT$ thousand)	2,689,222	864,217	899,738	1,204,159	1,523,738
Gross Profit (NT$ thousand)	1,274,328	208,089	291,179	350,323	410,665
Income Tax Expense (NT$ thousand)	95,091	9,810	79,040	69,469	112,179
Net Income (NT$ thousand)	360,124	55,696	308,780	294,721	534,678
Earnings Per Share (EPS, NT$)	3.78	0.58	3.24	2.70	4.47
Stock Dividends (NT$)	158,970,620	0	119,227,970	0	0
Cash Dividends (NT$)	39,742,655	0	23,845,593	149,385,793	179,262,951

Note: The financial information above includes the results of YUSHAN PHARMACEUTICALS, INC., a subsidiary of SCI.

0-2 Business Activities and Value Chain

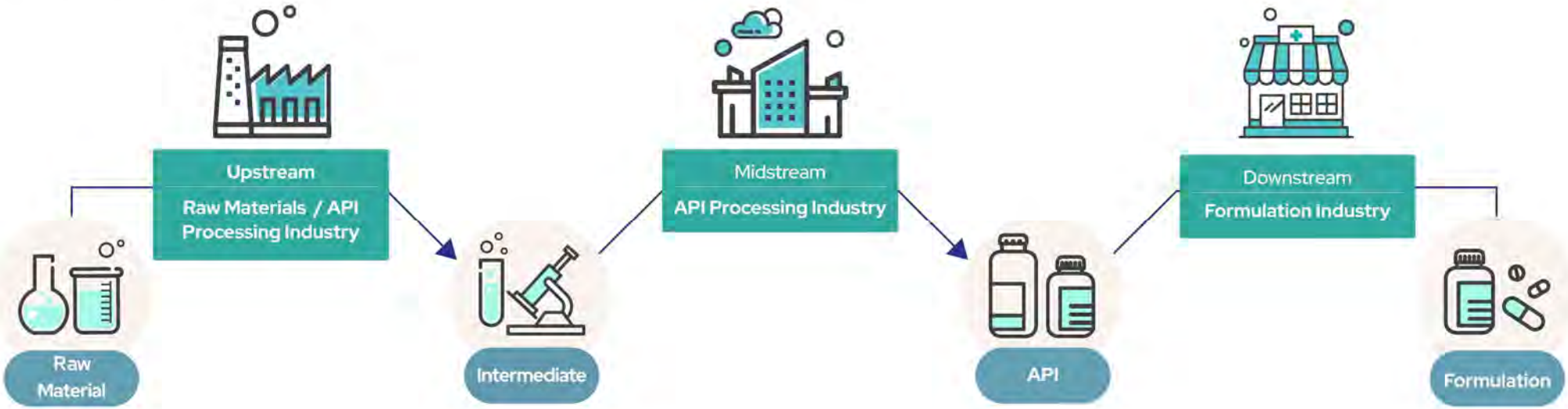
The pharmaceutical supply chain can be broadly divided into two major segments: upstream/midstream and downstream.

In the upstream and midstream stages, the process includes raw material supply and the manufacturing of active pharmaceutical ingredients (APIs). API production relies on raw materials derived from natural sources or general chemicals, which are further processed through chemical synthesis or semi-synthetic methods. As API manufacturing is predominantly part of the organic chemical industry, different production technologies and processes are applied depending on the nature of each compound.

The downstream segment involves formulation development and finished drug production. In this stage, APIs are combined with various excipients—such as fillers, disintegrants, binders, lubricants, and emulsifiers—to produce dosage forms suitable for clinical use, including tablets, capsules, and injectables.

SCI operates in the midstream segment of the pharmaceutical value chain, focusing on the manufacturing of APIs, advanced intermediates, and custom products. Our products are marketed in dozens of countries, with Europe and the United States being our primary sales regions. During the reporting period, API and intermediate sales accounted for approximately 98.7% of SCI's total revenue, making the company a critical supplier for major domestic and international pharmaceutical manufacturers.

No significant changes occurred in SCI's industry classification, value chain structure, or key business relationships during the reporting period.



Resilience and Recovery in API Business Performance

In recent years, APIs have consistently been SCI's core product line, typically contributing more than half of total revenue—reaching 72.98% in 2020. However, the fire incident in 2021 significantly disrupted production, causing total revenue to fall to NT$864 million, with API revenue declining to NT$397 million, or 45.89% of total sales.

In response to this challenge, SCI swiftly initiated recovery measures, reconstructed production lines, and rebalanced capacity allocation. As a result, revenue rebounded strongly in 2022 and 2023—reaching NT$899 million and NT$1.204 billion, respectively—representing over 40% growth across two years and demonstrating SCI's strong resilience and adaptability.

Revenue Contribution by Major Product Categories (NT$ thousand)

Year	2020		2021		2022		2023		2024	
Product Category	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
APIs	1,962,647	72.98%	396,602	45.89%	450,223	50.04%	718,312	59.65%	1,087,553	71.37%
API Intermediates	597,496	22.22%	451,915	52.29%	433,362	48.17%	471,644	39.17%	416,085	27.31%
Others	129,079	4.80%	15,700	1.82%	16,153	1.79%	14,203	1.18%	20,100	1.32%
Total	**2,689,222**	**100%**	**864,217**	**100%**	**899,738**	**100%**	**1,204,159**	**100%**	**1,523,738**	**100%**

Product Categories and Their Applications

SCI's APIs include both innovative drugs and generic APIs, with the majority being generic APIs. As the key therapeutic component in pharmaceuticals, the quality of APIs directly determines the safety, efficacy, and reliability of finished drug products.

API intermediates are produced during the complex multi-step synthesis process of APIs. They are highly diverse and widely applicable. Most intermediates produced by SCI serve as precursors for API synthesis, while some are used in the manufacture of specialty chemicals.

Specialty chemicals are typically manufactured under contract, serving specific customers with high-quality requirements. Leveraging advanced equipment and stringent pharmaceutical regulatory standards, SCI conducts scale-up and mass production—mainly supporting clients in the electronic chemicals sector.

SCI's Main Products and Their Applications

APIs

Main Product Name	Main Application
Valproic Acid	Antiepileptic, anticonvulsant
Probucol	Antihyperlipidemic
Divalproate Sodium	Antiepileptic, anticonvulsant
Propafenone HCl	Antiarrhythmic
Duloxetine HCl	Antidepressant
Clindamycin Palmitate HCl	Antibiotic
Articaine Hydrochloride	Local anesthetic
HOCLQ-Sulfate	Malaria, rheumatoid arthritis, systemic lupus erythematosus
Brinzolamide	Glaucoma treatment
Sodium Valproate	Antiepileptic, anticonvulsant
Pentobarbital Sodium	Anesthetic
Methylphenidate HCl	ADHD treatment
Bisoprolol Fumarate	Hypertension, angina pectoris
Thiopental Acid	Anesthetic
Loxoprofen Sodium Hydrate	Analgesic, antipyretic
Atomoxetine HCl	ADHD treatment
Cannabidiol (CBD)	Pediatric rare epilepsy, multiple sclerosis
Buprenorphine	Acute and chronic pain management
Adenine	Treatment for leukopenia
Pimobendan	Heart failure (for human and veterinary use)

Intermediates

Main Product Name	Main Application
Pent-2	Anesthetic agent
PGA	Anti-Parkinson's disease
NBE	Anesthetic / sedative for surgical use
5-HMT	Anti-HIV
BOV	Steroid intermediate
(S)-MMAA	Antidepressant
HOCLQ	Antimalarial
Prop-3	Antiarrhythmic
Thiazole acid	Antitumor
Olivetol	Antiepileptic
PMDOL	Antiepileptic

0-3 Customers and Markets

SCI's products are primarily sold to overseas markets. Over the past five years, exports have consistently accounted for around 90% of total sales, with major markets including Europe, the United States, and Japan. Our customers consist mainly of established multinational pharmaceutical companies that place strong confidence in the quality and reliability of SCI's products.

In 2024, export sales accounted for 90.51% of total revenue. Among export regions, Europe remained the largest market, representing 61.49%, followed by the Americas at 13.95% and Asia at 12.51%. Other regions accounted for 2.56%, while domestic sales made up 9.49%. Compared with 2023, regional distribution shifted as the European market rebounded significantly, contributing to overall export growth.

Looking back on recent years, SCI encountered simultaneous challenges in production capacity and market stability beginning in late 2020. Between 2022 and 2023, the company focused on production line restoration, strategic operational adjustments, and customer relationship stabilization, gradually regaining revenue levels. By 2023, sales reached NT$1.204 billion, approximately half of pre-incident performance.

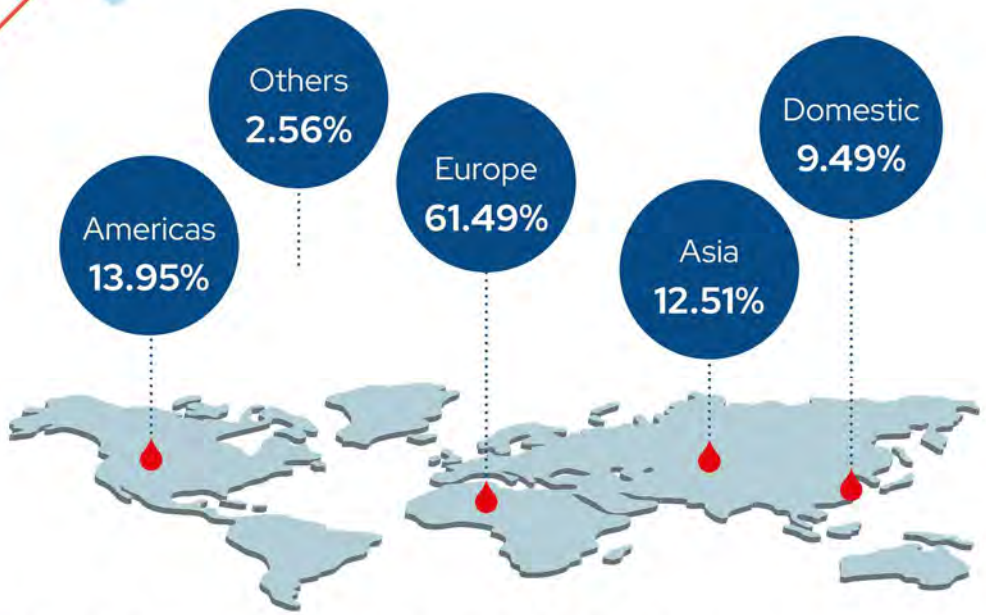
After three years of effort, SCI completed the full reconstruction of the Luzhu Plant in March 2024, including appropriate handling of compensation for damages to neighboring facilities. The site has transformed from post-incident devastation to a renewed, modern facility. Although revenue has not yet fully returned to pre-fire levels, SCI has passed through its most difficult period. With production capacity now fully restored, the company will continue expanding its market presence and advancing steadily into a new stage of development.

SCI's products are primarily sold to overseas markets. Over the past five years, exports have consistently accounted for around 90% of total sales, with major markets including Europe, the United States, and Japan. Our customers consist mainly of established multinational pharmaceutical companies that place strong confidence in the quality and reliability of SCI's products.

In 2024, export sales accounted for 90.51% of total revenue. Among export regions, Europe remained the largest market, representing 61.49%, followed by the Americas at 13.95% and Asia at 12.51%. Other regions accounted for 2.56%, while domestic sales made up 9.49%. Compared with 2023, regional distribution shifted as the European market rebounded significantly, contributing to overall export growth.

Looking back on recent years, SCI encountered simultaneous challenges in production capacity and market stability beginning in late 2020. Between 2022 and 2023, the company focused on production line restoration, strategic operational adjustments, and customer relationship stabilization, gradually regaining revenue levels. By 2023, sales reached NT$1.204 billion, approximately half of pre-incident performance.

After three years of effort, SCI completed the full reconstruction of the Luzhu Plant in March 2024, including appropriate handling of compensation for damages to neighboring facilities. The site has transformed from post-incident devastation to a renewed, modern facility. Although revenue has not yet fully returned to pre-fire levels, SCI has passed through its most difficult period. With production capacity now fully restored, the company will continue expanding its market presence and advancing steadily into a new stage of development.



Sales by Geographic Region (Unit: NT$ thousand)

Region / Year		2020		2021		2022		2023		2024	
		Sales Revenue	%	Sales Revenue	%	Sales Revenue	%	Sales Revenue	%	Sales Revenue	%
Export Sales	Europe	1,422,867	52.91%	467,009	54.04%	426,034	47.35%	636,052	52.82%	936,951	61.49%
	Americas	479,583	17.83%	119,785	13.86%	127,441	14.16%	183,510	15.24%	212,603	13.95%
	Asia	455,464	16.94%	202,435	23.42%	205,548	22.85%	246,601	20.48%	190,638	12.51%
	Others	106,839	3.97%	16,409	1.90%	31,395	3.49%	41,758	3.47%	39,016	2.56%
	Subtotal	2,464,753	91.65%	805,638	93.22%	790,418	87.85%	1,107,921	92.01%	1,379,208	90.51%
Domestic Sales		224,469	8.35%	58,579	6.78%	109,320	12.15%	96,238	7.99%	144,530	9.49%
Total		**2,689,222**	**100%**	**864,217**	**100%**	**899,738**	**100%**	**1,204,159**	**100%**	**1,523,738**	**100%**

0-4 Sustainability Issue Management

ESG Philosophy

SCI Pharmtech, Inc., established in 1987, upholds People, Teamwork, and Integrity as its core values. Guided by our Code of Ethical Conduct, Code of Business Integrity, and Employee Work Rules, SCI embeds ethical principles into daily operations and clearly defines reward and disciplinary measures, which are also incorporated into employee performance evaluations.

Now in its 37th year, SCI has grown into a professional manufacturer of intermediates and Active Pharmaceutical Ingredients (APIs). We continue advancing toward our vision of becoming a company recognized for producing APIs of the highest international quality, striving to secure a leading position in selected niche API markets worldwide.

Corporate Vision

For the health of human being, we contribute.

Corporate Values

Sustainability

Credibility

Innovation

Sustainability Development Committee

To proactively advance SCI's corporate sustainability actions and effectively implement initiatives related to energy conservation and carbon reduction, employee care, business development, and social welfare, SCI Pharmtech, Inc. established the Corporate Social Responsibility Promotion Committee in 2013. In response to regulatory changes, the committee was subsequently renamed the Sustainability Development Committee.

At the end of 2024, with approval from the Board of Directors, the Sustainability Development Committee was formally placed under the Board's supervision. Committee members include Chairman Dr. Wei-Chyun Wong, Independent Director Dr. Chia-Chun Jay Chen, and Independent Director Dr. Wei-Chung Wang.

The committee consists of six functional subcommittees, including the Executive Team, Business Development Team, Sustainable Environment Team, Energy Conservation and Carbon Reduction Team, Social Welfare Team, and Corporate Governance Team.

- The Executive Team is responsible for consolidating and planning SCI's overall sustainability strategy, as well as leading the preparation and compilation of the Sustainability Report.
- The Business Development Team focuses on market development and operational performance management, supporting sustainability topics related to customers, products, and innovation.
- The Sustainable Environment Team oversees the establishment of environmental management systems, regulatory compliance, and environmental protection objectives.
- The Energy Conservation and Carbon Reduction Team, an extension of the Sustainable Environment Team, is dedicated specifically to advancing SCI's energy and carbon management initiatives.
- The Social Welfare Team focuses on employee well-being, labor relations, and community engagement, thereby strengthening SCI's social impact.
- The Corporate Governance Team is responsible for ethical business practices, regulatory compliance, and risk management to ensure strong and effective governance mechanisms.

Through the coordinated efforts of all subcommittees, SCI is able to promote sustainability with greater focus, structure, and flexibility.

SCI Sustainability Development Committee – Organizational Structure

Responsibilities of the Sustainability Development Committee Subcommittees

Team	Executive Team	Business Development Team	Sustainable Environment Team	Energy Conservation and Carbon Reduction Team	Social Welfare Team	Corporate Governance Team
Responsibilities	• Coordinates and oversees SCI's overall sustainability strategies and action plans. • Consolidates subcommittee outcomes. • Leads the preparation of the Sustainability Report, including data collection, compilation, drafting, and publication.	• Responsible for market development and business strategy evaluation. • Manages operational performance to enhance competitiveness. • Supports sustainability topics related to customers, products, and innovation.	• Establishes and implements environmental management systems. • Ensures compliance with environmental regulations and international standards. • Oversees wastewater, waste, and toxic chemical management.	• Manages energy usage reporting and energy efficiency initiatives. • Promotes carbon reduction and sustainable resource utilization. • Supports GHG inventory and improvement measures.	• Develops employee care policies and welfare programs. • Strengthens labor-management relations and workplace safety. • Promotes community engagement and social contribution activities.	• Enhances corporate governance structures and internal controls. • Supports the Board in fulfilling governance responsibilities. • Ensures ethical business conduct, compliance, risk management, and sustainability practices.
Key Topics of Focus	• Business Integrity • Regulatory Compliance • Innovation and R&D • Occupational Health and Safety (OHS) • Toxic Chemical Management • Pharmaceutical Management and Safety • Customer Health and Safety	• Business Integrity • Customer Health and Safety • Customer Privacy • Innovation and R&D • Pharmaceutical Management and Safety	• Wastewater and Waste Management • Toxic Chemical Management • Pharmaceutical Management and Safety • Regulatory Compliance	• Wastewater and Waste Management • Innovation and R&D • Regulatory Compliance	• Labor Relations • Occupational Health and Safety (OHS) • Community Engagement • Regulatory Compliance	• Business Integrity • Regulatory Compliance • Customer Privacy

SCI Pharmtech believes that businesses should actively pursue sustainable development alongside their core operations. Through responsible corporate citizenship, we aim to contribute to the national economy, enhance the quality of life for our employees, communities, and society as a whole, and foster a competitive advantage rooted in sustainability. We integrate environmental, social, and governance factors into our management policies and operational activities. Our commitment to sustainable development is guided by four key principles: Strengthening Corporate Governance, Promoting a Sustainable Environment, Upholding Social Welfare, Enhancing ESG Disclosure.

Strengthening Corporate Governance

- The SCI Pharmtech Board of Directors should fulfill its duty of care as a good manager to supervise the company's implementation of sustainable development, regularly review its effectiveness, and make continuous improvements to ensure the implementation of sustainable development policies.
- The Board will authorize senior management to address economic, environmental, and social issues arising from business operations. Management will report on these matters to the Board, with clear and specific operational procedures and designated personnel in place.
- The company website will feature a dedicated stakeholder section, facilitating communication and understanding of stakeholder expectations and needs. The Board will ensure that material sustainability topics of concern to stakeholders are appropriately addressed.

Responsibilities of the Board

1. Establish a sustainability mission or vision and formulate sustainability policies, systems, and relevant management guidelines.
2. Integrate sustainability into the company's operations and development strategies, and approve concrete sustainability action plans.
3. Ensure the timely and accurate disclosure of sustainability-related information.

Upholding Social Welfare

- SCI Pharmtech upholds international human rights conventions and regulations, providing a safe, healthy, and career-enhancing work environment for our employees. We implement fair employee welfare measures and establish effective communication channels.
- SCI Pharmtech takes responsibility for our products and services, emphasizing marketing ethics. We ensure product information transparency and safety and have established customer rights policies to prevent any harm to customers from our products or services.
- We are dedicated to minimizing various impacts on consumers and society, including the environmental and social effects of our procurement practices on supplier communities. We also assess and manage risks that could disrupt our operations.
- We evaluate the impact of our operations on local communities and prioritize hiring local talent to enhance community identity. We actively contribute to community development through business activities, in-kind donations, corporate volunteerism, and other professional services for the public good.

Promoting a Sustainable Environment

- SCI Pharmtech adheres to environmental regulations and international standards, demonstrating a commitment to protecting the natural environment. We have established an environmental management system and strive to improve energy efficiency and reduce environmental impact throughout our operations and internal management.
- SCI Pharmtech has a dedicated environmental management unit responsible for formulating, implementing, and maintaining our environmental management system. We endeavor to minimize adverse effects on human health and the environment by adopting the best available pollution prevention and control measures.
- To assess potential risks and opportunities associated with climate change, we are progressively implementing GHG inventory and energy and resource reduction initiatives. The acquisition of carbon credits is also incorporated into our carbon reduction strategy planning.

Environmental Management Mechanism

1. Gather and evaluate comprehensive and timely information on the environmental impacts of our operations.
2. Establish measurable environmental sustainability goals and regularly review their progress and relevance.
3. Develop and implement concrete action plans and regularly assess their effectiveness.

Enhancing ESG Disclosure

- To enhance corporate transparency and comply with relevant regulations, SCI Pharmtech fully discloses sustainability-related information. We continuously monitor the development and changes in domestic and international sustainability standards and review and improve our established sustainability systems to enhance our ESG performance.

Sustainability Development Related Information

1. Sustainability development policies, systems, and related management guidelines, as well as specific implementation plans.
2. Plans, goals, measures, performance, future improvement directions, and targets formulated by the company for ESG aspects of sustainable development.
3. Risks and impacts of ESG-related plans on the company's operations and finances.
4. Stakeholders and their areas of concern.
5. Information on suppliers' management and performance related to environmental and social issues.

Materiality Assessment and Stakeholder Engagement

Materiality Identification and Analysis Process

Identification of Stakeholders

- Operational Scope: SCI Pharmtech, Inc.
- In accordance with the AA1000 SES and its five principles, SCI identifies six major stakeholder groups essential to our operations:
- Employees
- Customers
- Suppliers
- Shareholders / Investors
- NGOs/ Communities / Neighboring Companies
- Government agencies / Regulators

Identification of Actual and Potential Impacts 18 Sustainability Topics

- SCI identifies sustainability topics by referencing:
- GRI Standards
- UN SDGs
- Industry trends and peer benchmarking
- Stakeholder feedback and communication outcomes
- TCFD and SASB frameworks
- Based on these sources and SCI's operational characteristics, we consolidated sustainability topics relevant to our business.
- Compared with the previous year, SCI added three new topics in 2024:

1. Toxic Chemical Management
2. Innovation and R&D
3. Pharmaceutical Management and Safety

The number of topics increased from 15 in 2023 to 18 in 2024.

Assessment of Impact and Level of Stakeholder Concern Approximately 200

- To determine the level of concern across different sustainability topics:
- SCI surveyed all six stakeholder groups to evaluate the degree of importance they assign to each topic.
- Representatives from SCI's Sustainability Promotion Teams provided a ranking of topic importance for each stakeholder type, forming the basis for weighting calculations.
- Senior management assessed each topic's actual and potential impacts on SCI's operations, including revenue, cost, customer satisfaction, employee engagement, and social influence.

Determination of Material Topics

- Based on the results of stakeholder concern and impact assessment, SCI selected 10 material topics for reporting and aligned them with their corresponding GRI topics, forming the final list of material topics disclosed in this report.

Stakeholder Identification and Engagement

SCI conducts regular identification and classification of stakeholders based on our operational characteristics and internationally recognized sustainability standards. This process ensures comprehensive coverage of all groups that may influence, or be influenced by, SCI's operations. The process is as follows:

Step 1: Define Stakeholder Categories and Coverage

Based on industry trends, the AA1000 Stakeholder Engagement Standard (AA1000 SES), and past engagement experience, the Executive Team of the Sustainability Development Committee consolidates preliminary assessments to confirm the major stakeholder categories and the scope of stakeholders included.

Step 2: Importance Ranking by Department Representatives

Each department evaluates the stakeholders relevant to their business activities and provides an importance ranking based on the following dimensions: (1) Degree of dependence, (2) Level of concern, (3) Influence, and (4) Responsibility relationship.

These evaluations form the basis for determining the relative importance of each stakeholder group.

Step 3: Calculation of Stakeholder Weighting

The results from all departments are aggregated and quantified to calculate the weighting for each stakeholder category. These weights serve as the basis for subsequent analysis of stakeholder concerns.

Through this process, SCI identifies **six major stakeholder categories.**

Stakeholder Communication Channels and Frequency

SCI adopts tailored communication strategies for different stakeholder groups, engaging through various approaches—including one-way, two-way, one-to-many, and many-to-one interactions. Detailed information is presented in the section "Stakeholder Concerns and Communication Summary."

Each department communicates with stakeholders through routine business interactions, surveys, interviews, and analytical assessments. Due to the nature of their respective operations, different stakeholders may focus on different sustainability topics. Therefore, SCI employs diversified communication channels to accurately understand stakeholder needs and expectations, integrate these perspectives into operational decision-making, and provide appropriate responses to issues of concern.

Stakeholder Concerns and Communication Summary

Stakeholders	Topics of Concern	Communication Channels and Response Methods	Frequency
Employees	• Email and bulletin board announcements • LINE group messages • Training and development programs • HR services and health consultations • Health examinations; on-site physician and nurse consultations • Labor-Management Meetings and OHS Committee Meetings • Supervisor mailbox / Employee suggestion mailbox • Grievance and whistleblowing mechanisms	• Ongoing / As needed • Ongoing / As needed • As needed • As needed • Regular • Quarterly • Ongoing / As needed • Ongoing / As needed	• Labor Relations • Occupational Health and Safety (OHS) • Business Integrity • Regulatory Compliance
Customers	• Customer satisfaction survey • Production and sales coordination meetings • Customer audits • Telephone / email communication • Trade show interactions	• Annual • Weekly • As needed • Ongoing • Regular	• Customer Health and Safety • Customer Privacy • Pharmaceutical Safety and Quality • Business Integrity
Suppliers	• Telephone / email communication • Supplier questionnaires • Supplier audits	• As needed • Regular • Regular	• Business Integrity • Regulatory Compliance • Toxic Chemical Management • Air Emissions, Waste, and Wastewater Management
Shareholders / Investors	• Annual General Shareholders' Meeting • Investor conferences • Telephone / email responses • Company website announcements • Public disclosure via MOPS • Communication Channel / Response Mechanism	• Annual • As needed • Ongoing • Regular • As needed • Frequency	• Business Integrity • Regulatory Compliance • Pharmaceutical Safety and Quality • Innovation and R&D
NGOs/ Communities / Neighboring Companies	• Telephone / email communication • Phone interviews and in-person coordination • Coordination with public notaries and spokespersons	Ongoing As needed As needed	• Air Emissions, Waste, and Wastewater Management • Occupational Health and Safety (OHS) • Toxic Chemical Management Labor Relations
Government Agencies / Regulators	• Official letters, regulatory notices, inspections • Participation in regulatory briefings and seminars • Telephone, written correspondence, email communication	As needed As needed Ongoing	• Regulatory Compliance • Toxic Chemical Management • Occupational Health and Safety (OHS) • Pharmaceutical Safety and Quality

Materiality Matrix and Topic Prioritization

To effectively understand the sustainability topics that matter most to our stakeholders, SCI adopts a structured survey approach and multi-dimensional analysis to ensure that material topics reflect stakeholder expectations while aligning with the company's strategic priorities.

Step 1: Collection of Stakeholder Questionnaires

Questionnaires covering 18 sustainability topics were distributed to all stakeholder groups, requesting respondents to rate each topic based on their level of concern.

In 2024, SCI collected approximately 200 responses, representing both internal and external stakeholders.

Step 2: Analysis of Stakeholder Concern and Operational Impact

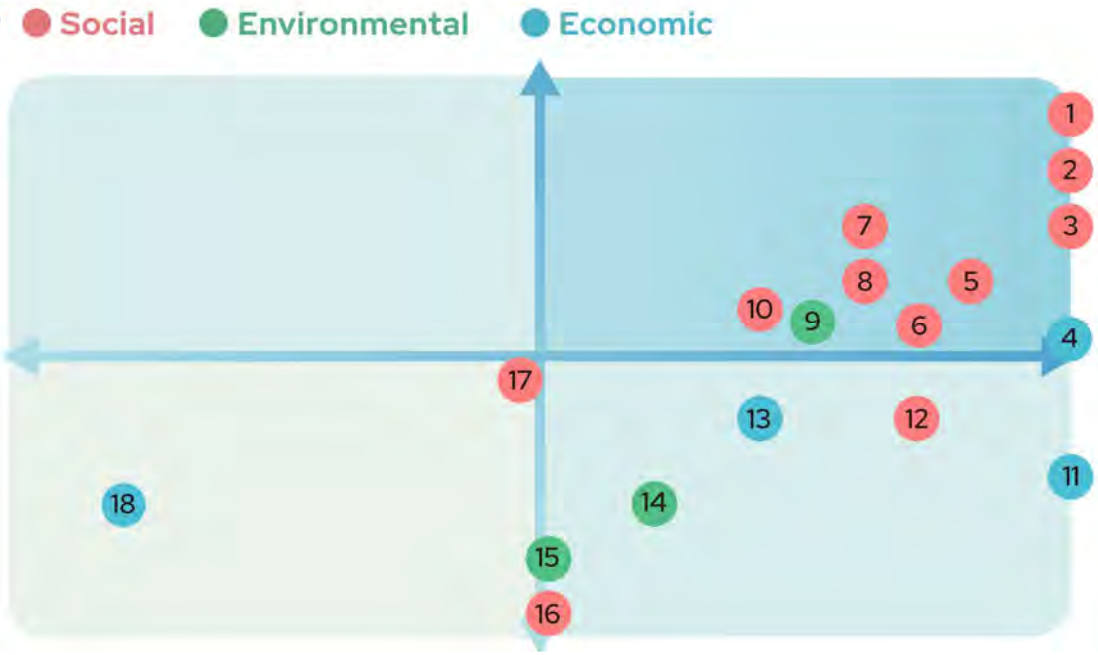
Survey results were used to calculate the level of stakeholder concern for each topic.

In parallel, senior management assessed the operational impact of each topic on SCI—including implications for revenue, cost, customer satisfaction, employee engagement, and social influence.

Step 3: Materiality Matrix Analysis and Topic Confirmation

Using a nine-quadrant materiality matrix (dual-axis model), SCI consolidated the results to identify the most critical sustainability topics.

Following review and approval by the Sustainability Development Committee, 10 material topics were finalized as the focus for sustainability management and disclosure in this report.



No.	Category	Consideration Aspect (Topic)
1	Social	Pharmaceutical Management and Safety
2	Social	Regulatory Compliance
3	Social	Toxic Chemical Management
4	Economic	Innovation and R&D
5	Social	Occupational Health and Safety (OHS)
6	Social	Customer Health and Safety
7	Social	Business Integrity
8	Social	Customer Privacy
9	Environmental	Wastewater and Waste Management
10	Social	Labor Relations
11	Economic	Economic Performance
12	Social	Customer Relationship Management
13	Economic	Supply Chain Management
14	Environmental	Energy Resource Management and Greenhouse Gas Emissions
15	Social	Training and Education
16	Environmental	Green Products
17	Social	Community Engagement
18	Economic	Post-Disaster Reconstruction

Material Topics and Value Chain Impact

● High Impact ▲ Medium Impact ○ Low or Indirect Impact

Material Topic	Relevance to SCI Pharmtech	GRI Disclosure	Stakeholder					
			Employees	Customers	Suppliers	Shareholders/Investors	NGOs/Communities/ Neighboring Companies	**Government/ Regulators**
Pharmaceutical Management and Safety	The quality, safety, and traceability of pharmaceutical products are directly linked to public health. SCI has established a comprehensive product lifecycle management system that controls every stage—from raw material sourcing and production to distribution—fully in compliance with the Pharmaceutical Affairs Act and international regulations.	GRI 416-1 GRI 416-2	○	●	●	○	○	●
Regulatory Compliance	SCI strictly complies with all applicable environmental, labor, safety, and pharmaceutical regulations. Internal control and audit mechanisms ensure operational consistency with regulatory requirements, reducing compliance risks and operational interruptions.	GRI 2-27	●	▲	○	●	○	●
Toxic Chemical Management	Following the major fire incident in 2020, SCI strengthened the identification, storage, and handling of hazardous chemicals, recognizing chemical safety as a top priority for operational sustainability and stakeholder protection.	Custom Topic	●	●	▲	●	●	○
Innovation and R&D	SCI focuses on API innovation and R&D, investing resources to enhance technology platforms, improve product quality, and increase process efficiency. Strategic investments, including Jiazheng Biotech, expand SCI's innovation capacity and competitive advantage.	Custom Topic	○	●	○	●	○	○
Occupational Health and Safety (OHS)	The pharmaceutical industry involves high-risk processes and chemicals. SCI enforces robust OHS systems through training, standardized procedures, and protective measures to reduce safety risks and safeguard employees.	GRI 403	●	▲	○	○	○	○

Material Topic	Relevance to SCI Pharmtech	GRI Disclosure	Stakeholder					
			Employees	Customers	Suppliers	Shareholders/Investors	NGOs/Communities/ Neighboring Companies	**Government/ Regulators**
Customer Health and Safety	SCI manufactures pharmaceuticals in accordance with global standards (ISO 9001, GDP, cGMP) and undergoes international regulatory inspections to ensure product quality and end-user safety.	GRI 416-1 GRI 416-2	○	●	●	○	○	○
Business Integrity	Integrity forms the foundation of SCI's business operations. Internal controls, compliance programs, anti-corruption practices, and fraud-prevention mechanisms ensure decisions and behaviors adhere to legal and ethical standards.	GRI 205-3	○	▲	▲	●	○	▲
Customer Privacy	As digitalization grows, data protection has become essential to building trust. SCI enforces information security and personal data protection measures to safeguard customer and patient privacy in accordance with legal requirements.	GRI 418-1	○	●	○	●	○	●
Wastewater and Waste Management	Improper handling of wastewater and waste may significantly impact the environment. SCI partners with Veolia through the joint venture Framosa to enhance wastewater treatment and solvent recovery, promoting circular economy practices.	GRI 303-3 GRI 306-4 GRI 306-5	○	▲	▲	▲	●	●
Labor Relations	Employees are SCI's most important asset. SCI promotes workplace well-being, open communication, diversity and inclusion, and strong labor relations to support organizational stability and employee engagement.	GRI 401-1	●	▲	▲	○	○	○

Changes in Material Topics Compared with the Previous Year

In response to evolving external conditions and shifting stakeholder expectations, SCI conducted a reassessment of material topics in 2024 and identified 10 material topics for disclosure. Among them, six topics—Wastewater and Waste Management, Occupational Health and Safety, Customer Health and Safety, Business Integrity, Regulatory Compliance, and Labor Relations—were carried over from 2022–2023, demonstrating their continued importance to SCI's operations and long-term sustainability.

In addition, four new topics were added in 2024: Toxic Chemical Management, Customer Privacy, Pharmaceutical Management and Safety, and Innovation and R&D. These additions reflect SCI's heightened attention—following post-disaster reconstruction—toward operational risk control, information security and privacy protection, product responsibility, and innovation capability.

On the other hand, three topics that were considered material in 2022–2023—Energy Resource Management and Greenhouse Gas Emissions, Post-Disaster Reconstruction, and Economic Performance—were not included as material topics in 2024. This was primarily due to reduced stakeholder concern or lower relative impact. Nonetheless, SCI continues to manage and disclose the progress of these topics in this report.

No.	Material Topic (2022–2023)	Carried Over to 2024	Material Topic in 2024
1	Energy Resource Management and Greenhouse Gas Emissions	X Not continued	–
2	Wastewater and Waste Management	✓ Continued	Wastewater and Waste Management
3	Post-Disaster Reconstruction	X Not continued	–
4	Economic Performance	X Not continued	–
5	Occupational Health and Safety (OHS)	✓ Continued	Occupational Health and Safety (OHS)
6	Customer Health and Safety	✓ Continued	Customer Health and Safety
7	Labor Relations	✓ Continued	Labor Relations
8	Business Integrity	✓ Continued	Business Integrity
9	Regulatory Compliance	✓ Continued	Regulatory Compliance
-	-	▲ Added	Toxic Chemical Management
-	-	▲ Added	Customer Privacy
-	-	▲ Added	Pharmaceutical Management and Safety
-	-	▲ Added	Innovation and R&D

Chapter 1

Integrity and Transparent Management

SCI has always approached all stakeholders with honesty and integrity, striving to enhance corporate transparency across all operations. Integrity is deeply embedded in SCI's core values, and the Company maintains a zero-tolerance stance toward any dishonest or unethical behavior. Guided by the principles of ethical conduct and legal compliance, SCI consistently strengthens corporate governance and risk management across the organization.

SCI's governance structure is led by the Board of Directors, which oversees business operations in accordance with the Company Act, the Securities and Exchange Act, and relevant regulatory requirements. All governance activities follow the Company's Articles of Incorporation, internal control systems, and Code of Ethical Conduct to ensure compliance with legal and ethical standards. Stakeholders may access SCI's material information and sustainability progress through publicly disclosed channels in a timely and transparent manner.

To further cultivate a culture of integrity and reduce operational risks, SCI advances the following initiatives from the top down:

1

System Development and Internal Control Enhancement

Continuously strengthening internal audits and risk management mechanisms, particularly in high-risk areas such as process safety and regulatory compliance, to ensure effective oversight and operational resilience.

2

Ethical Training and Employee Awareness

Conducting regular training on conflicts of interest, anti-corruption, and cGMP compliance to reinforce ethical awareness, professional responsibility, and a culture of accountability among employees.

3

Digital Governance and Technology Integration

Advancing system-based management by incorporating document control, training management, and regulatory tracking into digital platforms to enhance transparency, traceability, and real-time responsiveness.

SCI firmly believes that compliance, integrity, and transparency form the foundation of sustainable business operations. We remain committed to upholding the principles of quality, safety, compliance, and transparency, ensuring that SCI continues to be a trusted partner for global API customers.

GRI Standards	GRI 205-3	SDGs	
Material Topics	**Integrity Management, Legal Compliance, Customer Privacy**		
Impact Description	Robust corporate governance and effective internal control mechanisms help ensure operational efficiency, reliable, timely, and transparent reporting, and full compliance with relevant laws and regulations. These mechanisms also enable SCI Pharmtech to promptly identify deficiencies within internal systems and implement necessary corrective actions.		
Management Approach	Functional Committee Operations	Internal Control and Audit	Enhancing Information Transparency	Building an Integrity Culture
Management Performance	• Held 6 Board meetings, 6 Audit Committee meetings, and 3 Remuneration Committee meetings in 2024; published the Sustainability Report and Statement on Internal Control Effectiveness. • Board performance evaluation results confirmed smooth operations, with directors affirming overall execution performance.	• Completed the 2024 Internal Control Effectiveness Assessment, confirming that the design and implementation of SCI's internal control system were effective and capable of reasonably ensuring the achievement of corporate objectives. • No deficiencies were identified in the internal audit plan.	• Held 1 investor conference in 2024 to communicate operational updates to external stakeholders. • Completed all regulatory disclosures; no penalties or violations related to reporting obligations occurred in 2024.	• Conducted annual employee training; beginning in 2024, SCI launched online training for 250 employees, covering the Code of Ethical Conduct, Procedures for Handling Material Inside Information, and related topics. • Employees participated in external training related to integrity management and corporate governance in 2024, totaling 116 training hours.

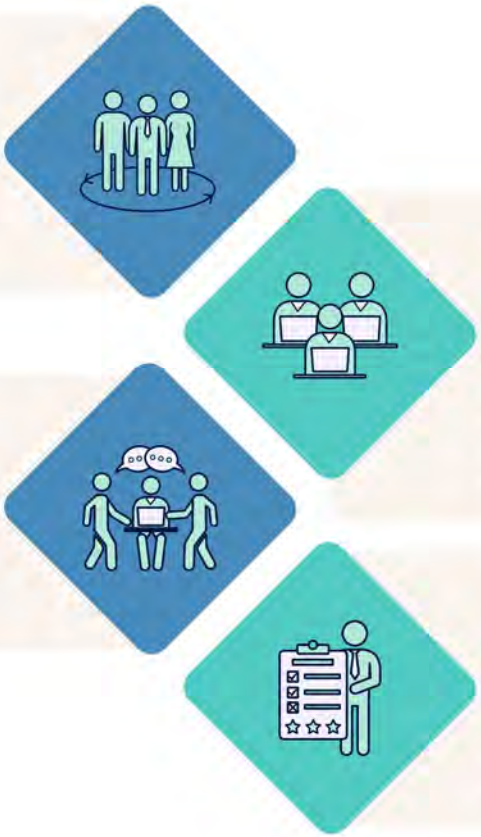
1-1 Corporate Governance

The Board of Directors of SCI Pharmtech, Inc. serves as SCI's highest governance body and the core of major business decision-making. The Board is responsible for appointing and overseeing senior management, reviewing business performance, preventing conflicts of interest, and ensuring compliance with all applicable laws and regulations.

To enhance governance effectiveness, SCI appoints Board members in accordance with the Company Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Board composition is guided by management judgment and evaluated across multiple dimensions, including professional expertise (such as accounting and financial analysis), crisis management, leadership and decision-making capability, as well as knowledge of the industry and global markets. Through this diversified selection process, SCI continues to strengthen the Board's professionalism and decision-making quality, ensuring that corporate governance aligns with the latest international standards and best practices.

Board Diversity and Independence

In 2024, the Board of Directors continued to consist of seven members, serving a three-year term. Among them, three are Independent Directors, representing 43% of the Board. The Board members possess diverse professional backgrounds, including finance, legal affairs, industry analysis, and international market knowledge, supporting a comprehensive and well-rounded governance structure.



Functional Committees

To uphold corporate governance principles, strengthen risk control, and safeguard the rights of investors and stakeholders, major Board resolutions are promptly disclosed on the Market Observation Post System (MOPS). Information related to director compensation, Board operations, and conflict-of-interest recusals is available to domestic and international investors. SCI has established three functional committees—the Remuneration Committee, Audit Committee, and Sustainability Development Committee—all composed of Independent Directors to ensure objectivity and enhanced oversight.

Board Training and Collective Knowledge

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, SCI arranges external training for Board members. In 2024, the Board completed 84 hours of continuing education, covering regulatory updates, sustainability issues, and industry trends. These programs also strengthen strategic dialogue and collective intelligence among directors, improving the quality of decision-making.

Board Performance Evaluation

In 2024, SCI conducted annual Board performance evaluations based on the Board Performance Evaluation Guidelines approved in 2019. The assessment covers overall Board performance, committee effectiveness, and individual director contributions. Evaluation results serve as key references for director nomination and incentive mechanisms, facilitating continuous enhancement of SCI's corporate governance practices.

Board Members

To uphold the principles of fairness, impartiality, and transparency, SCI Pharmtech, Inc. has established a formal procedure for the selection of directors, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The nomination and election of directors consider the overall composition of the Board and the company's operational characteristics and developmental needs, following a diversified structure based on two major dimensions:

1. Fundamental Attributes and Values:
   Including gender, age, nationality, and cultural background.
2. Professional Expertise:
   Including legal affairs, accounting, industry expertise, finance, marketing, and technology.

The Board as a whole must possess the following competencies: operational judgment, financial analysis, business management, crisis response, industry knowledge, international perspective, leadership, and decision-making capability. To maintain independence, more than half of the directors must not have a familial relationship within the second degree of kinship. The Board may adjust its composition as needed, taking Board performance evaluation results into consideration.

Independent Directors are appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and relevant corporate governance regulations, using a candidate nomination system. Elections are conducted using a cumulative voting mechanism, with Independent Directors and non-Independent Directors elected separately based on the number of votes received. The Board assigns personnel to supervise ballot counting to ensure openness and transparency. Elected directors are formally notified by the company and complete subsequent procedures in accordance with the Articles of Incorporation.

SCI's Board members possess diverse academic and professional backgrounds spanning law, finance, chemistry, and related fields, providing the expertise required for the company's operations and long-term development. The Board convenes at least once per quarter; in 2024, a total of six Board meetings were held. Directors demonstrated strong engagement and maintained high attendance, contributing their professional insights during discussions of major matters.

The Board is chaired by Dr. Wei-Chyun Wong, who does not concurrently serve as President or any senior executive. The Chairperson is responsible for corporate governance and strategic oversight.

SCI has established robust internal communication and supervisory mechanisms. When events arise that may significantly affect the company's operations, finance, or reputation, they must be immediately reported to the highest governance body (the Board of Directors). Depending on the nature of the issue, the Board may convene an ad hoc meeting or include the matter in a regular Board agenda to ensure prompt decision-making and transparent information flow.

During the reporting period, no critical incidents requiring escalation to the Board occurred; therefore, the number of such communications with the highest governance body was zero.

A Board of Directors with Diverse Professional Expertise

Title	Name	Gender	Major Education & Experience	Current Positions in SCI and Other Companies	Material Topics Participated	Age Range	Meetings Attended	Attendance Rate (%)
Chairman	Dr. Wei-Chyun Wong	Male	Ph.D. in Chemistry, University of Pennsylvania; Former Researcher, Industrial Technology Research Institute; Former President, SCI	Note 1	• Integrity Management • Labor Relations	60~69	6	100%
Director	Hsiang-Li Chen	Male	MBA, Georgetown University; Chairman, MERCURIES & ASSOCIATES, LTD.	Note 2	• Occupational Health & Safety • Integrity Management • Legal Compliance • Customer Privacy • Labor Relations	50~59	6	100%

Title	Name	Gender	Major Education & Experience	Current Positions in SCI and Other Companies	Material Topics Participated	Age Range	Meetings Attended	Attendance Rate (%)
Director	Yen-Ju Chen (Reassigned on 2024.5.9)	Female	MBA, Northwestern University; Manager, McKinsey & Company	—	• Toxic Chemical Management • Occupational Health & Safety • Customer Health & Safety • Integrity Management • Legal Compliance • Customer Privacy • Product Safety & Quality • Wastewater & Waste Management • Labor Relati	50~59	2	100%
Director	Ching-Hsin Hsu (New appointed on 2024.5.10)	Female	LL.M., Northwestern University; Associate Partner, Formosan Brothers Attorneys-at-Law; Judge, Keelung District Court	Note 3	• Occupational Health & Safety • Customer Health & Safety • Product Safety & Quality • Innovation & R&D	40~49	4	100%
Director	Dr. Wen-Chih Chou	Male	Ph.D. in Chemistry, National Taiwan University; Former Researcher, Development Center for Biotechnology; Former R&D Manager, Production Manager, and Plant Director of SCI	President, SCI; Director, Yushan Pharmaceuticals, Inc.; Supervisor, Honey-Bear Biosciences, Inc.	• Toxic Chemical Management • Occupational Health & Safety • Customer Health & Safety • Product Safety & Quality • Wastewater & Waste Management • Innovation & R&D	60~69	6	100%
Independent Director	De-Cheng Tu	Male	MBA, University of Houston; General Manager, Uni-President International Development Co., Ltd.	Independent Director, MERCURIES & ASSOCIATES HOLDING, LTD.; Independent Director, Mercuries Life Insurance Co., Ltd.	• Toxic Chemical Management • Occupational Health & Safety • Customer Health & Safety • Product Safety & Quality • Wastewater & Waste Management • Innovation & R&D	60~69	6	100%
Independent Director	Dr. Chia-Chun Jay Chen	Male	Ph.D. in Chemistry, Harvard University; Professor, National Taiwan Normal University; Associate Professor, National Chung Cheng University	Research Chair Professor, National Taiwan Normal University	• Integrity Management • Legal Compliance • Customer Privacy • Labor Relations • Innovation & R&D	60~69	6	100%

Title	Name	Gender	Major Education & Experience	Current Positions in SCI and Other Companies	Material Topics Participated	Age Range	Meetings Attended	Attendance Rate (%)
Independent Director	Wei-Chung Wang	Male	M.S. in Finance and Entrepreneurship Management, The Wharton School, University of Pennsylvania; Director, EasyCard Corporation; Director, Taiwan Sugar Corporation; Board Member, Venture Capital Association R.O.C.	Chairman & CEO, Hua Yang SME Development Associate Inc.; Director, Uni-President Asset Management Corporation; Adjunct Associate Professor, National Taiwan University	• Integrity Management • Labor Relations	40~49	6	100%

Note 1

1. Chairman and President of Yushan Pharmaceuticals, Inc.; Chairman of SCI Pharmtech, Inc., Standful Investments Limited, Treeman Investment Limited, and the Shui-Mu Chemical Education Foundation.
2. Director of MERCURIES & ASSOCIATES HOLDING, LTD., Shurong Co., Ltd., Simple Mart Retail Co., Ltd., Mercuries Food & Beverage Co., Ltd., Mercuries Life Insurance Co., Ltd., Taiwan Celebrity Golf Promotion Foundation, Kaohsiung Lishueh Education Foundation, Framosa Co., Ltd., and Energenesis Biomedical Co., Ltd.
3. Director of the Criminal Investigation and Prevention Association, R.O.C.

Note 2

1. Chairman of MERCURIES & ASSOCIATES HOLDING, LTD., Mercuries Multimedia Co., Ltd., Mercuries Leisure Industry Co., Ltd., and Shang-Hong Investment Co., Ltd.
2. Director of SCI Pharmtech, Inc., MERCURIES & ASSOCIATES, LTD., Mercuries Life Insurance Co., Ltd., Mercuries Computer Co., Ltd., Simple Mart Retail Co., Ltd., Shang-Lin Investment Co., Ltd., Mercuries Foods Co., Ltd., Mercuries Food & Beverage Co., Ltd., Xinpu Market Co., Ltd., Taiwan Celebrity Golf Promotion Foundation, Chinese Gourmet Culture Foundation, and Simple Mart Retail Investment Co., Ltd.
3. Executive Director of the Taiwan Beep Baseball Promotion Association

Note 3

1. Chief Legal Officer and Chief Sustainability Officer of MERCURIES & ASSOCIATES HOLDING, LTD.
2. Vice Chairperson of Mercuries Life Insurance Co., Ltd.
3. Director of Nankang International I Co., Ltd., Nankang International II Co., Ltd., Framosa Co., Ltd., and Yushan Pharmaceuticals, Inc.
4. Independent Director of YungShin Biotechnology Co., Ltd. and Eastern Broadcasting Co., Ltd.
5. Director of the National Bar Association, Taiwan

Note 4

The Chairman does not concurrently serve as President or any senior executive of SCI.

Board Collective Intelligence and Professional Training

To ensure that the Board of Directors effectively fulfills its supervisory and decision-making responsibilities, SCI continues to strengthen directors' professional development, enhancing the highest governance body's understanding and responsiveness to key sustainability issues. In 2024, all directors completed multiple training programs covering corporate governance, ESG, risk management, legal compliance, and industry trends, reinforcing the Board's role as the core of organizational governance and enhancing its collective intelligence.

In addition to general corporate governance and compliance topics, director training courses were closely aligned with SCI's material sustainability topics for the year, including integrity management, legal compliance, product safety and quality, customer health and safety, occupational health and safety, and innovation and R&D. These programs equip directors with forward-looking perspectives and professional judgment when addressing sustainability-related risks and opportunities.

2024 Board Training and Material Topics Mapping Table

Title	Name	Training Topic	Training Institution (Full English Name + Abbreviation)	Hours	Corresponding Material Topic(s)
Chairman	Wei-Chyun Wong	Corporate Governance and Securities Regulations	Taiwan Corporate Governance Association (TCGA)	3	Legal Compliance
		Cybersecurity Governance under Corporate Governance and Future Development Trends	TCGA	3	Customer Privacy; Legal Compliance
		Uncovering International Competitiveness of Taiwanese Enterprises amid Global Competition	Taiwan Institute of Directors (TIOD)	3	Innovation & R&D
		Business Considerations and Legal Risk Analysis in Corporate Decision-Making	TCGA	3	Legal Compliance; Integrity Management
		ESG-Related Legal Issues for Boards to Consider	TCGA	3	Legal Compliance; Integrity Management
		IFRS 17 Implementation and Insights on International Business Strategy	Deloitte Taiwan (Deloitte)	3	Legal Compliance; Integrity Management
		Fair and Equitable Treatment of Vulnerable Customers—A Board Perspective	Taipei Life Insurance Association (TLIA)	3	Labor Relations; Customer Health & Safety
		International Anti-Corruption Practices, Whistleblower Protection, and Anti-Money Laundering	Taiwan Insurance Institute (TII)	3	Integrity Management

Title	Name	Training Topic	Training Institution (Full English Name + Abbreviation)	Hours	Corresponding Material Topic(s)
Director	Hsiang-Li Chen	Information Disclosure Mechanisms and Related Regulations	Business Council for Sustainable Development Taiwan (BCSD Taiwan)	3	Legal Compliance; Integrity Management
		Cybersecurity Governance under Corporate Governance and Future Development Trends	TCGA	3	Customer Privacy
		IFRS 17 Implementation and Insights on International Business Strategy	Deloitte	3	Integrity Management
		Fair and Equitable Treatment of Vulnerable Customers–A Board Perspective	TLIA	3	Labor Relations
Director	Hsu, Ching-Hsin	Corporate Governance and Securities Regulations	TCGA	3	Legal Compliance
		Cybersecurity Governance under Corporate Governance and Future Development Trends	TCGA	3	Customer Privacy
		Uncovering International Competitiveness of Taiwanese Enterprises amid Global Competition	TIOD	3	Innovation & R&D
		IFRS 17 Implementation and Insights on International Business Strategy	Deloitte	3	Integrity Management
		Fair and Equitable Treatment of Vulnerable Customers–A Board Perspective	TLIA	3	Labor Relations
Director	Wen-Chih Chou	KPMG Leadership Academy Forum		3	
		Uncovering International Competitiveness of Taiwanese Enterprises amid Global Competition	Taiwan Corporate Directors Association (TCDA)	3	Innovation & R&D

Title	Name	Training Topic	Training Institution (Full English Name + Abbreviation)	Hours	Corresponding Material Topic(s)
Independent Director	Teh-Cheng Tu	Cybersecurity Governance under Corporate Governance and Future Development Trends	TCGA	3	Customer Privacy
		ESG Trends and Sustainability Reporting Practices	Securities Association of Taiwan (SAT)	3	Legal Compliance
		Fair and Equitable Treatment of Vulnerable Customers—A Board Perspective	TLIA	3	Labor Relations
		IFRS 17 Implementation and Insights on International Business Strategy	Deloitte	3	Integrity Management
Independent Director	Chia-Chun Jay Chen	Uncovering International Competitiveness of Taiwanese Enterprises amid Global Competition	TIOD	3	Innovation & R&D
		ESG Trends and Sustainability Reporting Practices	SAT	3	Legal Compliance
Independent Director	Wei-Chung Wang	KPMG Leadership Academy Forum	TCDA	3	Innovation & R&D
		Emerging Securities Crimes and Market Manipulation under Corporate Governance	SAT	3	Legal Compliance; Integrity Management

1-2 Remuneration Policy

SCI has established a competitive remuneration system designed to attract, motivate, and retain outstanding talent, thereby supporting the company's stable operations and sustainable development. The Remuneration Committee, consisting of three Independent Directors, assists the Board of Directors in evaluating the remuneration levels of Directors and managerial officers, reviewing the alignment between compensation and corporate performance, and providing recommendations on remuneration systems and incentive mechanisms.

The Remuneration Committee regularly reviews market benchmark data and industry compensation surveys—including information provided by peer companies and professional consulting firms—to ensure that SCI's remuneration policies remain fair, competitive, and performance-driven. The distribution of employee and Director compensation is reported to the Shareholders' Meeting in accordance with laws and regulations, and disclosed in SCI's Annual Report and on the Market Observation Post System (MOPS).

According to SCI's Articles of Incorporation, if the company generates profit in a given fiscal year, no less than 3% of the pre-tax net profit shall be allocated as employee compensation, and no more than 2% shall be allocated as Director remuneration. If accumulated losses remain, profit must first be retained for loss recovery before any distribution is made.

In addition, SCI has established the "ESG Performance and Executive Compensation Alignment Policy" to balance market competitiveness with organizational performance, while embedding sustainability objectives into executive incentive structures. ESG performance is incorporated into the performance evaluation framework for senior managerial officers and is linked to variable compensation and long-term incentive mechanisms, thereby strengthening awareness of sustainable management across the organization.

Key mechanisms include:

- Integrating environmental, social, and governance metrics into annual performance assessments, with weighted scoring adjusted according to position level.
- Applying tiered performance evaluation systems to determine year-end bonuses and other forms of short-term variable compensation.
- Ensuring that, in the event SCI adopts long-term incentive mechanisms such as stock options in the future, these incentives will also be tied to ESG performance to drive strategic implementation of sustainability goals.

SCI remains committed to maintaining a transparent, fair, and performance-oriented remuneration governance system, ensuring alignment between compensation structures and the long-term interests of shareholders, employees, and all stakeholders.

Remuneration of Executive Officers

Item	Description
Policy	SCI provides a market-competitive fixed compensation structure and links variable compensation—such as annual bonuses, employee profit-sharing, and equity-based incentives—to individual performance and overall corporate results.
Components	Compensation consists of fixed salary (based on job responsibilities and market benchmarking), variable pay (performance-based incentives), and other benefits (e.g., company vehicle).
Evaluation Indicators	Each department establishes targets related to ESG performance, revenue growth, R&D progress, product quality, yield improvement, and regulatory compliance. Annual performance is evaluated and rated as A, B+, B, or C, serving as the basis for incentive distribution.
Review Process	Department heads submit annual performance assessments and compensation proposals. These are reviewed by the Remuneration Committee and then submitted to the Board of Directors for final approval.

Board Performance Evaluation

To uphold sound corporate governance and strengthen the effectiveness of the Board of Directors, SCI has established the Board Performance Evaluation Policy in accordance with Article 37 of the "Corporate Governance Best Practice Principles for TWSE / TPEx-Listed Companies." The policy serves as the basis for conducting annual performance evaluations of the Board as a whole, its functional committees, and individual directors.

At the beginning of each year, the Corporate Governance Officer coordinates the evaluation process, which consists of a self-assessment of the Board's performance in the preceding year. The evaluation is conducted using standardized questionnaires developed in advance, and covers multiple dimensions of governance performance, including:

- Board participation in corporate operations
- Quality of decision-making
- Board composition and structure
- Director professionalism and continuing education
- Effectiveness of internal controls

The results of the questionnaires and the consolidated evaluation report are submitted to the Board of Directors for review and are used as an important reference for director nomination, succession planning, and remuneration considerations.

The evaluation is conducted once a year, covering the performance of the previous fiscal year, and is completed prior to the first Board meeting of the following year. SCI's evaluation tools are based on the template provided by the Taiwan Stock Exchange in its "Board Performance Evaluation Guidelines" issued on June 3, 2020, with adjustments made to fit SCI's operational requirements.

At this stage, the evaluation of individual directors does not yet include specific indicators related to sustainability or ESG oversight. SCI will continue to evaluate the appropriate timing and mechanisms for incorporating ESG-related performance indicators into individual director evaluations in order to further strengthen the Board's role in sustainability governance and accountability.

Director Compensation

SCI's director compensation strategy is determined based on directors' responsibilities and the overall operational performance of the company. At present, director remuneration is not directly linked to ESG performance, though SCI continues to review and enhance its compensation mechanisms through the Corporate Governance framework and the Remuneration Committee.

Item	Description
Policy	Director compensation is allocated reasonably based on SCI's business scale, market benchmarks, and each director's level of contribution. Independent directors who concurrently serve on functional committees generally receive higher overall compensation than other directors.
Components	Director remuneration (up to 2% of profit before tax), a fixed monthly retainer (NT$30,000 per month*), and reimbursement of business travel expenses. The compensation of the Chairperson is subject to separate review and approval by the Remuneration Committee and the Board of Directors.
Evaluation Mechanism	An annual board performance evaluation—including meeting attendance, familiarity with agenda topics, and the provision of constructive opinions—serves as a key reference for determining director compensation.

Note:

A fixed monthly remuneration of NT$30,000 is paid to each director except the Chairperson. Directors who concurrently serve as executive officers of SCI, its subsidiaries, or its parent company are not eligible for this monthly remuneration. Compensation for the Chairperson (including annual bonuses) requires separate deliberation and approval by the Remuneration Committee and the Board of Directors.

Remuneration Committee Operations

In 2024, the Remuneration Committee convened three (3) meetings. The attendance of its members is summarized below:

Title	Name	Meetings Attended	Meetings Attended by Proxy	Attendance Rate (%)
Independent Director	Te-Cheng Tu	3	0	100%
Independent Director	Chia-Chun Jay Chen	3	0	100%
Independent Director	Wei-Chung Wang	3	0	100%

Employee and Director Remuneration Distribution

2023

Employee Remuneration
NT$
24,407,466

Director Remuneration
NT$
3,936,000

2024

Employee Remuneration
NT$
35,376,537

Director Remuneration
NT$
5,500,000

Description:

Remuneration amounts are allocated based on SCI's profit before tax for each fiscal year and in accordance with the percentages stipulated in the Articles of Incorporation, as approved by the Board of Directors.

If employee remuneration is distributed in shares, the number of shares is calculated using the closing price of SCI's common stock on the day prior to the Board's resolution.

1-3 Risk Management

SCI's risk management policy is aligned with the Company's business strategies and is designed to establish a systematic mechanism for risk identification, assessment, monitoring, and control. The objective is to maintain risks within an acceptable range while achieving a balanced risk–return profile.

The Board of Directors serves as the highest authority for risk management, responsible for approving, reviewing, and overseeing SCI's risk policies to ensure the effectiveness of the management framework and control mechanisms.

The Audit Committee, composed entirely of independent directors, functions as SCI's supervisory body for risk management. Its responsibilities include reviewing risk management policies, procedures, and frameworks, ensuring that SCI's risk mechanisms adequately address material risks. The Audit Committee also designates personnel—at least once per year—to report the execution status of risk management to the Board.

The President Office is responsible for developing business strategies and overseeing their implementation to achieve operational effectiveness and efficiency, thereby reducing strategic and operational risks.

The Internal Audit Office evaluates key risk areas as part of its annual audit planning, reviewing potential risks and formulating or revising internal control measures and operating procedures accordingly.

Audit Committee and Risk Oversight

SCI has established an Audit Committee consisting of three independent directors, responsible for supervising the Company's risk-related mechanisms. The Committee's duties include:

- Reviewing SCI's financial reporting and internal control systems
- Examining accounting records and operational documents
- Supervising the execution of duties by Company officers
- Investigating misconduct or regulatory violations
- Reviewing budgets and final accounts
- Examining proposals related to profit distribution or loss compensation
- Exercising other powers required by law

In 2024, the Audit Committee convened six (6) meetings, with an average attendance rate of 100%.

Audit Committee Meeting Attendance in 2024

Title	Name	Meetings Attended	Meetings Attended by Proxy	Attendance Rate (%)
Independent Director	Te-Cheng Tu	3	0	100%
Independent Director	Chia-Chun Jay Chen	3	0	100%
Independent Director	Wei-Chung Wang	3	0	100%

SCI regards the creation of sustainable products and services as part of its core mission. Risk management is considered a critical operational priority to enhance the organization's resilience and prevent business interruption.

Each year, SCI reports its risk management performance to both the Audit Committee and the Board of Directors. For 2024, the annual risk management report was presented on December 20 to both bodies.

SCI Risk Management Overview

Category	Responsible Unit	Description
Market	Business Administration Div.	Demand for SCI's APIs is closely linked to population growth and demographic aging, supporting steady industry expansion. Both patented APIs manufactured under contract and off-patent generic APIs are approved by major health authorities, contributing to long product lifecycles and relatively low market risk. APIs and advanced intermediates require stringent customer qualification and have passed multiple GMP inspections by authorities such as Taiwan FDA, U.S. FDA, and EU EDQM, reducing the likelihood of customer switching. However, due to the 2020 fire incident, some customers have yet to fully return. As of 2024, revenue remains approximately NT$1 billion below pre-incident levels. To mitigate revenue concentration risks, SCI set targets in 2023 and successfully reduced single-product concentration to below 15% and single-customer concentration to below 10% in 2024. To reinforce market resilience, SCI continues strengthening customer relationships, advancing the Guanyin Site construction to restore customer confidence, and expanding new customers and product lines. The Guanyin Site is designed to incorporate automated production and warehouse systems and is expected to provide production capacity equivalent to roughly 50% of the Luzhu Site. If capacity utilization falls below expectations, profitability may be affected. SCI will continue enhancing its CDMO business and optimizing its product mix. In 2024, the largest supplier accounted for 30.07% of total purchases, and the largest customer represented 18.03% of revenue—both showing improvements. SCI aims to further reduce single-customer revenue contribution to below 10%.
Supply Chain Management	Business Administration Div.	SCI actively manages supply chain risk by adopting a global sourcing strategy to avoid dependency on a single region. Where feasible, SCI maintains multiple supply sources for critical raw materials to mitigate geopolitical, regulatory, or market-driven disruptions. In response to uncertainties such as U.S.–China trade tensions, volatile petrochemical prices, and domestic logistics constraints, SCI applies safety-stock thresholds, builds buffer inventory when needed, and coordinates with customers to broaden supply channels. Supplier performance is closely monitored, and inventory levels are adjusted based on demand trends. SCI maintains long-term collaborative relationships with suppliers. When shortages arise, SCI supports suppliers in identifying alternative sources, strengthening overall supply chain resilience and competitiveness.
Financial	Finance & Administration Div.	SCI faces several financial risks and has established corresponding control measures. Exchange rate risk is the most significant, as more than 90% of revenue comes from exports denominated primarily in USD. A NT$1 movement in USD/TWD is estimated to affect gross margin by ~2%. In 2024, SCI recorded foreign exchange gains of approximately NT$22.6 million, contributing ~NT$0.19 to EPS. SCI holds NT$110 million in FVTPL financial assets—mainly preferred shares and money-market funds—which generated NT$1.95 million in dividends and NT$3.61 million in valuation gains in 2024. SCI also holds NT$81.43 million in FVOCI assets, mainly its strategic investment in Energenesis Biomedical, which recorded a valuation loss of NT$15.38 million in 2024. SCI's accounts receivable totaled NT$2.89 billion, and cash and equivalents stood at NT$5.82 billion in 2024, with no bad-debt losses. Interest income from cash holdings totaled NT$8.03 million. To control credit risk, SCI applies credit checks, requests prepayments or LCs for higher-risk customers, and transacts only with financial institutions of strong credit standing. As of 2024 year-end, interest capitalization associated with Mega Bank loans was approximately NT$28 million, and annual interest expense was NT$5.54 million. Sufficient credit lines (~NT$1 billion remaining) ensure stable liquidity. SCI provided NT$196 million in guarantees to its affiliate FRAMOSA based on its shareholding ratio, with internal audit monitoring processes in place.

Category	Responsible Unit	Description
Environment, Health & Safety (EHS)	• President Office • Finance & Administration Div. • Environmental Protection Dept. • Occupational Safety Office	SCI faces EHS risks including fires, chemical incidents, operational errors, and environmental pollution. Additionally, global climate-related regulations such as carbon-fee expansion and CBAM could increase compliance costs. SCI carries fire insurance, business interruption insurance, public liability insurance, and employer's liability insurance totaling NT$4.75 billion, with fire insurance premiums of NT$28.3 million and a deductible of 15%. SCI recognized NT$430 million in insurance compensation in 2024. SCI implements ISO 45001 and ISO 14001 management systems and strengthens preparedness through SOP execution, training, and emergency drills. ISO 14064 greenhouse gas verification has been completed, and product-level ISO 14067 carbon footprint certifications are being developed to support future decarbonization strategy.
Quality	• Business Administration Div. • Quality & Regulatory Affairs Div.	SCI places strong emphasis on product quality and regulatory compliance. Customer audits or regulatory inspections may lead to rework, product scrap, or shipment delays if deficiencies occur. In 2024, SCI recognized NT$35.96 million in inventory write-offs, NT$10 million in returns/allowances, and received US$300,000 in compensation from a supplier due to out-of-spec raw material (PGA sulfur content). SCI adheres to its Quality Policy and GMP requirements and maintains ISO 9001 certification. To enhance data integrity, SCI has implemented SAP ERP, MasterControl, and LIMS. SCI also carries US$2 million in product liability insurance.
Legal & Compliance	• President Office • Finance & Administration Div. • R&D Dept.	SCI manufactures patented and generic APIs following rigorous pre-production patent assessments to avoid infringement. All departments monitor regulatory amendments and assess impacts. Contracts—such as investment agreements, procurement contracts, and NDAs—are reviewed through internal control procedures, with external counsel engaged when needed. In 2024, SCI paid NT$150,000 in compensation related to delayed shipment to the Industrial Technology Research Institute; no litigation cases have occurred since the company's establishment. SCI conducts financial transactions—including lending, asset disposal, and guarantees—according to internal regulations and risk-control principles. As of 2024 year-end, SCI had no loans to external parties and provided NT$196 million in guarantees to FRAMOSA based on its shareholding, with internal audit oversight. All derivatives usage is for hedging, not speculation.
Strategic and Operational	• President Office • Finance & Administration Div. • R&D Dept.	SCI entered a joint venture with Veolia in 2021 to establish FRAMOSA, aiming to reduce chemical solvent consumption and expand treatment capacity, achieving economies of scale and supporting ESG objectives. In the same year, SCI initiated construction of the Guanyin Site, with a total investment of NT$2.44 billion, to diversify production capacity and strengthen customer relationships. While strategic investments support long-term growth, they also introduce operational risks. To mitigate risks from natural disasters and pandemics, SCI maintains a Business Continuity Plan (BCP) and carries property and business-interruption insurance totaling NT$4.75 billion. In 2024, typhoon-related shutdowns resulted in NT$6 million in financial impact and ~NT$0.5 million in repair expenses.

1-4 Integrity Management

Board-Level Conflict of Interest Management Mechanism

SCI has established formal Rules of Procedure for Board Meetings, which clearly define mechanisms and principles for the prevention and management of conflicts of interest among directors, ensuring the independence and objectivity of decision-making at the highest governance level.

When a director has a direct or indirect interest in a matter under discussion, the director is required to disclose the nature of such interest during the meeting. If the interest may potentially prejudice SCI's interests, the director shall abstain from participating in the discussion and voting on the relevant agenda item and shall not exercise voting rights on behalf of other directors.

In addition, if a director's spouse, relatives within the second degree of kinship, or an entity under a control-subsidiary relationship is involved in the agenda item, such circumstances are also deemed to constitute a conflict of interest and are subject to the same recusal requirements.

The names of directors involved, the nature of their interests, whether recusal was applied, and the reasons for such recusal shall be fully documented in the meeting minutes. Where an independent director expresses dissenting or qualified opinions on any resolution, such opinions shall be recorded in the minutes and publicly disclosed on the Market Observation Post System (MOPS) within two days following the Board meeting.

Through these institutionalized recusal requirements and comprehensive recordkeeping, SCI ensures integrity, fairness, and transparency in its governance decision-making process.

Prevention of Insider Trading

The promotion and oversight of SCI's integrity management framework are led by the President Office, under the supervision of the President. A designated corporate governance officer reports the implementation status of integrity management to the Board of Directors at least once a year. Compliance with related mechanisms is subject to regular audits by the Internal Audit Office.

In accordance with the Financial Supervisory Commission's Regulations Governing Establishment of Internal Control Systems by Public Companies, SCI has established an Internal Audit Office that reports directly to the Board of Directors and operates independently. Its primary responsibilities include evaluating the effectiveness of internal control systems, assessing operational efficiency, and providing timely improvement recommendations to ensure the continuous and effective operation of internal controls and audit activities.

The Chief Internal Auditor attends Board meetings to present audit reports and submits monthly audit findings for review by independent directors. In the event of any material violations or circumstances that may result in significant harm to SCI, the Internal Audit Office immediately reports such matters to the Board and notifies the independent directors.

Audit activities are conducted based on a Board-approved annual audit plan with a risk-based approach, including on-site audits, document reviews, special-purpose audits, and participation in audits of international management systems such as ISO 9001, ISO 14001, and ISO 45001. At least once a year, the Internal Audit Office also assists all departments in conducting self-assessments, providing recommendations to help the Board and senior management identify control deficiencies and evaluate operational effectiveness and efficiency, thereby ensuring sustained compliance, financial reporting reliability, and continuous improvement of internal controls.

Education, Training, and Audit

To promote ethical conduct and prevent insider trading, SCI conducts regular education and training programs. Beginning in 2024, all employees receive annual online regulatory training each January through the MasterControl Training Task system. Training content includes the Code of Integrity Management, Procedures for Handling Material Non-Public Information, Self-Regulatory Guidelines on M&A Disclosure, Corporate Governance Best Practices, and Sustainability Governance Guidelines. All relevant policies are also made available on SCI's internal network and corporate website for reference.

The MasterControl system enables SCI to maintain comprehensive records of individual training participation and assessment results. In 2024, a total of 10 employee participations, amounting to 116 training hours, were recorded for external training programs related to integrity management and corporate governance.

Policy Enforcement and Whistleblowing Mechanisms

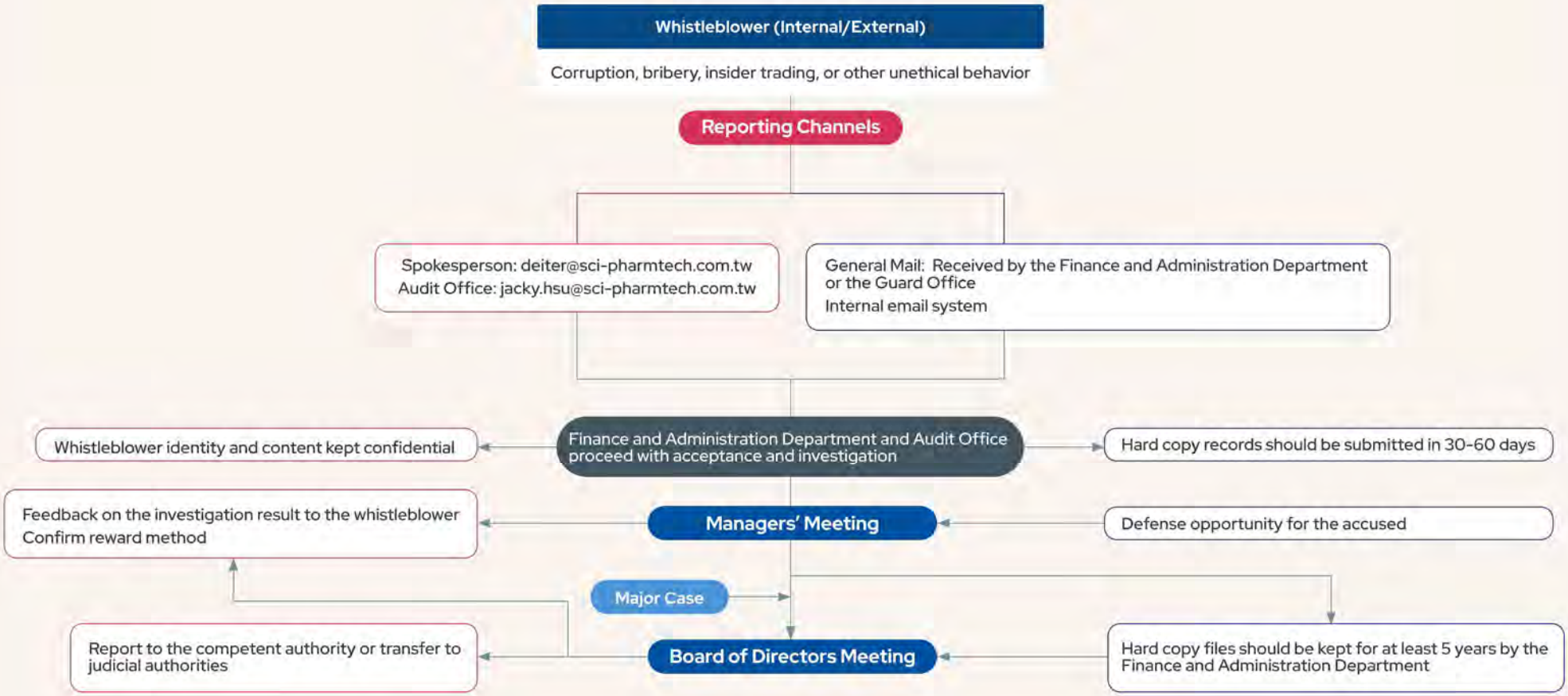
In compliance with government internal control regulations and SCI's Code of Integrity Management, SCI requires both the Board and management to uphold ethical conduct. An internal control system is in place, and audit personnel are tasked with investigating potential misconduct, including fraud, errors, waste, or conflicts of interest. Verified violations are immediately reported to relevant supervisors for further action.

Since its establishment, SCI has not been involved in any cases of corruption or bribery. In 2024, no complaints or whistleblower reports were received concerning unethical or illegal conduct related to SCI's operations or employees.

Since August 2013, SCI has required suppliers to sign a Corporate Social Responsibility Commitment Letter, ensuring adherence to ethical conduct, prohibition of child or forced labor, non-discrimination, compliance with occupational health and safety regulations, and respect for employee rights and welfare. Any violation of these commitments constitutes a breach of contract, and SCI reserves the right to immediately terminate all contracts and revoke supplier qualification.

SCI has also established whistleblowing channels to encourage internal reporting of any violations of integrity principles. Strict protection measures are in place to safeguard the identity and information of whistleblowers acting in good faith or participating in investigations. All reported cases are carefully tracked and investigated by the Finance & Administration Division, with findings reported to the President for further action.

SCI Pharmtech Anti-Corruption Reporting Process



1-5 Legal Compliance

SCI places great importance on legal and regulatory compliance. Through continuous internal audits, education and training programs, and the establishment of sound management systems, SCI ensures that all operational activities comply with applicable laws and regulations, thereby reducing compliance risks and safeguarding sustainable development and stakeholder interests.

Events involving significant operational disruption or risk, major personal injury, environmental damage or loss, material penalties imposed by competent authorities, substantial public or media attention, or impacts on SCI's reputation or stakeholder trust are defined by SCI as "material non-compliance incidents."

During the reporting period, SCI recorded no material violations of laws or regulations.

Labor Practices and Human Rights Compliance

SCI is committed to maintaining open and effective communication with employees while respecting and safeguarding their lawful rights and interests. All internal rules and policies are established in accordance with the Labor Standards Act, the Gender Equality in Employment Act, and other relevant regulations to ensure the protection of employee rights.

Employee appointment, dismissal, and remuneration are managed in accordance with SCI's internal control procedures to ensure fairness and compliance. To ensure that all employees are treated with dignity and respect, SCI has implemented Measures for the Prevention of Sexual Harassment, Complaint Handling, and Disciplinary Actions, thereby protecting the rights and interests of all personnel.

SCI's Work Rules explicitly prohibit the employment of child labor. SCI provides equal employment opportunities and does not discriminate on the basis of race, gender, disability, religion, constellation, blood type, or any other characteristic.

In 2024, SCI recorded no incidents or complaints related to discrimination, human rights violations, restrictions on freedom of association, forced labor, child labor, or infringement of Indigenous peoples' rights.

Product, Service, and Market Compliance

In terms of products and services, SCI ensures that all marketing and labeling activities comply with relevant regulations and international standards. Safety Data Sheets (SDS) are prepared in accordance with domestic and international legal requirements, and SCI has established an Environment, Health, and Safety (EHS) Policy to ensure compliance related to product safety, environmental protection, and occupational health.

All SCI products fully comply with applicable international standards, legal requirements, and customer specifications. SCI conducts market competition based on principles of fairness, transparency, and integrity.

In 2024, SCI reported no violations related to product health and safety regulations, labeling requirements, market communication regulations, or antitrust laws.

Environmental, Health, and Safety (EHS) Compliance

Based on industry characteristics, SCI not only complies with domestic environmental and occupational safety regulations but also actively aligns with international standards. SCI has obtained certification for ISO 14001 Environmental Management Systems and ISO 45001 Occupational Health and Safety Management Systems, and has implemented a greenhouse gas inventory project in accordance with ISO 14064-1, continuously operating under the PDCA (Plan–Do–Check–Act) framework.

In 2024, SCI recorded no material violations of environmental or occupational safety and health regulations. However, during routine fire safety inspections conducted by competent authorities, SCI received two minor administrative fines totaling NT$90,000. These findings were confirmed to be administrative in nature and resulted in no personal injury, property damage, or operational impact, and therefore did not meet SCI's criteria for a material non-compliance incident.

Chapter 2

Compliance and Trust

SCI recognizes that suppliers and customers are essential partners in achieving sustainable operations. Guided by the principles of integrity and quality, SCI builds long-term and resilient relationships across its supply chain. Beyond raw material quality, delivery reliability, and pricing, SCI also incorporates environmental protection, human rights, and ethical responsibility into supplier evaluation, steadily advancing supply chain sustainability.

To ensure product quality and employee safety, SCI strictly complies with cGMP requirements, with all products manufactured under the rigorous oversight of the Quality Assurance function.

With quality, safety, and compliance as its core commitments, SCI safeguards product excellence while placing strong emphasis on customer privacy and information security through robust control mechanisms. Following the completion of post-incident reconstruction, SCI has returned to operations with higher standards—delivering stable supply, timely support, and flexible services—to rebuild and strengthen customer trust.

Through close collaboration with suppliers and customers, SCI transforms professionalism and integrity into long-term, trusted partnerships, working together to create a value chain founded on safety, responsibility, and sustainability.

GRI Standards	GRI 201-1、GRI 3-3 GRI 204-1、GRI 308-2 GRI 414-2、GRI 418-16-1 GRI 416-2、GRI 417-1 GRI 417-2、GRI 417-3 GRI 418-1	**SDGs**	
Material Topics	Customer Health & Safety Innovation & R&D		
Impact Description	Products must comply with international regulations to safeguard patient safety and to mitigate reputational and regulatory risks. To ensure consistent product quality, SCI strictly implements pharmaceutical standards such as cGMP. Innovation and R&D are key drivers of SCI's long-term competitiveness; through continuous investment in new product and process development, SCI enhances product value and expands market opportunities.		

Management Approach	Management Performance
Drug Registration and GMP Management	SCI continuously maintains valid API registrations in key markets, including the EU, the U.S., and Japan. Previously suspended drug registrations and GMP certificates were successfully reinstated, ensuring regulatory compliance and stable production operations.
Quality Management and Distribution Practices	In 2024, SCI successfully passed the ISO 9001 quality management system surveillance audit and strictly complied with Good Distribution Practice (GDP), strengthening quality and safety management across the pharmaceutical supply chain.
Regulatory Submissions and Inspection Transparency	SCI fully complies with Ministry of Health and Welfare requirements by submitting complete Drug Master Files (DMFs). SCI has passed multiple inspections by the U.S. FDA, EU EDQM, and Japan PMDA, and provides comprehensive Certificates of Analysis (COAs) with each shipment to ensure product safety and information transparency.
International Regulatory Inspections	Since 2005, SCI has passed multiple inspections by the U.S. FDA and has successfully completed inspections conducted by the EU EDQM and Japan PMDA.
R&D and Technological Innovation	SCI developed specialty APIs such as CBD and butylxanthine derivatives, completed process validation, optimized high-complexity manufacturing processes, increased production capacity, and reduced waste generation, thereby strengthening technological competitiveness.
Quality and Process Management	SCI implemented SAP, MasterControl, and LIMS systems to enhance GMP management and process monitoring, improve production efficiency and product quality, and establish differentiated competitive advantages.

2-1 Innovation and Research & Development

Patent Strategy

SCI's R&D Department is dedicated to new product development, process optimization for existing products, and the filing of process-related patents. SCI continues to expand its R&D workforce on an annual basis to meet customer requirements and support business development initiatives.

In 2024, SCI invested approximately NTD 40.21 million in research and development. Compared with 2023, R&D expenditure decreased by approximately NTD 8.89 million, representing a 18.10% year-on-year decline, mainly because a significant volume of laboratory consumables required for post-incident recovery had been procured in bulk in the previous year. Despite this reduction, SCI continues to maintain a robust and sustainable R&D pipeline.

Building on long-standing relationships with international customers, SCI receives a steady flow of development projects with a high likelihood of commercialization and future revenue contribution. Successfully developed APIs include products for cannabidiol (CBD) applications, glaucoma, Alzheimer's disease, Parkinson's disease, and substance dependence treatment, which have supported SCI's continuous business growth in recent years.

From a technological perspective, the majority of SCI's proprietary know-how is protected as trade secrets, while selected technologies are patented based on commercial and strategic considerations. Looking ahead, SCI will continue to invest in R&D resources, with a strategic focus on the following areas:

Development of niche and differentiated API processes

Scale-up and commercialization of APIs under development

Process innovation and carbon reduction initiatives

Through sustained innovation and disciplined execution, SCI aims to strengthen its technological capabilities, enhance product value, and support long-term sustainable growth.

R&D Expenditure in Recent Years(Unit: NTD thousand)

Year	2019	2020	2021	2022	2023	2024
R&D Expenditure	38,917	43,365	30,347	39,649	49,094	42,680

SCI Patent Portfolio by Jurisdiction

Patent Jurisdiction	Europe	United States	Japan	Canada	Taiwan
Number of Patents	8	15	4	1	2

SCI Patent Application – Product List

Product Name		
(S)-MMAA	Atomoxetine	CBD
DiVANa	Duloxetine	Lisdexamfetamine
PMDOL		

SCI Products Under Development and Customer Collaboration Projects in 2024

Product Name	Product Description
CBN	API (Neuroprotective and anti-inflammatory agent)
CBDV	API (Antiepileptic agent)
Barbital	API (Central nervous system depressant)
Benserazide	API (Treatment for Parkinson's disease)
ADC	Advanced intermediate (Anticancer therapy)
Iron Sucrose	API (Treatment for iron deficiency anemia)
CDMO-HMTM	CDMO project (Alzheimer's disease therapy)
CDMO-X Project	CDMO project (Narcolepsy therapy)
CDMO-N Project	CDMO project (Anticancer drug intermediate)
CDMO-A Project	CDMO project (Immunosuppressant intermediate)

SCI Pharmtech, Inc. – Process Innovation and Optimization Products (2024)

Product / Project			
CBD	PMDOL	BZA	HMTM
PGA	Pentobarbital	Pimobendan	Buprenorphine

Specialty Drug Development

The domestic chemical pharmaceutical industry generally adopts one of two business models. One focuses on the large-scale export of commodity APIs—such as vitamins, antibiotics, and antipyretic analgesics—to major markets including Europe, the United States, and Japan. The other strategically shifts toward higher-value specialty APIs with greater technical barriers and profit potential.

Given the broad scope of chemical drug development—from generic drugs to patented products—the entry thresholds and value creation vary significantly. Specialty chemical drugs, in particular, require substantial investment in R&D talent and capital to establish proprietary know-how and intellectual property. Through successful product commercialization and, in later stages, international alliances, these intangible assets can be transformed into measurable tangible value, ultimately shaping a company's long-term growth potential.

Recognizing this, SCI has actively invested in the specialty chemical API market. SCI has successfully completed the development, process validation, and scale-up of several high-value APIs, including Cannabidiol (CBD), Buprenorphine, Pimobendan, and Brinzolamide. Building on this foundation, SCI continues to expand its development pipeline in areas such as CBD derivatives, Parkinson's disease therapies, and antibody–drug conjugates (ADC).

In parallel, SCI focuses on products with high process complexity, including asymmetric hydrogenation and ultra-low-temperature reactions. Through continuous process optimization, SCI improves yields, reduces waste generation, and further differentiates itself from competitors. To reinforce GMP management and regulatory compliance, SCI has implemented advanced digital systems such as SAP, MasterControl, and LIMS, and has successfully passed inspections by multiple international regulatory authorities—demonstrating capabilities that distinguish SCI from many API manufacturers worldwide.

Industry Collaboration

In addition to specialty API development, SCI actively engages in CDMO and CMO collaborations, maintaining long-term, trust-based partnerships with customers across the pharmaceutical industry. Leveraging its strengths in process development and scale-up, SCI supports clients in manufacturing optimization and API supply.

SCI has collaborated with multiple domestic and international innovative drug developers, providing integrated support ranging from early-stage clinical trial material supply to commercial-scale production. Furthermore, SCI continues to accept contract manufacturing assignments, supplying APIs and advanced intermediates to a number of well-known pharmaceutical companies worldwide.

Through close collaboration with industry partners, SCI continues to translate its technical expertise into shared value creation, reinforcing its role as a reliable partner in the global pharmaceutical value chain.

2-2 Quality Assurance

SCI's GMP and ISO quality systems remained fully operational and unchanged following the fire incident at the end of 2020. All pharmaceutical regulatory activities continued without interruption. API registrations in key markets—including the European Union, the United States, and Japan—have been continuously maintained and remain valid. In addition, SCI's ISO 9001 Quality Management System successfully passed a third-party surveillance audit at the end of 2024, and the certification remains effective.

Damaged production lines and facilities have been fully reconstructed. Manufacturing equipment, HVAC systems, nitrogen supply systems, and computerized systems have been restored to standards equivalent to pre-incident conditions. All required qualification and validation activities have been completed to ensure compliance and operational integrity.

The Taiwan Food and Drug Administration (TFDA) has been promoting Good Distribution Practice (GDP), requiring that all API manufacturers complete GDP compliance assessments by the end of 2022. Building on its extensive GMP experience, SCI has established comprehensive distribution and supply chain management systems and successfully passed the TFDA GDP inspection in May 2022.

Implementation of the ISO 9001 Quality Management System

As a pharmaceutical and biotechnology company, SCI adheres to its ISO 9001 quality policy of "providing customers worldwide with products manufactured in compliance with GMP and ISO 9001 standards to ensure customer satisfaction." SCI continues to invest in quality system enhancement while closely following regulatory requirements and international trends.

SCI's products comply with all applicable regulatory and safety requirements of health authorities worldwide. SCI first obtained ISO 9001 certification in 2001 and has continuously and effectively maintained the system since then. To ensure high analytical standards, SCI utilizes advanced analytical instruments, including GC, HS-GC, HPLC, UPLC, IC, UV, IR, DSC, TGA, laser particle size analyzers, ICP-MS, and LC-MS/MS.

To safeguard end-user health, SCI actively invests in R&D and applies the highest standards to deliver stable, high-quality APIs and advanced intermediates. Quality systems are implemented from the laboratory development stage, with specific health and safety considerations identified at each reaction step. Once process data are established, operators receive comprehensive training prior to production scale-up to ensure safe and accurate manufacturing.

ISO 9001 Quality Management System Certificate

Compliance with GDP Requirements

To protect patient safety and ensure product quality after release, SCI complies with the GDP framework promoted by the TFDA since 2011. Regulatory implementation initially targeted pharmaceutical distributors and manufacturers holding drug licenses, requiring GDP certification from January 1, 2019. Subsequently, companies involved in cold-chain storage and transportation were required to complete GDP implementation by December 31, 2021, progressively strengthening supply chain quality management.

Improper storage or transportation of APIs may lead to product degradation, adversely affecting drug manufacturing processes and patient health. Accordingly, SCI strictly enforces GDP requirements and maintains comprehensive distribution records for API trading activities. SCI continuously enhances its procurement, supply, storage, import, and export operations for APIs, referencing the PIC/S "Good Distribution Practices for Active Substances for Medicinal Products for Human Use" as guidance.

In line with public health responsibilities and to ensure supply chain integrity, SCI conducts all pharmaceutical trading activities in accordance with the Pharmaceutical Affairs Act and related regulations. SCI verifies the legality of product sources and destinations and maintains complete distribution records—including product name, strength, dosage form, batch number, recipient information, shipment date, and quantity—to ensure full traceability.

By rigorously implementing GDP and strengthening domestic pharmaceutical distribution quality, SCI continues to enhance its quality management framework and provide greater assurance of medication safety to the public.

Good Manufacturing Practice (GMP)

Good Manufacturing Practice (GMP) refers to a set of regulations that require comprehensive control over pharmaceutical manufacturing processes, from the quality of raw material sources to product purity, production processes, process monitoring, instruments used, facility design, and analytical testing of product purity. To obtain pharmaceutical quality assurance at the GMP certification level, manufacturers must submit applications to the competent health authorities and pass on-site inspections and verification.

APIs whose product licenses and GMP certificates had previously been suspended by the Taiwan Food and Drug Administration (TFDA) have gradually resumed production in restored areas, with process validation activities carried out accordingly. In April 2024, following routine inspections by the TFDA, GMP compliance assessments were successfully completed. In addition, new products manufactured at the pilot plant (Adenine, Pimobendan, and Buprenorphine) underwent GMP inspections by the TFDA in November 2024, with no major deficiencies identified.

Multiple APIs and advanced intermediates have been manufactured at the reconstructed facilities and have completed process validation. Customers conducted both on-site and remote audits, totaling 31 audits in 2024, all with satisfactory results. Following the TFDA's follow-up GMP inspections in April 2024, a total of 17 APIs had obtained GMP certificates as of the end of 2024. Applications for GMP certification will continue to be submitted in accordance with the product manufacturing schedule.

GMP-Approved Products of SCI Pharmtech

衛生福利部

CERTIFICATE OF GOOD MANUFACTURING PRACTICE

Issue Date: August 3d, 2021

...and following an inspection in accordance with Article 17 of the Pharmaceutical Affairs Law and relevant Regulations of the Republic of China (Taiwan),

The competent authority of the Republic of China confirms the following:

The manufacturer: SCI Pharmtech, Inc.
The address: No.81, Ln. 369, Haihu N. Rd., Lucao Dist., Tainan City 71849, Taiwan
Manufacturer's license number: GC00140165

The manufacture of medicinal products for human use that has been inspected with the following Active Pharmaceutical Ingredients: Articaine Hydrochloride, Atomoxetine Hydrochloride, Brinzolamide, Divalproex Sodium, Duloxetine Hydrochloride, Hydroxychloroquine Sulfate, Loxoprofen Sodium Hydrate, Methylphenidate Hydrochloride, Pentobarbital Sodium, Probucol, Propafenone Hydrochloride, Sodium Valproate, Thiopental, Valproic Acid.

From the knowledge gained during GMP inspection performed on May 11-13, 2022, it is considered that the manufacturer complies with the Pharmaceutical Inspection Convention/Co-operation Scheme Guide to Good Manufacturing Practice (PIC/S GMP) Part II (=GMP of WHO/ICH Q7) and Good Distribution Practice (PIC/S GDP) for medicinal products.

This certificate is valid until January 8, 2026.
This certificate may be revoked at anytime as warranted.

Signed by

Shou-Mei Wu

Shou-Mei Wu, Ph.D
Director-General
Food and Drug Administration
http://www.fda.gov.tw/TC/

Under the delegated authority of
Jih-Yuan Hsueh, M.D.
Minister
Ministry of Health and Welfare
Republic of China (Taiwan)

08838

1. Atomoxetine Hydrochloride (TFDA Manufacturing License No.059045)
2. Articaine Hydrochloride (TFDA Manufacturing License No.058626)
3. Bisoprolol Fumarate (TFDA Manufacturing License No.048989)
4. Brinzolamide (TFDA Manufacturing License No.058824)
5. Divalproex Sodium (TFDA Manufacturing License No.048274)
6. Duloxetine Hydrochloride (TFDA Manufacturing License No.056630)
7. Hydroxychloroquine Sulfate (TFDA Manufacturing License No.058143)
8. Loxoprofen Sodium Hydrate (TFDA Manufacturing License No.056704)
9. Hylphenidate Hydrochloride (TFDA Manufacturing License No.057214)
10. Pentobarbital Sodium (TFDA Manufacturing License No.039735)
11. Probucol (TFDA Manufacturing License No.036473)
12. Propafenone Hydrochloride (TFDA Manufacturing License No.055424)
13. Sodium Valproate (TFDA Manufacturing License No.047587)
14. Thiopental (TFDA Manufacturing License No.056637)
15. Valproic Acid (TFDA Manufacturing License No.033996)

Current Good Manufacturing Practice (cGMP)

For products exported to the United States, manufacturers are required to apply to the U.S.Food and Drug Administration (FDA).Upon acceptance, FDA officials conduct on-site inspections and verification in Taiwan.To enhance national pharmaceutical quality and expand exports, Taiwan implemented GMP standards across domestic pharmaceutical manufacturers over a decade ago and further announced higher standards—Current Good Manufacturing Practice (cGMP)—in May 1999.

On October 21, 1999, the authority further issued the "Implementation Schedule for Pharmaceutical Validation," stipulating that manufacturers must complete validation of support systems, instruments, equipment, analytical methods, and at least one critical manufacturing process by July 1, 2000.

All SCI employees receive formal cGMP training upon joining the company.Based on strict product control and adherence to cGMP standards, all APIs and advanced intermediates manufactured by SCI are produced in full compliance with applicable regulations.SCI's products have passed inspections by the TFDA, the U.S.FDA, the European Directorate for the Quality of Medicines & HealthCare (EDQM), and other international health authorities.SCI has established a comprehensive GMP inspection and regulatory cooperation framework for APIs to ensure public medication safety and quality.

Inspections by International Regulatory Authorities

Due to the fire incident, SCI temporarily leased facilities from industry peers in 2021 for the production of advanced intermediates.Process validation for these intermediates was completed, and after being transferred back to SCI for API manufacturing and re-validation, relevant documentation was submitted to the U.S.FDA and the European EDQM, with annotations added to the respective certificates.

For products registered in Japan, changes to production areas and equipment after the incident were reported to the Pharmaceuticals and Medical Devices Agency (PMDA).Since 2005, SCI has passed multiple inspections by the U.S.FDA, as well as inspections by the EDQM and the PMDA, and has obtained Foreign Manufacturer Accreditation (FMA) from Japan.These achievements demonstrate that SCI's manufacturing sites, systems, and facilities comply with international GMP standards and have been repeatedly recognized by global regulatory authorities, supporting continued expansion in international markets.

Inspected and approved by the U.S.Food and Drug Administration (FDA)

11/01/2019
Dr. Weichyun Wong, PhD, President
SCI Pharmtech Inc.
Luzhu Dist. 309 No. 61 Ln., Haihu N. Rd. Taoyuan City,

Dear Dr. Wong Weichyun, PhD:

The U.S. Food and Drug Administration (FDA) conducted an inspection at SCI Pharmtech Inc., FEI 3004965859, located at Luzhu Dist. 309, No. 61 Ln.; Haihu N. Rd., Taoyuan City, , from 09/02/2019 to 09/05/2019. FDA has determined that the inspection classification of this facility is "no action indicated" ("NAI"). Based on this inspection, this facility is considered to be in an acceptable state of compliance with regards to current good manufacturing practice (CGMP).

This letter is not intended as an endorsement or certification of the facility. It remains your responsibility to ensure continued compliance with CGMP.

An inspection classification of NAI for CGMP compliance will not directly negatively impact FDA's assessment of any pending marketing application referencing this facility. Please note, however, that application approval will depend on a product- and application-specific facility assessment conducted by the appropriate CDER or CVM review office. This letter does not address or reflect FDA's decision making with respect to any potential non-CGMP compliance issues.

FDA has concluded that this inspection is "closed" under 21 CFR 20.64(d)(3), and we are enclosing a copy of the narrative portion of the Establishment Inspection Report (EIR). It may reflect redactions made by FDA in accordance with the Freedom of Information Act (FOIA) and 21 CFR part 20. This, however, does not preclude you from requesting additional information under FOIA.

If you have any questions regarding this letter, you may contact Dell Muller via telephone at 614-227-5780 Ext. 1108 or email at [redacted]
Sincerely,

Dell Muller
Supervisory Investigator
300 River Place, Suite 5900 Detroit, MI 48207-4291 Telephone: (313) 393-8109 Fax: (313) 393-8139#140

FDA U.S. FOOD & DRUG ADMINISTRATION

Inspected and approved by the European Directorate for the Quality of Medicines & HealthCare (EDQM)

ATTESTATION OF INSPECTION

Inspected and approved by the Pharmaceuticals and Medical Devices Agency (PMDA), Japan

Minister of Health, Labour and Welfare

Marketing and Labeling

Standard Operating Procedures

"QA-024 Development, Review and Use of Shipping Labels"
"WH-002 Finished Product Warehousing and Shipping Procedures"

Packaging

The warehouse department should apply to the Occupational Safety Department for SDS, chemical hazard labels, and dangerous goods transport labels before shipment packaging. It should also apply to the Quality Assurance Department for shipping labels and shipping transport labels to be affixed to the outer packaging of finished products. Product packaging must also take protective measures to prevent product deterioration or collision according to its characteristics.

Labeling

API shipping labels should be submitted to the TFDA for application and approval before they can be used for shipping labels. The label information includes CAS no., SCI code no., Lot no., net weight, gross weight, manufacturing date, re-inspection date, and license number. The relevant label information content is agreed upon between the Sales Department and the customer.

Shipping

The Occupational Safety Department provides the Safety Data Sheet (SDS) to the transport personnel and customers for subsequent proper handling. Before shipment, the product does not leave the plant until it has been fully inspected by the Quality Assurance Department and photographed and documented.

2-3 Customer Relationships

Customer Satisfaction Survey

To build long-term partnerships with customers, SCI's business teams respond promptly to customer needs through multiple communication channels, including email, telephone, meetings, and on-site visits.SCI also cooperates with customer audits on a regular or ad hoc basis, enabling customers to gain a comprehensive understanding of SCI's operations.

Through continuous engagement with customers and agents, as well as participation in exhibitions, SCI actively collects market intelligence such as pricing levels and trends, API Drug Master File (DMF) ownership, potential customers, competitors, and regulatory requirements.SCI also introduces new products and development plans to customers, provides regular updates on development progress, and assists customers in meeting applicable regulatory requirements.

Each year, SCI conducts a customer satisfaction survey through its business units.The survey evaluates nine key aspects—Quality, Labeling/Packaging, Lead Time, Delivery, Services, Documentation, Safety, Competitiveness, and Repeated Orders—using a five-point scoring scale (1–5).Based on customer feedback and recommendations, SCI implements continuous improvement actions to further enhance customer satisfaction.SCI places high importance on customer feedback and is committed to properly addressing customer complaints and meeting customer expectations regarding both existing and new products. Over the past five years, SCI's customer satisfaction ratings have consistently remained at the highest performance levels.

Customer Satisfaction Survey Results over the Past Five Years

Note: Survey samples include customers with annual transaction amounts exceeding NT$1.5 million.

Protection of Customer Privacy

SCI complies with the Trade Secrets Act and the Personal Data Protection Act, and references the ISO 27001 Information Security Management System (ISMS) standard when establishing internal control procedures.SCI has implemented internal regulations, including IT-008.07 Document Management Protection, to strengthen information security governance.These measures not only enhance SCI's cybersecurity posture but also enable the provision of safer and more reliable services to customers.

In recent years, SCI has closely monitored regulatory developments related to the EU General Data Protection Regulation (GDPR) and Taiwan's personal data protection laws.SCI has fully implemented information security and confidentiality controls across document management processes.In 2024, SCI recorded zero incidents involving customer privacy violations or complaints arising from the loss of customer data.

Customer Information Security Controls

- SCI strictly protects personal data, including names, national ID or passport numbers, addresses, telephone numbers, and any sensitive information that may directly or indirectly identify individuals.Such data may not be collected, used, or processed without the explicit consent of the data subject.
- Given that SCI's business involves the handling of sensitive information, designated personnel are responsible for data protection.SCI also provides employees with personal data protection training and conducts regular awareness campaigns through internal communications.

Management of Commercial Confidentiality

SCI places strong emphasis on the protection of customer information and the management of commercial confidentiality.During technical exchanges, cooperation assessments, and business negotiations, SCI ensures that all sensitive information is handled securely and confidentially.

For all data exchanges with customers, SCI requires the execution of a Confidential Disclosure Agreement (CDA) to clearly define the responsibilities and obligations of both parties regarding information confidentiality.The CDA effectively safeguards the interests of both parties during the exchange of information related to product development, process technologies, quality data, and audit documentation, thereby mitigating the risk of information leakage or misuse.

In 2024, SCI executed approximately 50 CDA agreements with customers, covering areas such as product registration data, manufacturing processes, supply chain collaboration, and regulatory compliance.SCI will continue to strengthen its confidentiality policies and enhance employee awareness and execution capabilities through ongoing training and internal control mechanisms.

2-4 Information Security

Information Security Management Policy

In order to preserve overall information security, SCI Pharmtech reinforces the security management of various information assets to ensure its confidentiality, integrity, and availability, to avoid internal or external intentional or accidental threats and damages, resulting in the risk of tampering, disclosure, destruction or loss of business information. The company formulates special information security management policies for all employees (including external departments using information resources, service providers, outsourced manufacturers and other authorized users) to follow, so as to establish a reliable information and communication system, to improve information security and service quality of the R&D, production, and marketing of intermediates, APIs, and specialty chemicals.

The information security risk management of the company is coordinated by the Information Office under the Persident's office, the Auditing Office draws up relevant procedures for management and conducts regular internal audits. In case of changes in the organization, businesses, government regulations or the environment, etc., appropriate revisions shall be made and submitted to the Persident for approval to ensure the effectiveness of information security practices.

In order to ensure that each information system is free from any interference, destruction, intrusion or any improper behavior, SCI Pharmtech prevents internal and external threats through proper system planning, procedure specification and administrative management to achieve the purpose of sustainably maintaining the security of the information system. If an information security incident occurs that causes the information system to fail or affect operation efficiency, the department supervisor and the Information Office personnel will be promptly notified, and the affected information system or equipment will be immediately deactivated, and the current situation of the system will be retained for the IT personnel to review. The Information Office will also regularly evaluate the possibility of loss caused by information security risks, and purchase appropriate insurance if necessary to reduce the cost of losses.

The company carries out annual reviews and discussions on internal and external information security-related issues, stakeholder requirements, and other organizations' information security operation activities, and requires senior executives to actively participate in information security management and operation activities to provide support for the information security management system to ensure that all information security incidents or suspected security weaknesses are reported in accordance with appropriate reporting mechanisms, and are properly investigated and dealt with.Our specific management plans and objectives are as follows:

Basic internal information security risk protection measures within the company

1. The Information Office applies for intrusion protection services from Chunghwa Telecom on the Hinet network side to prevent internet viruses and intrusion attacks.
2. Builds a firewall to further block intrusion and virus attacks on the company's internal network.
3. Implements SAP ERP and Master Control, and enables the laboratory information management system in 2021 to achieve the goal of GMP management on data integrity.
4. The Information Office holds information security trainings and promotion activities to improve employee information security awareness and reduce the possibility of internal human error.

User side information security risk protection measures

1. Automatically delivers Windows Update to clients through the Windows Update Services Server, patching its vulnerabilities and prevent viruses and hackers from exploiting vulnerabilities.
2. In addition to installing Sysmantec enterprise antivirus software, the company also installs Palo Alto Tarps Advanced Endpoint Protection for enhanced protection.

Information security management goals

1. Strengthen internal control to prevent unauthorized access and ensure the confidentiality of the company's business-related information.
2. Guarantee the availability of the company's business-related information equipment, and provide the needs of business operations such as R&D, production and marketing.
3. Ensure that information will not be disclosed to unauthorized third parties during the transmission process or due to unintentional behaviors, so as to ensure the correctness and completeness of the company's business-related information, and improve operational efficiency and quality.
4. To have no information security incidents every year.
5. Perform an important system backup data restoration drill at least once a year.
6. Ensure that important and sensitive information is not leaked and is properly backed up, and internal audit is conducted once a year.

Digitized Management

2018	SAP® System	SCI Pharmtech officially introduced the SAP®/ system in 2018, this system can manage business, financial and accounting information in a timely manner, integrate the GMP-related equipment maintenance system, the warehouse management system, and the product quality control system, and improve data integrity and ensure that the computer runs in compliance with regulations.
2019	Master Control Electronic Sign-off	In response to the fact that the majority of drug certifications have adopted electronic system applications, SCI Pharmtech implemented the Master Control electronic audit system (electronic sign-off) in 2019 to manage the edit and compilation of documents.
2019	Environment Safety Cloud Services	In view of rapid changes in regulations and increasingly strict requirements, SCI Pharmtech introduced the Environmental Safety Cloud System - Enterprise Environmental Safety and Health Risk Control Platform in 2019, which can update the latest regulations, measures, and standards in real time. Compared with using the excel sheet before using the new service, information management after the simplified process saved about 70% of the operation time.
2021	LabWare LIMS	In order to improve data integrity, reduce human error and improve work efficiency, SCI Pharmtech officially launched LabWare Laboratory Information Management System (LIMS) in June 2021. The management system can not only comply with GAMP, ISO and other norms and standards, but also effectively integrate and manage laboratory samples, personnel, instruments, standards and other laboratory activities, and quickly search inspection batch numbers, instrument calibration and other laboratory activities, it is also one of the important elements for the company to become paperless.

2-5 Supply Chain Management

Pharmaceutical Supply Chain

As an API manufacturer based in Taiwan, SCI maintains strong and collaborative relationships across both upstream and downstream segments of the pharmaceutical supply chain. In API contract manufacturing, SCI places high priority on product quality, delivery reliability, product consistency, and the protection of patents and intellectual property rights, and has established long-term, trust-based partnerships with downstream formulation manufacturers. SCI continues to provide customers with a stable supply of high-quality APIs.

In supplier management, SCI maintains open and effective communication channels with its suppliers. Strategic suppliers have developed into mutually beneficial, trust-based partners. During 2024, there were no significant changes in SCI's supply chain structure.

Positioned in the midstream of the pharmaceutical value chain, APIs typically require three to five years from development to market launch. Raw materials for new products are primarily sourced from fine chemical manufacturers, biotechnology companies, or fermentation plants. Through processes such as chemical synthesis, extraction, crystallization, and purification, SCI produces high-quality APIs that meet international regulatory standards.

SCI actively registers Drug Master Files (DMFs) with regulatory authorities including the U.S. FDA, EU EDQM, and Japan PMDA, while expanding its global sales channels. Even after passing supplier qualification audits by pharmaceutical companies in Europe and the United States, SCI must obtain PIC/S GMP certification and relevant marketing authorizations before formally becoming an approved API supplier to Western formulation manufacturers.

Procurement Practices

Local sourcing and supply have become one of SCI's core procurement principles in recent years. As production lines gradually resumed operation in 2024 and the product portfolio was adjusted, SCI's raw material procurement strategy was also moderately refined. Due to oversupply in China's petrochemical industry, certain petrochemical raw materials underwent product replacement. Some items previously supplied by domestic manufacturers ceased local production, necessitating a shift toward overseas sourcing.

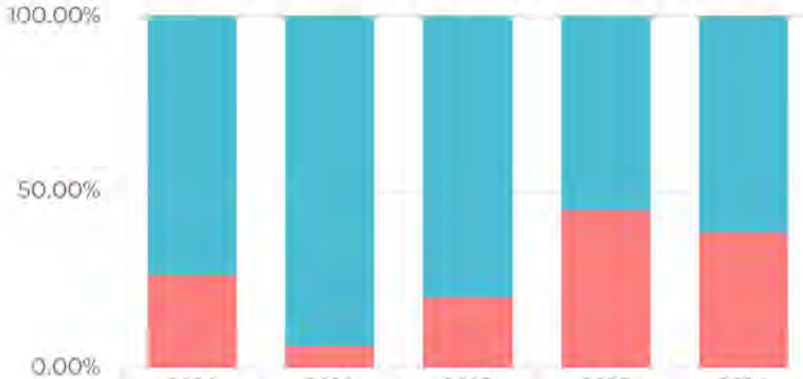
As a result of these combined factors, the proportion of local procurement in 2024 declined slightly to 38.34%, yet remained significantly higher than the 26.24% level prior to the 2020 fire incident.

Most solvents used by SCI are sourced from reputable domestic suppliers and are also recovered and recycled through SCI's in-house solvent recovery systems. Fine chemicals, production equipment, and critical components are primarily procured from overseas suppliers. Local procurement mainly focuses on basic solvents and packaging materials supplied by domestic petrochemical manufacturers. Due to the relatively limited scale of Taiwan's fine chemical market, SCI continues to rely on suppliers from China, India, Europe, the United States, and Japan for certain materials.

In response to sustainability and carbon reduction policies, SCI has gradually shifted raw material sourcing from Europe and the United States toward neighboring countries, shortening transportation distances and reducing greenhouse gas emissions.

With continued recovery of production capacity, optimization of inventory usage, and supply chain enhancements, SCI expects to further increase the proportion of local procurement in 2025, while maintaining a diversified and stable international supply base to meet market demand and align with environmental policy requirements.

Percentage of Local Procurement over the Past Five Years



	2020	2021	2022	2023	2024
Foreign Supplier Procurement Ratio	73.76%	93.89%	80.15%	55.44%	61.66%
Domestic Supplier Procurement Ratio	26.24%	6.11%	19.85%	44.56%	38.34%

Note:
Local procurement ratio = Procurement amount denominated in New Taiwan Dollars (NTD) ÷ (Total annual procurement amount across all currencies × applicable exchange rates)

Supplier Management

To ensure a stable and reliable supply of raw materials, SCI not only maintains long-term and close partnerships with its key suppliers, but also actively develops new and potential sourcing channels. At the same time, SCI promotes its sustainability principles throughout the entire supply chain ecosystem. The Company requires that contracts with suppliers explicitly incorporate clauses on integrity, transparency, and responsible business conduct, as well as policies related to human rights and ethical standards. Beyond product quality, delivery schedules, and pricing, SCI expects suppliers to jointly fulfill corporate social responsibility in areas such as business ethics, labor and human rights, environmental protection, health and safety, and management systems, thereby strengthening risk management and business continuity planning.

SCI has established both the Supplier Management Policy and the Integrity Management Policy, which clearly define the Company's commitment to promoting sustainable supply chain management, ethical business practices, and regulatory compliance. These policies ensure that SCI and its suppliers jointly adhere to environmental, human rights, and ethical standards.

The Supplier Management Policy covers supplier evaluation mechanisms, risk-based classification and management, and the integration of sustainability considerations into procurement assessment criteria, with the aim of enhancing transparency and accountability across the supply chain. All such policies have been approved by the President and serve as the core framework and guiding principles for SCI's supply chain management practices.

The Integrity Management Policy aims to establish a sound corporate culture by ensuring that the Company conducts its business activities in compliance with applicable laws and regulations, and adheres to principles of fairness, impartiality, and transparency. Through ethical business conduct, SCI seeks to safeguard its corporate reputation, enhance competitiveness, attract investors and customers, and achieve long-term sustainable development.

Supplier Management Policy and Integrity Management Policy


SCI PHARMTECH, INC.
旭富製藥科技股份有限公司

供應商管理政策


SCI PHARMTECH, INC.
旭富製藥科技股份有限公司


SCI PHARMTECH, INC.
旭富製藥科技股份有限公司

Supplier Evaluation

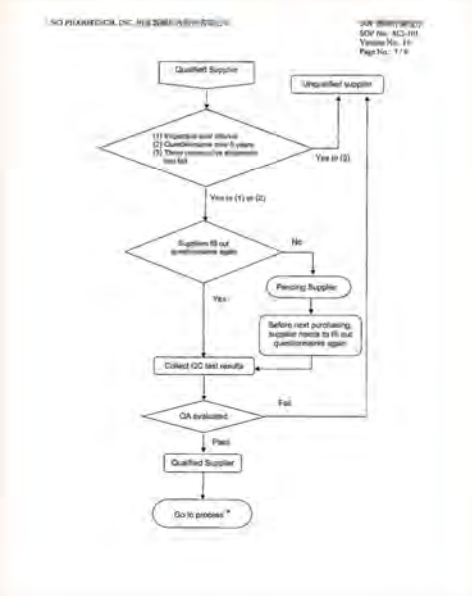
To ensure that suppliers comply with SCI Pharmtech's Supplier Management Policy, the Company requires all raw material suppliers to complete a supplier questionnaire and undergo a formal evaluation process. For suppliers of critical materials, on-site audits are conducted to verify that their management systems and product quality meet SCI's requirements with respect to quality management, environmental, health and safety (EHS), corporate social responsibility, human rights, and ethical standards, thereby reducing procurement-related risks. Suppliers that successfully pass the evaluation are included in the Approved Vendor List (AVL).

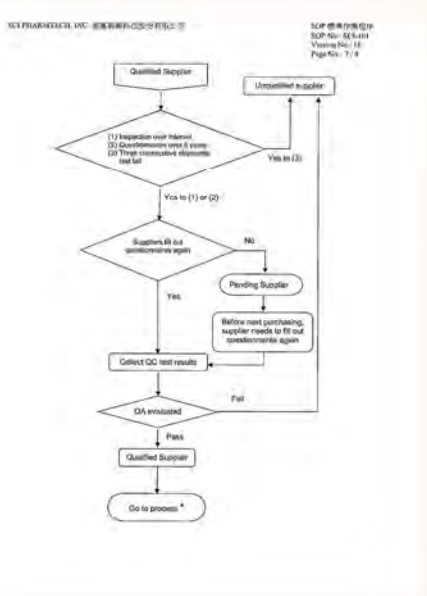
The Company requires all existing suppliers to update their questionnaire information every five years. Based on supplier risk classification, the Quality Assurance Department identifies key audit targets each year and arranges on-site audits accordingly. These audits are conducted either by the Quality Assurance Department or by qualified third-party audit organizations. Audit scope includes environmental management, personnel training, quality control, and EHS management practices.

Upon completion of the audit, an audit report is issued, and suppliers are required to implement corrective and improvement actions for any identified deficiencies. The Company subsequently tracks and verifies the effectiveness of such corrective actions.

In addition, SCI continues to strengthen communication and collaboration with key suppliers to ensure that management requirements are effectively implemented, thereby enhancing overall supply chain stability and regulatory compliance.

《Supplier Evaluation Process》 and 《Supplier Questionnaire Overview》






SCI PHARMTECH, INC.

SUPPLIERS SELF ASSESSMENT QUESTIONNAIRE

Introductions

《Supplier Evaluation Process》 and 《Supplier Questionnaire Overview》

Annual Supplier Performance Evaluation

SCI Pharmtech conducts an annual quantitative evaluation of suppliers based on QCDS criteria—Quality, Cost, Delivery, and Service—to ensure that suppliers consistently provide high-quality products that meet the Company's requirements.

The evaluation results serve as an important reference for future procurement decisions, adjustments to supplier relationships, and supplier development planning. Through this mechanism, SCI Pharmtech strengthens supply chain management effectiveness and enhances overall operational performance.

QCDS (Quality, Cost, Delivery, Service) Evaluation Framework

SCI PHARMTECH, INC.
旭富製藥科技股份有限公司
33856 桃園市蘆竹區海湖里16鄰海湖北路309巷61號
No.61, Ln. 309, Haihu N. Rd., Luzhu Dist., Taoyuan City 33856, Taiwan
TEL: +886-3-3543133 FAX: +886-3-3543137

供 應 商 評 核 表

評核期:

供應商名稱: Changzhou Watson Fine Chemical Co., Limited	供應商代號:
交期 30%:	
☐ 30% 交期符合預期	
☐ 29~20% 交期大致符合預期，偶有延容但不影響規劃生產:_____%	
☐ 19~10% 交期大致符合預期，偶有延容且影響規劃生產:_____%	
☐ 9~1% 交期常態性延容並影響規劃生產:_____%	
☐ 0% 說明:	
價格 20%:	
☐ 20% 報價低於市售價	
☐ 19~10% 價格與市售價相仿，但價格仍又議價空間:_____%	
☐ 9~1% 價格高於市售價且無議價空間:_____%	
☐ 0% 說明:	
異常處理 15%: 依不合格品退貨、異常處理之時效及結果、市場缺貨之調度、庫存調節之協助等等予以評分	
異常品處理:	
☐ 15% 無異常發生且處理迅速	
☐ 14~10% 異常及處理態度良好且與廠配合度佳:_____%	
☐ 9~1% 異常及處理態度☐一般;☐消極,☐超過時限:_____%	
☐ 0% 說明:	
配合度 15%: 送樣時效、新品提供及說明、報價之時效及合理性，公司政策之配合等	
☐ 15% 供應商配合度良好。	
☐ 14~5% 供應商配合度☐佳;☐一般;☐超過時限:_____%	
☐ 4~1% 供應商配合度☐消極;☐差,☐超過時效:_____%	
☐ 0% 無配合意;說明:	
品質與環安系統及其他國際認證 20 %:	
☐ 5% ISO9001	
☐ 5% ISO14001	
☐ 10~0% _____%;超過兩個以上之認證仍評 10%	
☐ CRS;☐ ISO45001;☐ ISO50001;☐ cGMP;☐ 其他_____	
合 計: %	供應商結果判定: 級供應商

評 核 人/日期:_____

SCI PHARMTECH, INC.
旭富製藥科技股份有限公司
33856 桃園市蘆竹區海湖里13鄰海湖北路309巷61號
No.61, Ln. 309, Haihu N. Rd., Luzhu Dist., Taoyuan City 33856, Taiwan
TEL: +886-3-3543133 FAX: +886-3-3543483

___年度原物料供應商評核彙總表

P.S.
一、評定標準:
1. 交期 30%: 以交易次數之準時度為計分標準。
2. 價格 20%: 以該原物料之同業供應商出貨價格及與市場同業購買價...等及議價狀況評定。
3. 異常處理15%: a.以品管檢驗不合格之原料退貨單數計。
b.異常處理通知後之處理時效及結果評定。
c.市場缺貨時調貨能力之評估。
d.庫存調節之協助處理能力。
4. 配合度15%: a.要求sample送樣之時效及配合。
b.新產品之提供及解說。
c.依價，報價時效之配合與合理性。
d.各項本公司政策之配合與認同度。
e.其他銷售服務之狀況評估。
5. 品質與環安系統之認證與執行 20%: 依據其品質與環安系統之認證而言。

二、評核結果判定:
1. A級: 80分以上為合格供應商。
2. B級: 70-80分仍為合格供應商，持續觀察中。
3. C級: 70分以下為不合格供應商，次年度不可向其採購原物料(但特殊情況並經採購主管簽核同意者例外。

三、評核期間: 每年第一季針對上年度進行評核，以作為當年度採購之依據。

採購主管:_____ 採購人員:_____

註: ___年度集資廠商共計___家，國內供應商___家；國外供應商___家
A級供應商___家；B級供應商___家；C級供應商___家；___年度無採購紀錄:___家
供應商問卷調查表回收率___%。

Chapter 3
Green Actions

Guided by the principles of source reduction, process management, and end-of-pipe treatment, SCI Pharmtech is committed to minimizing the environmental impacts of its operations. Beyond enhancing resource efficiency across manufacturing processes, we actively pursue innovative solutions to advance environmental performance.

One key initiative is the establishment of Framosa, a joint venture with the Veolia Group of France, which significantly improves solvent recovery and reuse rates across production processes. Through this collaboration, SCI Pharmtech continues to put circular economy principles into practice, transforming environmental responsibility into tangible operational value.

GRI Standards	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	**SDGs**	
Material Topics	Toxic Chemical Management Wastewater and Waste Management		
Impact Description	The management of toxic chemicals, wastewater, and waste constitutes a key source of environmental risk in SCI's operations. Inadequate control could result in adverse impacts on employee health, environmental pollution, and regulatory penalties, thereby affecting SCI's reputation and business continuity. To mitigate these risks, SCI has established comprehensive hazardous substance management systems and pollution prevention facilities in accordance with applicable environmental regulations. The Company continues to invest resources in upgrading treatment equipment and strengthening employee training programs. Through systematic management and regular monitoring, SCI ensures that waste, wastewater, and toxic substances generated during operations remain within controlled limits, minimizing negative impacts on the environment and society and fulfilling its corporate social responsibility.		

3-1 Environmental Protection Policy

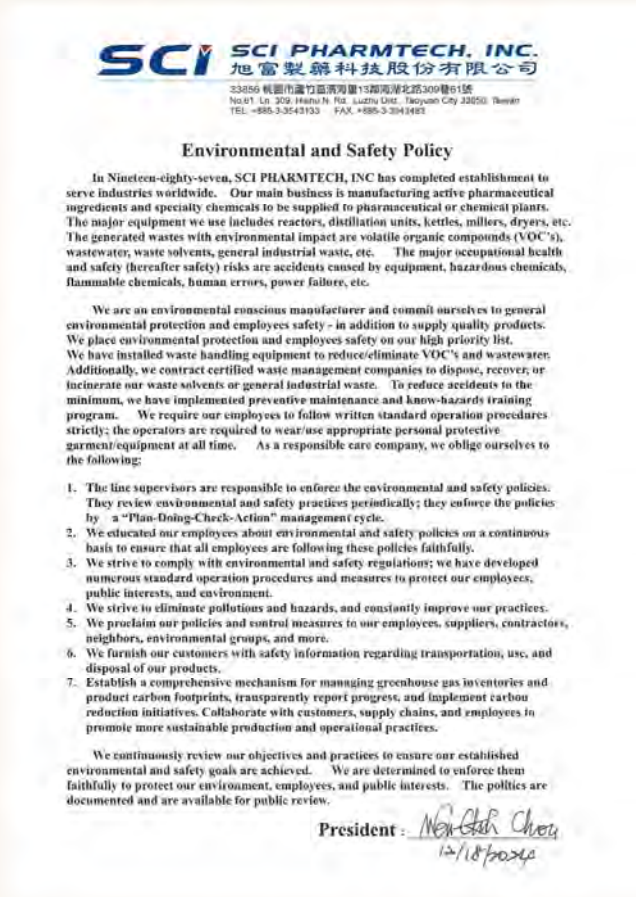
SCI has established an Environmental Protection and Occupational Health and Safety Policy, under which the Environmental Protection and Occupational Safety units are responsible for the formulation, planning, supervision, and implementation of occupational safety and environmental management initiatives.

Environmental protection is identified as a primary objective of SCI's environmental management system and is embedded as a core management goal of the Company. SCI believes that effective environmental protection practices represent the highest level of respect and protection for people, ecosystems, and facilities. Accordingly, SCI actively promotes the principles of Responsible Care and continuous improvement in alignment with applicable standards and best practices.

All operational activities within SCI's facilities are required to fully comply with relevant environmental laws and regulations. Such compliance is implemented consistently and sustained over time to ensure the long-term, sustainable operation of all facilities and activities.

SCI has implemented the ISO 14001 Environmental Management System and obtained third-party certification, establishing an effective and systematic framework for environmental management. In accordance with ISO 14001 standards, SCI conducts routine environmental management activities to ensure that all operations meet environmental requirements.

As the chemical industry inherently has significant environmental impacts, SCI identifies material environmental aspects and sets corresponding management indicators and targets to effectively control risks and continuously enhance environmental performance.



SCI PHARMTECH, INC.
旭富製藥科技股份有限公司

33856 桃園市蘆竹區南崁里13鄰南湖北路309巷61號
No.61, Ln. 309, Hsihu N. Rd., Luzhu Dist., Taoyuan City 33856, Taiwan
TEL: +886-3-3543133 FAX: +886-3-3043483

Environmental and Safety Policy

In Nineteen-eighty-seven, SCI PHARMTECH, INC has completed establishment to serve industries worldwide. Our main business is manufacturing active pharmaceutical ingredients and specialty chemicals to be supplied to pharmaceutical or chemical plants. The major equipment we use includes reactors, distillation units, kettles, millers, dryers, etc. The generated wastes with environmental impact are volatile organic compounds (VOC's), wastewater, waste solvents, general industrial waste, etc. The major occupational health and safety (hereafter safety) risks are accidents caused by equipment, hazardous chemicals, flammable chemicals, human errors, power failure, etc.

We are an environmental conscious manufacturer and commit ourselves to general environmental protection and employees safety - in addition to supply quality products. We place environmental protection and employees safety on our high priority list. We have installed waste handling equipment to reduce/eliminate VOC's and wastewater. Additionally, we contract certified waste management companies to dispose, recover, or incinerate our waste solvents or general industrial waste. To reduce accidents to the minimum, we have implemented preventive maintenance and know-hazards training program. We require our employees to follow written standard operation procedures strictly; the operators are required to wear/use appropriate personal protective garment/equipment at all time. As a responsible care company, we oblige ourselves to the following:

1. The line supervisors are responsible to enforce the environmental and safety policies. They review environmental and safety practices periodically; they enforce the policies by a "Plan-Doing-Check-Action" management cycle.
2. We educated our employees about environmental and safety policies on a continuous basis to ensure that all employees are following these policies faithfully.
3. We strive to comply with environmental and safety regulations; we have developed numerous standard operation procedures and measures to protect our employees, public interests, and environment.
4. We strive to eliminate pollutions and hazards, and constantly improve our practices.
5. We proclaim our policies and control measures to our employees, suppliers, contractors, neighbors, environmental groups, and more.
6. We furnish our customers with safety information regarding transportation, use, and disposal of our products.
7. Establish a comprehensive mechanism for managing greenhouse gas inventories and product carbon footprints, transparently report progress, and implement carbon reduction initiatives. Collaborate with customers, supply chains, and employees to promote more sustainable production and operational practices.

We continuously review our objectives and practices to ensure our established environmental and safety goals are achieved. We are determined to enforce them faithfully to protect our environment, employees, and public interests. The politics are documented and are available for public review.

President : Wen-Shih Chou
12/18/2024

3-2 Environmental Regulatory Compliance

Environmental protection is a key focus area for SCI. Material topics related to this aspect include regulatory compliance and pollution prevention. SCI continuously strengthens its environmental management practices to ensure full compliance with applicable laws and regulations.

To enhance compliance efficiency and information transparency, SCI has implemented a regulatory management cloud system to enable real-time monitoring and tracking of environmental regulations. This system allows SCI to promptly identify regulatory updates and ensure that internal operations remain fully aligned with the latest legal requirements.

In addition, SCI actively assigns personnel to participate in environmental training programs, briefings, and seminars organized by the Ministry of Environment and local environmental protection authorities. These activities enable SCI to stay informed of regulatory trends, enforcement priorities, and inspection focus areas, which are subsequently incorporated into internal management systems to strengthen practical compliance.

SCI also conducts regular in-house environmental education and awareness programs. Through training courses, case studies, and drills, employees' understanding of environmental issues and regulatory risks is enhanced, fostering a company-wide culture of environmental compliance.

In 2024, SCI recorded zero environmental violations and remains committed to achieving and maintaining the goal of zero non-compliance in the future.

Environmental Non-Compliance in 2024

Category of Violation	Number of Cases	Penalty Amount (NTD)
Waste Pollution	-	0
Air Pollution	-	0
Water Pollution	-	0
Toxic Chemical Pollution	-	0
Total	-	0

3-3 Environmental Management Expenditures

SCI continues to translate its environmental sustainability commitments into concrete actions through systematic management and sustained investment. Each year, SCI allocates substantial resources to air pollution control, water treatment, waste disposal, and soil and groundwater protection. During the post-reconstruction period, SCI has not only maintained the effectiveness of its environmental management practices but has also continuously enhanced waste reduction and resource recycling strategies.

In 2024, total environmental management expenditures decreased by more than NTD 20 million compared to 2023. This reduction was primarily attributable to SCI's intensified research into solvent recovery and reuse technologies, as well as the effective implementation of source reduction measures, which collectively lowered overall treatment costs.

However, the outsourced treatment ratio increased to 95% in 2024. This increase reflects SCI's proactive shift away from accumulating waste for batch disposal toward timely and continuous waste removal. In addition to routine waste streams, previously stored waste within the plant was also cleared. By accelerating disposal schedules, SCI effectively eliminated historical waste backlogs and further reduced on-site environmental risks.

Whether viewed from the perspective of environmental expenditures or improvements in management performance indicators, these outcomes clearly demonstrate SCI's ongoing commitment to environmental protection. SCI continues to invest in pollution prevention and control related to air emissions, water quality, waste management, and soil and groundwater protection, while strengthening process management and pollution control capabilities to ensure regulatory compliance and enhance overall operational resilience.

SCI Environmental Maintenance Expenditures over the Past Five Years

Year	2020	2021	2022	2023	2024
Expense Categories	Air pollution control fees, water pollution control fees, industrial waste disposal fees, soil and groundwater protection costs				
Total Expenditures (NTD)	94,871,933	59,365,100	72,496,921	99,425,568	79,191,197
Outsourced Treatment Ratio*	94%	77%	79%	65%	95%

* The remaining portion represents environmental management activities handled internally by SCI.

3-4 Environmental Management Performance

For each management area, we establish performance indicators with reference to the GRI and SASB Standards, as well as applicable local regulations and customer requirements. In 2024, SCI Pharmtech implemented multiple green manufacturing and pollution-prevention initiatives and achieved tangible results.

The company actively reduced the accumulation and discharge of waste and pollutants at its facilities. By recovering and reselling distillation by-products (such as MeOH, EtOH, ACT, etc.), SCI significantly enhanced the reuse of organic solvents, achieving an annual distillation recovery treatment rate of 99.8%. In addition, soil and groundwater at previously regulated areas of the site were reviewed by the environmental authority and officially released from pollution control, demonstrating the effectiveness of remediation efforts.

With respect to wastewater and waste management, SCI increased collection and transportation frequency in 2024 to reduce the risks associated with on-site waste storage. For air pollution control, scrubbers for major process areas have been installed and accepted. Regarding API effluent monitoring, product-specific Predicted No-Effect Concentration (PNEC) values continue to be established and refined.

To strengthen emergency preparedness, SCI has implemented a dedicated training program, under which seven operational-level personnel have obtained emergency response qualifications, with continued resource investment planned. In response to climate change, SCI has progressively adopted ISO 14064-1 organizational greenhouse gas inventory and product carbon footprint assessments, both of which have been externally verified, providing a solid foundation for setting more concrete carbon-reduction targets going forward.

Item	SDGs Indicator	Objective	2024 Performance
1		Reduce outdoor waste accumulation; recover organic waste liquids through distillation and classify concentrated organic wastewater	In 2024, by-products resold included: MeOH 952 drums, EtOH 312 drums, ACT 465 drums, IPA 219 drums, TOL 320 drums, THF 53 drums, EA 79 drums, DEK 7 drums, Hexane 20 drums, DCM 3 drums, IPEA 8 drums, IPAC 5 drums, HEP 6 drums. Remaining waste solvent inventory generated from processes was approximately 23 drums as of year-end.
2		Increase treatment rate of used solvents through distillation recovery	Distillation recovery treatment rate reached 99.8% in 2024.
3		Remediation of soil and groundwater contamination at plant site	On December 21, 2023, the Environmental Protection Bureau officially lifted the pollution control designation. All subsequent monitoring results have remained compliant and duly reported.
4		Reduce outdoor waste accumulation; enhance treatment of strong acids (pH < 2) or strong alkalis (pH > 11) in processes or wastewater facilities	In 2024: PEB-wet-W1 (C-0202) waste transported: 111.92 tons; W1-DEMBM-C (C-0299): 0 tons; PEB-wet-W1 inventory: 0 tons.
5		Reduce air pollutant emissions from process areas	Scrubber system for Building B completed acceptance; R2401 exhaust hood installation in progress.
6		Meet customer PSCI audit requirements; establish product-specific PNEC values and monitor API concentration in effluent	PNEC reports completed for Duloxetine.HCl, PGA, and Thiopental. Reports for HOCLQ-S, PF.HCl, and PEB. Na under review. Di-NaVA sampling completed and under analysis.
7		Reduce on-site storage of nickel catalyst (Ra-Ni) and establish proper disposal channels	Two shipments completed in 2024 totaling 1,734.8 kg; year-end inventory 0 kg.
8		Enhance toxic chemical emergency response capability; establish professional responder training and regulatory registration	7 operational-level personnel obtained emergency response qualifications; 8 personnel completed refresher training. Emergency resources and capacity planning ongoing.
9		Greenhouse gas inventory and energy management	May 2024: completed internal professional training for carbon inventory personnel; completed internal verification of organizational GHG inventory and product carbon footprints (Duloxetine.HCl, HOCLQ Sulfate, PGA). July 2024: completed external verification. October 2024: ISO 14064-1 system implemented and verified. ISO 14067 verification statements for Duloxetine.HCl, HOCLQ Sulfate, and PGA obtained in December.

3-5 Climate Change Mitigation and Adaptation

In response to global climate change trends, SCI conducts TCFD-aligned assessments of climate-related risks and opportunities, evaluating their potential financial impacts and continuously formulating short-, medium-, and long-term greenhouse gas (GHG) reduction targets and action plans.

The Board of Directors has established a Sustainability Development Committee, under which an execution task force is responsible for the identification, assessment, and management recommendations related to climate change risks and opportunities, ensuring that climate considerations are effectively integrated into governance and decision-making processes.

Identification of Climate-Related Risks and Opportunities

In light of the increasing severity and uncertainty of climate change, SCI references climate-related data, scenario analyses, and the TCFD framework to identify short-, medium-, and long-term climate risks and opportunities. These risks and opportunities are evaluated and prioritized based on their potential impact magnitude and likelihood, forming a climate risk matrix that serves as the basis for corresponding mitigation and adaptation measures.

In 2024, the top climate-related risks identified in SCI's risk matrix included:

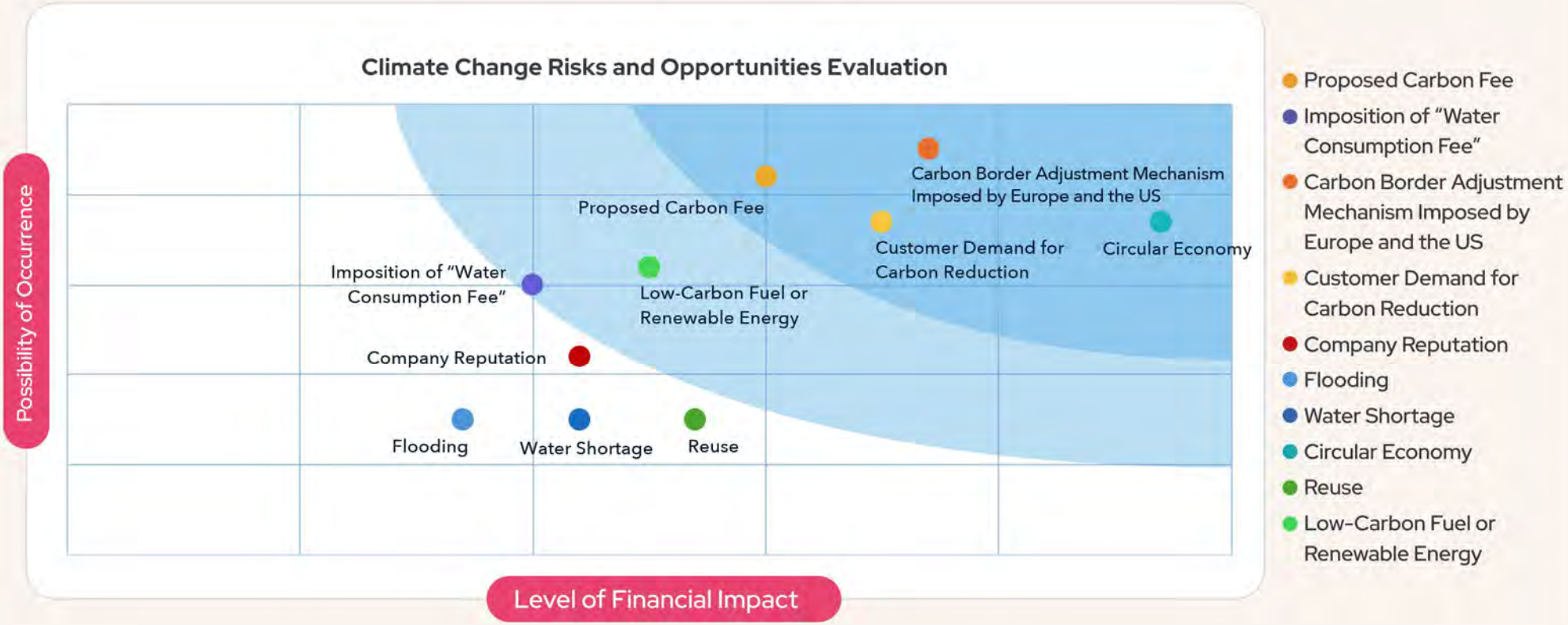
1. Policy and regulatory risks, such as carbon pricing mechanisms and carbon border adjustment measures;
2. Cost pressures arising from customer-driven decarbonization requirements, including investments in low-carbon technologies and circular economy solutions that may replace existing processes or products.

SCI has developed appropriate management and response measures to address these risks. Looking ahead, SCI will continue to strengthen its multi-dimensional assessment of climate-related impacts on operations and financial performance. In addition to adopting adaptation strategies to mitigate climate risks, SCI is proactively leveraging identified climate-related opportunities to enhance production efficiency and drive low-carbon and innovative product development, thereby transforming climate challenges into drivers of sustainable growth.

Climate Risk Identification Process

SCI identifies short-, medium-, and long-term climate-related risks and opportunities and conducts climate risk identification accordingly. These risks are evaluated and prioritized using a risk matrix based on their potential severity and likelihood of occurrence, enabling SCI to determine its most material climate-related risk issues. For each identified risk, corresponding response strategies and potential opportunities are further assessed and developed.

TCFD Risk Matrix



Financial Impacts of Climate-Related Issues

No.	Issue	Risk / Opportunity	Category	Description	Impact Level
1	Proposed Carbon Fee	Risk	Policy & Regulation	To address climate change, the government plans to impose a carbon fee, which may increase operating costs for energy-intensive industries.	High
2	Imposition of "Water Consumption Fee"	Risk	Policy & Regulation	In February 2023, the government announced amendments to the Water Act, proposing the imposition of a water consumption fee on entities with high water usage.	Medium
3	Carbon Border Adjustment Mechanism Imposed by Europe and the US	Risk	Policy & Regulation	The European Union plans to implement the Carbon Border Adjustment Mechanism (CBAM) starting in 2026, which may increase export costs for carbon-intensive products.	High
4	Customer Demand for Carbon Reduction	Risk	Market	As customer awareness of sustainability increases, demand for low-carbon products continues to grow. High-carbon products may negatively impact SCI when considering product life cycles and value chains.	High
5	Company Reputation	Risk	Reputation	With the growing emphasis on ESG performance, investors and financial institutions increasingly incorporate ESG criteria into investment and lending decisions. Failure to meet ESG expectations may adversely affect SCI's reputation.	Medium

No.	Issue	Risk / Opportunity	Category	Description	Impact Level
6	Flooding	Risk	Acute Physical Risk	Extreme weather events such as typhoons and heavy rainfall may cause flooding, leading to production shutdowns to prevent process hazards and resulting in revenue losses.	Low
7	Water Shortage	Risk	Chronic Physical Risk	Climate-related droughts or prolonged water shortages may disrupt operations and result in potential revenue losses.	Medium
8	Circular Economy	Risk	Technology	SCI has invested in Framosa to leverage purification technologies and develop solvent recovery solutions for pharmaceutical manufacturing processes, which requires continuous technological investment.	High
9	Reuse	Opportunity	Resource Efficiency	Through purification and recycling processes, materials can be reused, reducing production costs and enhancing internal resource circulation.	Medium
10	Low-Carbon Fuel or Renewable Energy	Opportunity	Resource Efficiency	SCI is evaluating the installation of renewable energy systems, such as solar power, to reduce overall carbon emissions.	Medium

Financial Impacts of Climate-Related Issues

SCI plans to adopt the risk assessment mechanisms recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In response to increasingly stringent regulations and policies, extreme weather risks, and supply chain stability challenges, SCI will assess the financial impacts arising from changes in production, regulatory compliance, and market demand, as well as evaluate the feasibility of transition actions.

Scope of Impact Legend: ▲Up Stream ●Operation ▼Down Stream

Issue No.	Issue	Risk Category	Scope of Impact	Impact Level	Description	Potential Financial Impact	Management Strategy (Risk Avoidance / Risk Mitigation / Risk Acceptance)
1	Proposed Carbon Fee	Policy & Regulation	●	High	In January 2023, Taiwan's Legislative Yuan passed the amendment of the Greenhouse Gas Reduction and Management Act, renaming it the Climate Change Response Act, which introduces a carbon fee mechanism along with preferential rates and emission reduction deductions.	SCI is not currently classified as a major carbon emitter subject to carbon fees. If the scope expands, based on SCI's 2024 GHG emissions of approximately 17,000 tons (Scope 1 and 2), and an assumed fee of NTD 300 per ton, the estimated annual carbon fee would be approximately NTD 5.1 million, increasing operating expenses.	1. Conduct annual GHG inventories to identify emission hotspots. 2. Promote energy efficiency improvements and energy transition. 3. Establish carbon reduction targets and strategies. 4. Implement energy-saving technologies and apply for carbon reduction subsidies. 5. Introduce internal carbon pricing as a key metric for performance evaluation, product operations, and investment decisions to maintain competitiveness.
2	Imposition of "Water Consumption Fee"	Policy & Regulation	●	Medium	In February 2023, the government announced amendments to the Water Act, proposing a water consumption fee for entities with high water usage.	During drought periods, excess water usage may be charged at NTD 3 per m^3, with a 50% reduction applied before the end of 2025.	Increase water recycling and reuse rates to reduce water consumption.

Issue No.	Issue	Risk Category	Scope of Impact	Impact Level	Description	Potential Financial Impact	Management Strategy (Risk Avoidance / Risk Mitigation / Risk Acceptance)
3	Carbon Border Adjustment Mechanism (CBAM) Imposed by Europe	Policy & Regulation	▲ ●	High	The EU announced the Carbon Border Adjustment Mechanism (CBAM) in July 2021, requiring imports of high-carbon products to declare embedded carbon emissions and pay a carbon levy, with full implementation expected by 2027 and expansion to all product categories by 2030.	SCI's exports to the EU, particularly organic chemical products, may face higher costs, potentially reducing product competitiveness.	1. Continue promoting energy efficiency, carbon reduction, energy transition, and circular economy initiatives to lower carbon intensity per unit product. 2. Domestic carbon fees may be used as offsets against CBAM liabilities.
4	Customer Demand for Carbon Reduction	Market	▲ ● ▼	High	Some EU customers have set targets to reduce carbon emissions by 50% by 2030 and are increasingly requiring suppliers to participate in carbon reduction programs.	While supplier evaluations currently emphasize price and quality, carbon reduction capability will gradually carry more weight, potentially increasing procurement costs.	1. Implement product carbon footprint programs to identify life-cycle emission hotspots. 2. Promote carbon reduction initiatives among multiple suppliers to enhance supply chain competitiveness.
5	Company Reputation	Reputation	●	Medium	As ESG considerations gain prominence, financial institutions increasingly incorporate ESG performance into investment and lending decisions. Several banks have committed to restricting financing for coal-related projects.	If SCI's climate actions fail to meet financial institutions' expectations, its reputation may be negatively impacted, potentially leading to higher borrowing costs and increased interest expenses.	1. Actively participate in CDP, TCFD, and Science-Based Targets initiative (SBTi) to demonstrate ESG commitment and carbon reduction performance. 2. Monitor renewable energy development timelines and government policies to evaluate suitable energy transition pathways.
6	Flooding	Acute Physical Risk	●	Low	Extreme rainfall or flooding events may lead to plant shutdowns, resulting in revenue losses.	Based on 2024 revenue of approximately NTD 1.5 billion, a one-day shutdown due to flooding could result in an estimated loss of NTD 6.82 million.	1. Conduct monthly monitoring and management of energy and water usage. 2. Install additional pumping equipment to prevent site flooding.

Issue No.	Issue	Risk Category	Scope of Impact	Impact Level	Description	Potential Financial Impact	Management Strategy (Risk Avoidance / Risk Mitigation / Risk Acceptance)
7	Water Shortage	Chronic Physical Risk	●	Medium	Climate-related droughts and water shortages may require production curtailment or shutdowns if water supply restrictions cannot be adequately managed.	Assuming a 10% water restriction reduces capacity utilization to 80%, and a severe drought lasts half a month, the estimated revenue impact could reach NTD 50 million.	1. Implement emergency water-saving measures. 2. Plan reclaimed water systems at the Guanyin plant to serve as alternative water sources during drought periods.
8	Circular Economy	Technology	▲ ● ▼	High	Leverage in-process purification technologies to develop solvent recovery solutions for pharmaceutical manufacturing.	Through the joint venture with Veolia (Framosa), solvent recovery rates are estimated at approximately 85%, with annual recovery volumes projected to reach 23,000 tons.	Establish Framosa to enhance organic solvent recovery in pharmaceutical manufacturing, reducing environmental pollution while saving resources and energy.
9	Reuse	Resource Efficiency	●	Medium	Develop low-carbon products by improving processes and enhancing material recycling across the product life cycle and value chain.	Expanding circular economy practices can reduce raw material procurement and waste disposal costs by increasing solvent recovery and waste reduction.	Purify and reintegrate by-products into production processes to reduce raw material consumption and product carbon emissions.
10	Low-Carbon Fuel or Renewable Energy	Resource Efficiency	●	Medium	Amendments to the Renewable Energy Development Act require regulated entities to install renewable energy systems equal to 10% of contract capacity, install energy storage, or purchase renewable energy certificates.	SCI is not currently a regulated entity. If included in the future, the estimated benefit of installing solar PV systems is approximately NTD 2,300 per kWp.	Invest in renewable energy infrastructure, with preliminary plans to install approximately 500 kW of solar photovoltaic capacity.

3-6 Greenhouse Gas and Energy Management

Energy Management

Energy efficiency plays a critical role in mitigating climate change. SCI's primary energy sources are electricity and natural gas, and overall energy consumption fluctuates in line with production activities. In 2020, when production reached its peak, total energy consumption amounted to 182,660 GJ, with an energy intensity of 2.11 GJ per NT$10,000 of output. However, a fire incident at the end of 2020 led to partial production shutdowns, which significantly disrupted production volumes and energy performance in subsequent years.

Between 2021 and 2022, as operations gradually resumed across different facilities, energy consumption increased steadily and energy intensity adjusted accordingly. In 2023, total energy consumption reached 100,986 GJ, with an energy intensity of 0.84 GJ per NT$10,000 of output. In 2024, following full restoration of operations and capacity expansion, total energy consumption increased to 121,864 GJ. At the same time, production value grew to NT$1,523.74 million, resulting in an energy intensity of approximately 0.80 GJ per NT$10,000 of output, remaining within a relatively stable range.

SCI Pharmtech Energy Consumption in Recent Years

Energy Category	Energy Type	Unit	2020	2021	2022	2023	2024
Scope 1	Diesel	Liters (L)	34,800	15,600	3,500	18,300	20,000
		GJ	1,223.65	548.53	123.07	643.47	703.25
	Natural Gas	m³	3,266,457	4,547	667,439	1,213,235	1,415,571
		GJ	109,387.11	152.27	22,351.20	42,660.20	47,413.70
Scope 2	Electricity	kWh	20,013,597	3,126,800	9,699,200	16,022,800	20,485,193
		GJ	72,048.95	11,256.48	34,917.12	57,682.08	73,746.69
Total Energy Consumption		GJ	182,659.71	11,957.28	57,391.39	100,985.75	121,863.64
Annual Production Value		NT$10,000	190,973	28,244	18,802	120,416	152,374
Energy Intensity		GJ / NT$10,000	0.96w	0.42	3.05	0.84	0.80

Notes:
1. 1 kWh = 0.0036 GJ
2. Natural gas conversion factor: 8,000 kcal/m³
3. Energy intensity = Total energy consumption ÷ Annual production value

SCI Pharmtech Energy-Saving Measures

Process Optimization	Construction of anaerobic treatment tanks, reducing blower operating hours by approximately 50%.
Equipment Upgrade and Replacement	Replacement of metal halide lamps with LED lighting in warehouse facilities.
	Replacement and upgrading of aging chilled water systems to improve efficiency and reduce energy losses.
	Improvement of exhaust systems in office building HVAC systems to reduce electricity consumption.
Behavioral Change Initiatives	Air conditioning is activated only when indoor temperatures exceed 28°C, with automatic shut-off timers in place.
	Installation of timer switches for lighting, water dispensers, automatic doors, and other facilities throughout the plant.
	Promotion of a paperless working environment and recycling of paper resources.

Greenhouse Gas Emissions Management

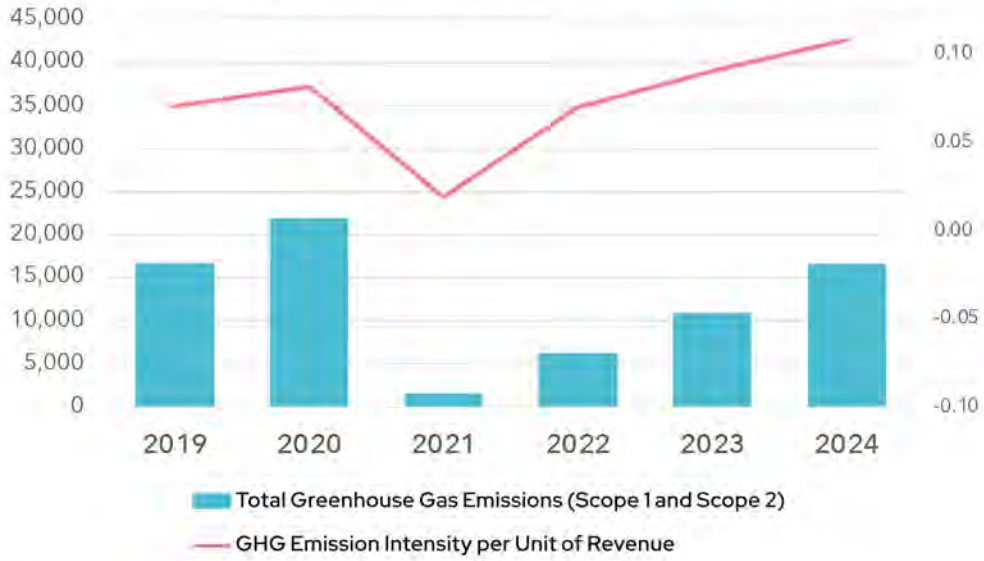
As global awareness of climate change risks continues to grow, international regulations and agreements have become increasingly stringent. Governments around the world are introducing measures such as carbon taxes and Carbon Border Adjustment Mechanisms (CBAM) on imported products, compelling companies to implement carbon reduction initiatives, accelerate energy transition, and upgrade technologies. In response to these trends, SCI has proactively taken action and expects to continue investing additional resources in equipment upgrades and process improvements to reduce carbon emissions, comply with international regulations, and capture opportunities arising from the low-carbon transition.

SCI began conducting greenhouse gas (GHG) emissions inventories in 2023. Using 2020 emissions as the baseline year, the Company continuously tracks total GHG emissions and carbon emission intensity to better understand the relationship between operational efficiency and environmental impact.

Following the major fire incident in 2020, SCI's operations were significantly disrupted, with production lines temporarily suspended. As a result, both production value and GHG emissions declined sharply in 2021, falling from NT$2,689.22 million and 21,988 metric tons CO_2e in 2020 to NT$864.22 million and 1,644 metric tons CO_2e, respectively. Carbon emission intensity in that year dropped to a historical low of 0.02, reflecting the substantial reduction in operational scale and corresponding emissions per unit of output. From 2023 onward, as facilities gradually resumed operations, both emissions and production value increased year by year. In 2024, with full resumption of operations and the introduction of new equipment, production value rose to NT$1,523.74 million, while total GHG emissions increased to 15,723 metric tons CO_2e, resulting in a carbon emission intensity of 0.103.

It is worth noting that during the plant reconstruction process, SCI placed strong emphasis on improving on-site working conditions for employees. Measures included the comprehensive installation of air-conditioning systems, enhanced ventilation systems, and expanded scrubber tower capacity to improve workplace comfort and overall environmental conditions. These improvements, however, were accompanied by increased energy consumption. In addition, although full operations resumed in 2024, customer orders had not yet fully returned, and certain production lines remained underutilized. As a result, utilities such as air-conditioning systems, boilers, and chilled water systems continued to operate at full capacity, even though production output had not reached its maximum level, leading to a slight increase in carbon emission intensity. SCI will continue to optimize carbon management and production scheduling, and reduce carbon intensity through the adoption of energy-efficient equipment, green process innovations, and smart management systems.

SCI Pharmtech's Greenhouse Gas Emissions in the Past 5 Years

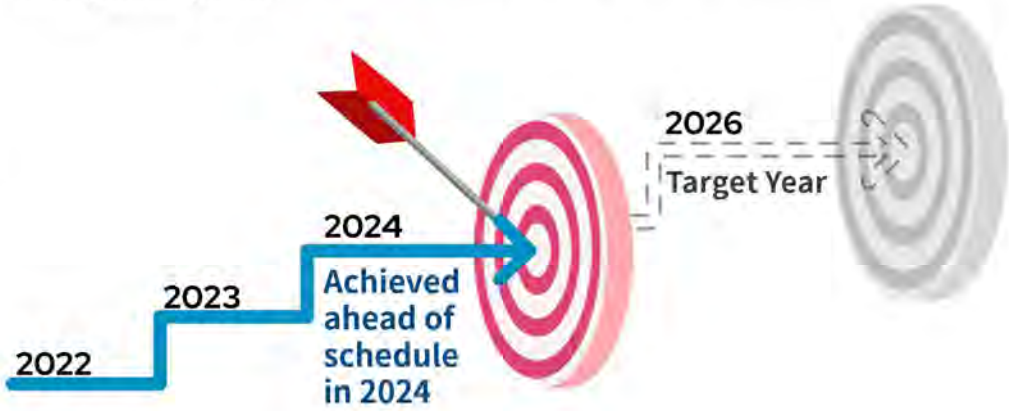


Notes:

1. Conversion factors for Scope 1 fuel emissions are based on the Ministry of Environment's Greenhouse Gas Emission Factor Management Table (Version 6.0.4).
2. Scope 2 emission factors are calculated using the annual electricity emission factors announced by the Bureau of Energy, Ministry of Economic Affairs.
3. GHG emission data for 2020 and 2023 presented in this report have been revised. The originally disclosed figures were 16,282 metric tons CO_2e (2020) and 10,570 metric tons CO_2e (2023). Following external verification, the corrected figures were confirmed to be 21,988 metric tons CO_2e (2020) and 10,925 metric tons CO_2e (2023). These revisions resulted from the identification of previously omitted emission sources during third-party verification. While the revisions affect historical trend analysis and year-to-year comparisons, they do not impact SCI's overall decarbonization strategy or direction.

In consideration of comprehensive equipment upgrades and the recovery of production capacity, SCI will continue to promote energy conservation, carbon reduction, and operational efficiency improvement initiatives. The Board of Directors approved a mid- to long-term plan for greenhouse gas inventory and third-party verification in 2022, with the original goal of completing company-wide external verification by 2026. In response to growing customer expectations for low-carbon supply chains and the global net-zero transition, SCI accelerated this timeline and completed organization-level GHG inventory and verification in accordance with ISO 14064-1:2018 in 2024, as well as carbon footprint assessments for four products in accordance with ISO 14067:2018.

Using pre-fire 2020 GHG emissions (21,988 metric tons CO_2e) as the baseline year, SCI has established a strategic target to reduce greenhouse gas emissions by 20% by 2030. The Company's decarbonization strategy focuses on three key areas: reducing carbon emissions, introducing renewable energy, and strengthening the energy management system.



SCI has set 2020—prior to the fire incident—as its baseline year, with total greenhouse gas emissions of 21,988 tCO_2e. Based on this baseline, SCI has established a strategic target to achieve a 20% reduction in greenhouse gas emissions by 2030, focusing on three key pillars: reducing carbon emissions, increasing the use of renewable energy, and strengthening its energy management system.

1. Carbon Emission Reduction

Item	Description
Scope of activities	Covers utilities, production processes, office environments, and warehouse operations. All emission sources across SCI's operations—including electricity consumption, fuel use, equipment operation, and HVAC systems—are included in the assessment.
GHG scopes	Scope 1 and Scope 2
Baseline year and target	Using 2020 emissions as the baseline, SCI aims to achieve a 20% reduction in total greenhouse gas emissions by 2030 through a phased, medium- to long-term approach.
Recent progress	From 2023 to 2024, SCI completed organization-level greenhouse gas inventories and initiated carbon footprint verification for selected key products, establishing a robust data foundation for future tracking and improvement.

2025-2026

Develop concrete decarbonization plans and upgrade processes and equipment

SCI will identify emission hotspots across production processes and consolidate internal and external technical resources to formulate actionable decarbonization measures. These include replacement of aging equipment, fuel switching (e.g., replacing diesel with natural gas), and efficiency improvements. Internal training programs will also be conducted to enhance employees' low-carbon operational awareness.

2027-2028

Achieve a 10% reduction and introduce an energy management system

SCI aims to reach an interim target of a 10% reduction compared with the baseline year. In addition to ongoing process and equipment optimization, a smart energy management system will be introduced to enable real-time monitoring of energy consumption across facilities. Data-driven analysis will support efficiency improvements, with KPIs and feedback mechanisms established to strengthen emission control effectiveness.

2029-2030

Achieve the 20% reduction target and complete renewable energy deployment or acquire RECs

In the final phase, SCI will integrate outcomes from earlier initiatives and consolidate internal management systems with renewable energy deployment results. If residual emission gaps remain, SCI will assess the use of Renewable Energy Certificates (RECs) to ensure the overall 20% reduction target is achieved as planned.

2. Renewable Energy Adoption

Item	Description
Scope of activities	Rooftop utilization at dormitories, production facilities, and warehouse spaces, with a primary focus on office-related energy use.
GHG scope	Scope 2 (indirect emissions)
Target timeline	Initiate solar energy deployment by 2027 to diversify SCI's energy mix.
Implementation approach	Prioritize feasibility assessments for rooftop solar installations, starting with pilot projects and expanding renewable electricity adoption in phases to progressively increase the share of self-generated green power.

2025-2026

Complete feasibility assessment for solar deployment

SCI will engage professional consultants to conduct structural assessments and power system evaluations, covering rooftop solar exposure, load-bearing safety, and financial returns. Business models such as leasing, direct investment, or power purchase agreements will also be evaluated.

2027-2028

Complete procurement and installation planning

Based on assessment results, SCI will determine suitable sites and implementation schedules, initiate equipment procurement, and carry out installation in compliance with safety and environmental requirements, ensuring seamless integration with the company's power grid.

2029-2030

Gradual expansion of green power systems based on actual needs

If pilot projects demonstrate favorable performance, SCI will continue to scale up renewable energy deployment to further increase renewable energy usage and reduce indirect emissions.

3. Energy Management System

Item	Description
Scope of activities	Production processes, offices, laboratories, warehouses, and public facilities
Target timeline	Achieve ISO 50001 Energy Management System certification by 2026
Implementation approach	In the initial phase, establish energy management systems and basic processes, focusing on organizational inventories and an energy efficiency culture. In the mid-term, deploy power monitoring and analytical instruments. Ultimately, establish data-driven energy KPIs and decision-making mechanisms to enable continuous improvement.

2025

Initiate energy management system planning and implementation

SCI will establish an energy management task force, conduct energy hotspot assessments, and provide relevant personnel training. Energy policies and internal procedures will be consolidated into a documented management system serving as the foundation for ISO 50001 certification.

2026

Complete ISO 50001 certification

Building on system implementation and internal audits, SCI will proceed with third-party ISO 50001 certification to ensure basic energy management capabilities and continuous improvement mechanisms are in place.

2027

Deploy initial power monitoring equipment and key meters

Smart meters and real-time monitoring devices will be installed at major energy-intensive areas and equipment (e.g., compressors, chillers, HVAC systems). Monthly energy reporting frameworks will be established to track performance.

2028

Establish zonal monitoring architecture and KPI-based management

Monitoring will be extended to office and warehouse areas, integrating zonal energy data into a centralized platform. Energy performance indicators (EnPIs) will be developed based on historical data, with departmental energy-saving KPIs set and linked to internal audits and action plans to enable systematic tracking of efficiency and decarbonization performance.

Complementary Climate Actions and Outlook

In addition to the above initiatives, SCI plans to complete the implementation of an internal carbon pricing mechanism by 2025, referencing domestic and international carbon pricing trends to support future investment and project feasibility assessments. Where necessary, RECs will be evaluated as a supplementary measure to address potential gaps in emission reduction targets, enhancing flexibility in climate risk management and strengthening SCI's overall low-carbon transition strategy.

This roadmap will support SCI's phased advancement of energy management:

- **Short term (2025–2026):** Establish management systems and complete ISO 50001 certification.
- **Mid term (2027–2029):** Gradually deploy monitoring equipment in key areas to enhance energy visibility.
- **By 2030:** Establish a data-driven energy performance management model to support continuous optimization.

With full operations resumed in 2024 and the Guanyin new plant scheduled to commence production by the end of 2025, SCI's operating scale, order intake, and output are expected to grow steadily. In this context, balancing revenue growth with decarbonization and energy efficiency management remains a critical challenge. SCI has defined its climate targets and will track and review progress annually through inventories and action plans, ensuring transparency and accountability in achieving its goals.

3-7 Waste Management

To ensure that waste classification, transportation, and disposal comply with environmental regulations and operational efficiency requirements, SCI Pharmtech, Inc. (hereinafter referred to as "SCI" or "the Company") engages qualified and legally certified waste treatment contractors to handle different types of waste based on their characteristics.

In 2024, SCI cooperated with multiple licensed waste disposal vendors responsible for treating inorganic sludge, waste liquids with flash points below 60°C, non-hazardous organic waste liquids or waste solvents, industrial waste, and general waste. Among these categories, non-hazardous organic waste liquids, waste solvents, and other unclassified general industrial waste required higher treatment demand and were therefore handled by up to five contractors each. In contrast, organic sludge and waste oil mixtures were either not generated or produced in negligible quantities, resulting in no disposal demand.

All waste generated by SCI is properly recorded and reported in accordance with regulatory requirements, ensuring environmental responsibility and operational transparency.

Number of Waste Disposal Contractors by Waste Category in 2024

Waste Category	Number of Contractors
Organic sludge	0
Inorganic sludge	2
Waste liquids with flash point < 60°C	5
Non-hazardous organic waste liquids or waste solvents	5
Waste oil mixtures	0
General waste from business activities	2
Other unclassified general industrial waste	5
Other chemical mixtures or waste containers	1

Waste Management Practices

SCI integrates waste management considerations at the research and development stage, where production processes are thoroughly evaluated to ensure that potential pollutants can be effectively controlled or that associated risks can be mitigated to acceptable levels before entering mass production.

Hazardous waste generated during manufacturing—particularly waste liquids with flash points below 60°C—is entrusted to qualified disposal contractors for incineration or thermal treatment. Non-hazardous waste, including non-hazardous organic waste liquids or waste solvents, general waste, sludge mixtures, and organic sludge, is also handled by licensed contractors using appropriate treatment methods such as incineration, thermal treatment, or physical processing.

Whenever feasible, SCI prioritizes recovery and reuse through appropriate methods to prevent unnecessary disposal and material waste. Examples include reducing solvent consumption, increasing solvent and catalyst recovery rates, and purifying waste solvents for use as alternative fuels. Regardless of the disposal method, SCI ensures that no threat is posed to employee health and safety or to the environment.

Responsible production also extends to product portfolio planning. SCI prioritizes high-value products with high technical entry barriers, maximizing resource efficiency and minimizing waste intensity across its operations.

Core Principles of SCI's Waste Management

Regulatory Compliance	SCI manages waste in accordance with the Waste Disposal Act and related regulations, including obtaining waste management plans, commissioning licensed contractors, performing regular waste reporting, and ensuring proper storage.
Environmental Effectiveness	SCI adopts source reduction and resource recycling concepts, incorporating raw material reduction and solvent recovery during process development.
Cost Efficiency	By establishing sales channels for recovered materials—such as ethanol—SCI enhances the reuse value of waste and advances toward a zero-waste resource utilization model.

Waste Treatment Methods for Hazardous and Non-Hazardous Waste (Past 5 Years)

Waste Types	Disposal Methods		Total Weight (t)				
	Treatment Method	Treatment Location	2020	2021	2022	2023	2024
Hazardous waste	Preparation for reuse	On-site	330	–	-	-	-
	Recycling	Off-site	508.7	190	285.05	301.915	396.86
	Landfilling	Off-site	1572.1	195.7	167.23	896.59	1624.01
	Other treatment	Off-site	–	147.8	41.41	68.15	793.68
Non-hazardous waste	Preparation for reuse	Off-site	18.2	8.6	-	-	-
	Recycling	Off-site	1,049.2	2,827.7	1375.96	1045.16	916.21
	Incineration (excluding energy recovery)	Off-site	88.8	39.3	79.99	593.18	567.02
	Landfilling	Off-site	1026.3	569.1	482.9	318.27	374.52
		Off-site	–	9.2	334.96	223.97	278.95
		Subtotal – Hazardous	2,410.8	533.5	493.69	1266.655	2814.55
		Subtotal – Non-hazardous	2,182.5	3,453.9	2273.81	2180.58	2136.7
		Total	4,593.3	3,987.4	2767.5	3447.235	4951.25

Note:

- Preparation for reuse: Products or components originally intended for disposal are reused for the same purpose after inspection, cleaning, or repair.
- Recycling: Waste materials are reprocessed into new materials.
- On-site: Waste treated internally by the Company.
- Off-site: Waste entrusted to external licensed contractors.

3-8 Raw Materials and Packaging Materials Management

SCI Pharmtech, Inc. is a professional manufacturer of active pharmaceutical ingredients (APIs) and advanced intermediates. In addition to product safety, SCI places equal emphasis on environmental protection. Throughout the entire product life cycle—from raw material sourcing and use to disposal—SCI adopts a planned approach to selecting low-toxicity raw materials and low-pollution solvents, avoids the use of regulated hazardous chemicals, and endeavors to use single solvents whenever possible to enhance the feasibility of solvent recovery.

To comply with GMP requirements, except for returned or recalled products, SCI does not recover products once they have been sold. In order to prevent cross-contamination, original packaging materials are not reused, and therefore sold product packaging materials are not recovered. Packaging materials used for product shipment include plastics (LDPE bags and HDPE drums), secondary packaging such as paper materials (cartons and fiber drums) and plastics (HDPE drums), and transportation packaging such as pallets (wooden pallets, paper pallets, and plastic pallets). All packaging materials are recyclable and reusable, allowing customers to reuse them or sell them for value, thereby reducing waste generation and environmental burden.

3-9 Air Pollution Prevention and Control

In accordance with the Emergency Response Measures for Severe Air Quality Deterioration, air quality warning levels are classified into two main categories—Alert and Deterioration—comprising five levels in total. These levels are determined based on whether the concentrations of air pollutants, including particulate matter (PM), fine particulate matter ($PM_{2.5}$), sulfur dioxide (SO_2), nitrogen dioxide (NO_2), carbon monoxide (CO), and ozone (O_3), exceed regulatory standards.

Ozone is a secondary air pollutant, with volatile organic compounds (VOCs) and nitrogen oxides (NOx) serving as its precursors. Accordingly, SCI has established corresponding VOC reduction plans based on the severity level of air pollution.

Air Pollution Levels and SCI's Corresponding VOC Reduction Plans

	Pollution Level	VOC Reduction Target
Alert	Level 2 Alert	>8%
	Level 1 Alert	>10%
Deterioration	Level 3 Deterioration	>10%
	Level 2 Deterioration	>20%
	Level 1 Deterioration	>40%

In addition, VOC emissions generated during production processes may result from fugitive emissions or insufficient collection and treatment efficiency, often causing odor issues. Industrial VOC-related odors are of particular concern to the public. To effectively reduce VOC emissions, SCI has installed newly designed structured redox wet scrubbers. These scrubbers utilize structured packing materials composed of interwoven monofilament fibers, which promote liquid-phase decomposition and maximize surface area for mass transfer. The structured packing offers advantages including high specific surface area, smooth drainage, and reduced consumable usage.

This air pollution control system applies wet scrubbing principles combined with long-acting oxidizing agents to catalyze and neutralize pollutants generated during production processes. Across Plants A and B, SCI has installed three 80 CMM units and two 50 CMM units for process exhaust treatment, as well as one 500 CMM unit and one 350 CMM unit for ambient exhaust treatment. Through the deployment of these newly constructed air pollution control facilities, SCI has effectively reduced air pollutant emissions and improved the working environment within production areas.

Other Significant Air Emissions Statistics

Air Pollutant	2020		2021		2022		2023		2024	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Nitrogen Oxides (NOx)	2.8	5.1%	-	-	0.3	12.2%	0.5	7%	1.8	11.4%
Sulfur Oxides (SOx)	0	0	-	-	0	0%	0	0%	0	0%
Volatile Organic Compounds (VOCs)	52.1	94.6%	-	-	2	82.5%	6.8	92.2%	14.4	88.1%
Particulate Matter (PM)	0.2	0.3%	-	-	0.1	5.3%	0.06	0.8%	0.09	0.5%
Total	55.1	100%	-	-	2.4	100%	7.36	100%	16.29	100%

Note:
Due to the fire accident at the end of 2020, monitoring of particulate matter (PM) and nitrogen oxides (NOx) emissions from natural gas boiler combustion was temporarily suspended in 2021.

3-10 Toxic and Controlled Substances Management

SCI Pharmtech, Inc. strictly manages toxic and controlled substances in accordance with the Toxic and Concerned Chemical Substances Control Act. As of 2024, a total of 51 toxic chemical substances are handled in SCI's laboratories, including 29 substances classified as Category I to Category III, and 22 substances classified as Category IV. Daily operation records are maintained, and regular reporting is conducted in full compliance with regulatory requirements.

In addition, SCI handles five precursor chemicals in laboratory operations. These substances are subject to stringent controls and are not sold to unidentified individuals or entities whose business scope does not align with regulatory requirements, in order to prevent diversion for illicit drug manufacturing and to ensure full legal compliance.

Newly Added Toxic Chemical Substances (2024)

Maleic Acid (cis-butenedioic acid) 99%

Specially Controlled Products

Among the products manufactured by SCI in 2024, two items are classified as controlled drugs. Through a systematic production, sales, and export management mechanism, no violations or irregularities have occurred to date. SCI will continue to exercise prudent and lawful management of controlled substances.

Control Measures for the Production and Distribution of Controlled Drugs

Before Production	After Production
Application for manufacturing permits, submission of projected production volumes, and provision of import permits issued by the competent authority of the destination country, clearly indicating intended use and dosage.	Application for export permits, submission of original import permit documents, and post-export reconciliation and reporting of actual production volumes to the competent authority.

Controlled Drugs Manufactured by SCI

Pentobarbital Sodium	Pentobarbital Sodium is a central nervous system depressant used for sedation and hypnosis. In countries where euthanasia is legal, it may also be used for physician-assisted dying or lethal injection. As a result, it is classified as a controlled drug in most countries. In Taiwan, it is designated as a Schedule III controlled drug, and its production and sale are subject to prior approval and strict quantity control.
Methylphenidate	Methylphenidate is a central nervous system stimulant that enhances alertness, cognitive function, and reduces fatigue. It is commonly prescribed for the treatment of narcolepsy in adults and attention-deficit/hyperactivity disorder (ADHD) in children. Due to the risk of dependency or addiction with long-term or excessive use, it is widely known as "children's amphetamine" and is regulated as a psychiatric controlled medication.

3.11 Wastewater Management

Process wastewater has long been one of the most challenging environmental management issues in the pharmaceutical industry. To fulfill its environmental responsibilities, SCI Pharmtech, Inc. (SCI) continuously monitors, tests, and analyzes process wastewater data in order to develop integrated and effective treatment solutions.

In 2018, SCI officially commissioned a large-scale UASB (Upflow Anaerobic Sludge Blanket) anaerobic reactor, with a total investment exceeding NTD 30 million, which was integrated with the existing SBR (Sequencing Batch Reactor) system. This upgrade significantly enhanced wastewater treatment capacity and performance. Following the system integration, pollutant concentrations in treated effluent were reduced to approximately 50% of the regulatory limits stipulated under the Water Pollution Control Act. At the same time, daily wastewater treatment capacity increased from 550 CMD to 800 CMD, representing a 45.5% improvement, enabling SCI to decommission one 600 CMD SBR reactor, thereby improving operational efficiency and reducing energy consumption.

Through a comprehensive restructuring of the wastewater treatment system, SCI has implemented source-based wastewater segregation, classifying wastewater streams according to concentration levels and characteristics (e.g., nitrogen-containing wastewater or wastewater containing toxic substances) and applying tiered treatment accordingly. Dedicated wastewater pipelines were also installed to connect directly to the Houbicuo main drainage system, preventing industrial wastewater from being discharged into agricultural irrigation channels.

The entire wastewater management process is designed with the dual objectives of energy efficiency and responsible production, reflecting SCI's ongoing commitment to achieving sustainable coexistence among business operations, environmental protection, and social responsibility.

Wastewater Treatment Process and COD Concentration at Each Stage

Process Stage	Wastewater Pending Treatment	UASB Treatment	SBR Process
COD Concentration	10,000 ppm	2,000~3,000 ppm	50 ppm

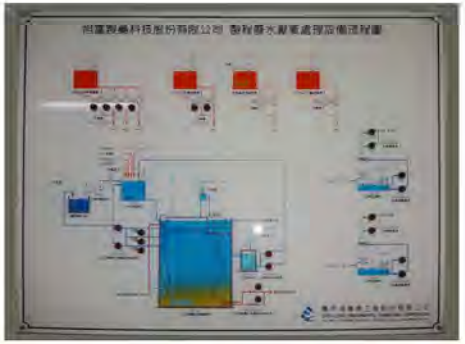
Note:

1. Upflow Anaerobic Sludge Bed, UASB
2. Sequencing Batch Reactor Activated Sludge Process, SBR
3. Cubic Meter per Day

Wastewater Treatment Volume and Effluent Pollutant Statistics Over the Past Five Years (Unit: metric tons)

Item	2020	2021*	2022	2023	2024
Wastewater Treated	122,905	9,251	47,036	82,943	104,784
Effluent COD (Chemical Oxygen Demand)	5,156	677	2,427	2,708	4,883
Effluent BOD (Biochemical Oxygen Demand)	756	22	491	174	770
Effluent SS (Suspended Solids)	909	166	253	730	854

Note: In 2021, wastewater treatment volumes and pollutant loads declined significantly due to production disruptions caused by a fire incident.



Chapter 4

Occupational Safety

SCI Pharmtech places the highest priority on the health and safety of every employee. We firmly believe that a healthy working environment and a robust occupational health and safety (OHS) management system are fundamental to sustainable corporate development. In accordance with the Occupational Safety and Health Act and relevant regulations, the Company has established a comprehensive OHS management framework covering hazard identification and reporting, process risk control, emergency preparedness and response, safety training, and health promotion. Through these measures, we aim to reduce risks, prevent occupational accidents, and safeguard employee well-being.

Through systematic management and continuous improvement, SCI Pharmtech strengthens its safety culture and enhances employees' risk awareness. Key initiatives include regular health examinations and awareness programs, well-defined hazard reporting and response procedures, risk management mechanisms for high-risk operations, and diversified safety education and training. These efforts support employees in developing correct safety awareness and self-management capabilities.

In addition, we actively implement occupational health and safety improvement measures and conduct statistical analysis to drive continuous enhancement through data-based management, thereby improving overall safety performance. SCI Pharmtech is committed to the goal of "zero accidents and zero injuries." By fully implementing comprehensive health and safety management practices, we strive to create a safe and reassuring workplace for employees and their families.

GRI Standards	GRI 403-1、GRI 403-2 GRI 403-3、GRI 403-4 GRI 403-5、GRI 403-6 GRI 403-7、GRI 403-8 GRI 403-9、GRI 403-10	**SDGs**	
Material Topics	Occupational Health and Safety		
Impact Description	Given that the pharmaceutical industry involves high-risk chemicals and complex manufacturing processes, the Company continuously implements robust occupational health and safety management systems. Through comprehensive training programs, standardized operating procedures, and appropriate protective measures, SCI Pharmtech aims to effectively mitigate occupational hazards and safeguard employee health and safety.		

4-1 Employee Health and Safety Management

To ensure a safe and healthy working environment, SCI Pharmtech continuously implements and maintains an occupational health and safety management system aligned with international standards. The Company successfully passes ISO 45001 Occupational Health and Safety Management System certification on an annual basis. Based on this standard, SCI Pharmtech systematically plans and implements risk identification, preventive measures, training programs, and continuous improvement actions to enhance overall occupational safety performance.

To strengthen system execution and cross-functional communication, SCI Pharmtech convenes quarterly Management Review Committee meetings, attended by the Chairman, President, and senior executives, along with representatives from relevant departments. These meetings review and evaluate the suitability, adequacy, and effectiveness of the occupational health and safety management system, ensuring that policies and measures are properly implemented and continuously improved in line with operational conditions.

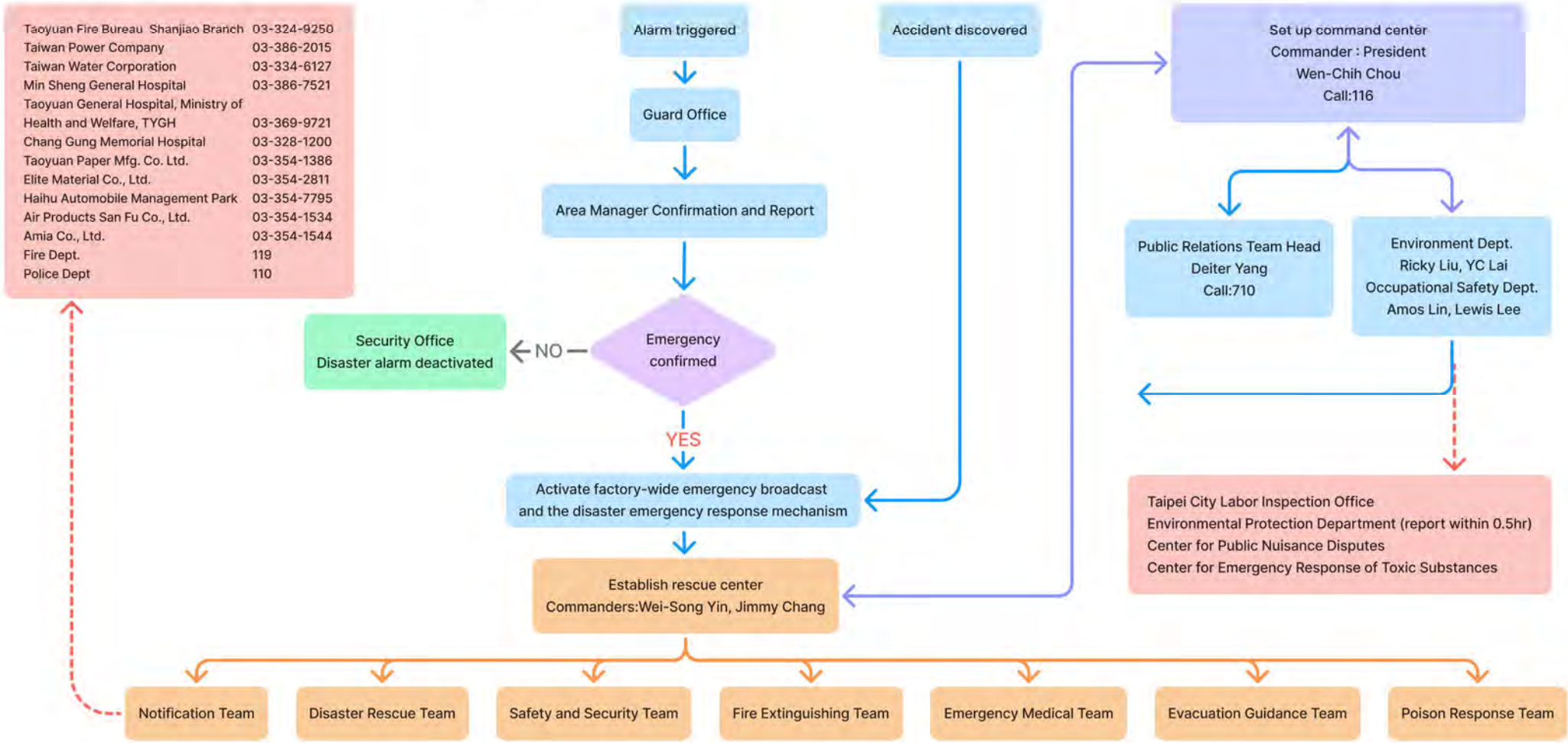
In addition, the Company holds regular bi-weekly Environment, Health, and Safety (EHS) Engineering Meetings, chaired by the President and the Vice President of Operations. These meetings track and discuss progress on environmental protection and occupational safety matters, including equipment improvements, regulatory compliance, risk control measures, and employee feedback. This routine platform facilitates cross-departmental coordination, enables timely monitoring and response to issues, and further strengthens on-site execution and interdepartmental collaboration.

Through these institutionalized practices, SCI Pharmtech demonstrates its strong commitment to employee health and safety, forming a critical foundation for building a safe workplace and achieving sustainable development.

4-2 Occupational Hazards and Incident Reporting Process

When the plant alarm system is activated, the security office will first verify the situation with the relevant area supervisor and report accordingly. If the incident is confirmed not to be an emergency, the security office will deactivate the alarm. If an emergency is confirmed, a plant-wide announcement will be broadcast, and the emergency response mechanism will be activated, including the establishment of an emergency response center to coordinate rescue and response actions.

Incident Reporting and Emergency Response Flowchart



4-3 Occupational Safety and Process Risk Management

The Company's production operations involve high-temperature, high-pressure processes and the handling of flammable and corrosive chemicals, which present elevated occupational health and safety risks. Recognizing these challenges, SCI Pharmtech is committed to establishing a safe and healthy working environment through comprehensive occupational safety and process risk management, supported by systematic hazard prevention measures.

During the development stage of new manufacturing processes, SCI Pharmtech implements HAZOP (Hazard and Operability Study) to systematically identify potential risks, including chemical exposure, equipment operation safety, fire and explosion hazards, and ergonomic risks. Based on the assessment results, risk levels are evaluated and incorporated into the design and planning of engineering and administrative control measures.

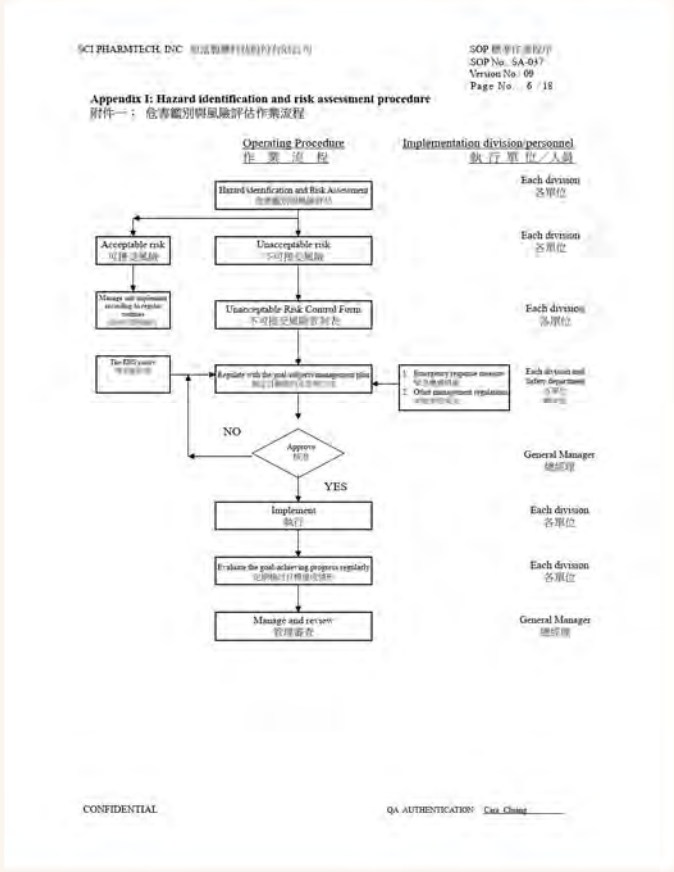
In May 2022, SCI Pharmtech conducted a HAZOP assessment for the new Buprenorphine manufacturing process in accordance with SOP SA-025 "Pre-Production Safety Risk Assessment Procedure for New Products." Based on the risk assessment outcomes, the following control measures were designed and implemented:

- Equipment safety protection measures (e.g., equipment grounding, explosion-proof electrical devices)
- Automatic detection and emergency shutdown systems (e.g., hydrogen gas detectors, emergency stop switches)
- Hazard warnings and labeling (e.g., GHS labeling, operating instructions)
- Operational area isolation and ventilation systems (e.g., cleanrooms, local exhaust ventilation)
- Personnel protection measures (e.g., personal protective equipment, workplace environmental monitoring, special health examinations)

In accordance with SOP SA-037 "Hazard Identification and Risk Assessment Procedure," SCI Pharmtech establishes engineering and administrative control strategies to minimize risk exposure. All new facilities, new processes, or significant operational changes must undergo cross-functional safety design reviews involving engineering, R&D, production, and EHS teams prior to implementation.

To continuously enhance risk control effectiveness, SCI Pharmtech integrates its occupational safety practices within the ISO 45001 Occupational Health and Safety Management System, supported by regular EHS meetings, on-site audits, and incident reporting and feedback mechanisms. Through this continuous improvement approach, the Company prioritizes prevention, safeguards employee health and operational safety, and fulfills its commitment to employee well-being and social responsibility.

Hazard Identification and Risk Assessment Procedure



SCI PHARMTECH, INC

SOP No. SA-037
Version No: 09
Page No.: 6 / 18

Appendix I: Hazard identification and risk assessment procedure
附件一： 危害鑑別與風險評估作業流程

CONFIDENTIAL

QA AUTHENTICATION: Case Closed

4-4 Emergency Response Drills

To strengthen employee awareness of occupational safety and health, SCI Pharmtech has been collaborating with the Taoyuan City Fire Department's Third Emergency and Rescue Brigade to conduct annual disaster prevention and response drills since 2016. These drills simulate complex disaster scenarios, such as earthquakes and fires, incorporating real-life operations to practice activating emergency response mechanisms, guiding employee evacuation, providing emergency medical care to the injured, and conducting safe and efficient evacuations. By partnering with the fire department, we aim to reinforce our disaster response capabilities and implement effective preparedness measures to ensure appropriate handling of emergencies. In compliance with fire safety regulations, we conduct two fire drills annually and one large-scale fire and chemical disaster drill involving all employees. These exercises enhance employee awareness and preparedness, and respond effectively during emergencies and minimize casualties.

Fire Drill


Protective Equipment Demonstration


Chemical Spill Response Drill


Emergency First Aid Training


Public utilities natural gas drill; boiler natural gas leak emergency shutdown of the natural gas main station and fire drill




4-5 Occupational Safety Education and Training

SCI Pharmtech recognizes that the occupational safety of employees and contractors is the foundation of sustainable operations. Accordingly, the Company continuously implements comprehensive occupational health and safety (OHS) training programs based on regulatory requirements and task-specific risk characteristics, ensuring that all personnel possess adequate hazard identification and emergency response capabilities.

In 2023, pre-entry OHS training was provided to newly onboarded contractors to communicate basic site safety requirements and enhance risk awareness. In 2024, the scope of training was further expanded:

- 96 newly hired employees completed mandatory onboarding safety training;
- Specialized training was provided for personnel engaged in high-risk operations (e.g., work at height, hot work), covering 3 employees and 6 contractor personnel, ensuring adequate protective knowledge and skills for high-risk working environments.

Fire drills and first-aid training are statutory annual training programs with full employee participation. Through evacuation simulations and emergency response exercises, employees' preparedness for emergency situations is strengthened. Since 2018, SCI Pharmtech has conducted annual 3-hour refresher training for first-aid personnel, while initial training is arranged based on departmental needs. These programs are integrated with site-wide drills to establish effective first-response mechanisms and enhance overall emergency medical capacity.

First-Aid Training Statistics (Past Five Years)

Year	2020	2021	2022	2023	2024
Number of Trainees	–	27	26	27	24

In addition, the Company regularly reviews employees holding EHS-related certifications and arranges mandatory refresher training to ensure effective implementation of management systems. All contract, dispatched, and contractor personnel entering the site receive hazard communication training. Cargo suppliers are subject to access control and entry permit procedures to strengthen site safety management.

Looking forward, SCI Pharmtech will continue to plan specialized training programs—such as chemical management, working-at-height safety, and HAZOP concepts—in response to process changes and evolving risks. Upholding the principle of "prevention first, education foremost," the Company integrates systematic and practical training mechanisms to foster a strong safety culture and ensure a safe and healthy workplace.

Employee and Contractor Training Statistics (2023–2024)

Training Category	Employees	Contractors	Frequency	Total Participants	Mandatory
Occupational Safety Training for New Employees	2024: 96 persons2023: 50 persons	–	As required for new hires	–	Yes
Special Operations Training	2024: 3 persons	2024: 6 persons	As required	–	Yes
Annual Fire Drill	All employees	All contractors	Once per year	Full participation	Yes
First Aid Training	Designated first aid personnel	–	Once per year	Depending on personnel	Yes
Other Training (e.g., Working at Height, Chemical Management)	Planned based on operational needs	Planned based on operational needs	As needed	As needed	Implemented as required

4-6 Employee Health Promotion

Health Examinations

SCI Pharmtech places great emphasis on employees' physical and mental well-being and actively promotes health enhancement and disease prevention. In accordance with the Regulations on Labor Health Protection, the Company conducts both general and special health examinations.

All employees receive annual general health examinations. Beyond statutory items, additional tests are voluntarily included, such as liver and gallbladder function tests, bone density screening, ultrasound examinations (pelvic, prostate, abdominal, thyroid), and lung cancer screening, strengthening early detection and health monitoring.

Health Examination Statistics (Past Five Years)

Unit:People

Year	2020	2021	2022	2023	2024
General	214	191	188	199	217
DMF	21	22	20	25	27
Noise	21	20	13	13	16
Benzidine[1]	6	4	6	5	4
n-Hexane[2]	-	-	15	29	24
Chromic Acid[2]	-	-	5	5	7
Benzene[2]	-	-	5	-	-
Nickel[3]	-	-	-	3	7
Formaldehyde[3]	-	-	-	3	5
Manganese[4]	-	-	-	-	1

Notes:

[1] Added in 2019; [2] Added in 2022; [3] Added in 2023; [4] Added in 2024

In 2024, 217 employees completed general health examinations, representing a 9.6% increase from the previous year. Special health examinations are arranged for employees exposed to specific occupational hazards, including dimethylformamide, noise, benzidine and its salts, n-hexane, chromic acid and its salts, benzene, nickel and its compounds, formaldehyde, and newly added manganese and its compounds. The number of such examinations remained stable in 2024.

The Company also appoints on-site physicians to provide consultations and individual health guidance. Follow-up examinations are arranged for abnormal findings, combined with health education initiatives to support preventive care and healthy behaviors.

Following special health examinations, employees are classified by occupational health professionals into risk levels:

- Level I: No health concerns; continued monitoring
- Level II: Improvement of working conditions or task adjustment required; enhanced follow-up
- Level III and above: Further medical evaluation and job adjustment arranged as necessary

Based on internal records and examination results from 2022–2024, no occupational diseases were identified, demonstrating the effectiveness of current protective measures and health management systems.

In 2024, the abnormal health indicator rate was 12.4%; follow-up health counseling and referrals were provided for 31 cases, including re-examinations and specialist consultations.

SCI Pharmtech maintains a secure employee health data management system administered by the EHS department, with strict access controls and periodic data security reviews. A job accommodation program is in place for employees with health limitations, including task adjustments, flexible working arrangements, and phased return-to-work mechanisms. Six cases of job accommodation were handled in 2024.

Health Promotion Activities

SCI actively promotes a Healthy Workplace initiative, integrating physical activity, mental well-being, and stress management through a range of structured programs and resources, as described below.

Category	Initiatives	Participation
Mental Health	Stress relief and counseling seminars	11 participants / 1 session
Stress Management	Group meditation and stress-relief activities	22 participants / 2 sessions
Physical Activity	Walking challenges and badminton club	38 participants / ~2 sessions per month
Nutrition	Nutrition seminar and healthy meal program	40 participants / 1 session
Health Awareness	Vision care, metabolic syndrome prevention, dementia-friendly workplace promotion	Ongoing

All initiatives are planned and implemented by the EHS department and continuously refined through satisfaction surveys and feedback mechanisms.

4-7 Occupational Safety and Health Improvement Measures

To eliminate workplace hazards, supervisors conduct routine walk-through inspections to ensure proper use of personal protective equipment, review safe operating procedures, and implement hazard identification and risk assessments. The Company prioritizes inherently safe equipment designs and improves PPE comfort to enhance compliance, while reinforcing safety culture through continuous training.

Key OHS Improvement Measures

- Statutory training for special operations (including first-category pressure vessel operators)
- Static electricity control in production areas
- Leak detection and alarm systems (VOCs, oxygen, hydrogen, natural gas)
- Regular inspection of hazardous machinery (boilers, pressure vessels, lifts)

All inspections and certifications were completed in 2024 in accordance with regulatory requirements.

Occupational Health and Safety Implementation Measures

Implementation Item	Target Scope	Performance Indicator	Management Actions & Results
Statutory Safety Training	Initial and refresher training for special operation personnel (including newly added First-Class Pressure Vessel Operators)	Certification compliance meeting regulatory requirements	Implementation period: 12/21/2023–12/30/202417 employees completed training; 16 obtained certification.1 employee did not pass and continues to receive retraining.
Static Electricity Prevention in Production Areas	Measurement of static electricity on reactors and pipelines; improvement of grounding and bonding	Static electricity voltage maintained below 4 kV	Implementation period: 12/21/2023–12/30/2024Plant A: Bonding cables completed.Plant B: Areas 23/24, 2nd floor under construction.
Leakage and Abnormal Alarm Systems	Installation of VOC, oxygen, hydrogen, and natural gas detectors	Alarm coverage and functionality achieved at 100%	Implementation period: 12/21/2023–12/30/2024Hydrogen: Detectors installed in Areas 16/05, R&D Hydrogenation Room, and Pilot Plant.Natural Gas: Two public utility boilers completed; Areas 07/08 pending testing and acceptance; Areas 21 and 31 under planning.Work-in-process warehouse: VOC detector under planning.

Occupational Safety and Health Practices

Occupational safety and health measures include statutory training, static electricity prevention in production areas, personnel and vehicle segregation during demolition/reconstruction and transportation activities, chemical incompatibility verification for new products, and the establishment of leakage and abnormal alarm systems.

In addition, SCI conducts regular inspections of hazardous machinery and equipment, including boilers, high-pressure gas equipment, first-class pressure vessels, and elevators. In 2024, all required type approvals, completion inspections, and periodic welding and structural inspections were completed in compliance with regulatory requirements.

Periodic Inspection of Hazardous Machinery and Equipment

Equipment Category	Equipment Name / Type	Inspection Certificate No.	Valid Until
Boilers	Horizontal Fire-Tube Steam Boiler (6 tons) Horizontal Once-Through Thermal Oil Boiler Cylindrical Boiler	No. 11B33C1070001 No. 11B33C1070002 No. 11B33C1070003	2025/07/27 2025/07/27 2025/07/04
High-Pressure Gas Equipment	Vertical Liquid Nitrogen Storage Tank Vertical Jacketed Hydrogenation Reactor (R3102)	No. 211108S0709 No. 211111S0313	2025/09/08 2025/05/16
First-Class Pressure Vessels	Vertical Jacketed 4,000 L Hydrogenation Reactor (R501A) Vertical Jacketed 4,000 L Hydrogenation Reactor (R501B) Vertical Jacketed Hydrogenation Reactor (R501C) Vertical Jacketed Hydrogenation Reactor (R1609)	No. 211111P0740 No. 211111P0741 No. 211111P0739 No. 211111P0488	2025/08/11 2025/08/11 2025/08/11 2025/05/08
Elevators	High-Bay Warehouse Elevator Office Building Elevator R&D Building Elevator (Passenger & Cargo) R&D Building Elevator (Passenger)	No. 036B032651 No. 040126563 No. 036B048062 No. 040211796	2025/09/29 2025/07/10 2025/09/29 2025/08/04
Hydrogenation Reactors	Vertical Jacketed Cylindrical Hydrogenation Reactor (R501C) Vertical Jacketed Cylindrical Hydrogenation Reactor (R1609)	No. 970243 No. 970244	- -

4-8 Occupational Injury Statistics

SCI Pharmtech follows standardized procedures for handling occupational incidents, completing incident investigation reports to identify root causes and implement corrective actions. No occupational accidents occurred in 2024.

Occupational Injury Statistics (Past Three Years)

Year	Total Work Hours	Minor Injuries	Minor Injury Rate	Severe Injuries	Severe Injury Rate	Fatalities	Fatality Rate	Recordable Injuries	Recordable Injury Rate
2022	400768	1	0.499	1	0.499	0	0	2	0.998
2023	508024	0	0	0	0	0	0	0	0
2024	537840	0	0	0	0	0	0	0	0

Notes: Commuting accidents are excluded.

Disabling Injury Statistics

Year	Lost Workdays	FR	SR	FSI	Injury Type
2022	64	4.99	159.69	0.89	Crushing, falls
2023	0	0	0	0	-
2024	0	0	0	0	

Chapter 5
Employee Well-being

SCI Pharmtech upholds an employee care policy rooted in respect, diversity, communication, equality, and compliance. In alignment with internationally recognized human rights standards—including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work—SCI is committed to treating all employees with dignity and fairness, and to safeguarding their fundamental rights throughout the course of employment.

GRI Standards	GRI 401-1 GRI 401-2 GRI 401-3	**SDGs**	
Material Topics	Labor-Management Relations		
Impact Description	**Increasing pressure to safeguard employee rights:** With continuous amendments to labor regulations and rising awareness of employee rights, companies must strengthen compliance mechanisms to prevent potential labor disputes and regulatory violations. Ensuring fair compensation, working hours, leave arrangements, and workplace conditions has become essential to maintaining legal and ethical standards. **Communication barriers and cultural differences:** A diverse workforce may face challenges in communication, leading to misunderstandings or workplace conflicts that could affect team cohesion and organizational climate. Effective communication channels and multicultural sensitivity training are required to mitigate these risks. **Labor market volatility and talent mobility:** As global labor markets become increasingly dynamic, attracting and retaining talent is more challenging. Without robust employee care programs, retention incentives, and career development mechanisms, companies risk losing technical expertise and institutional knowledge, which may weaken long-term competitiveness. **Mental health and workplace stress:** Modern workplaces face rising levels of stress. Strained labor-management relations or insufficient support systems can negatively impact employees' mental well-being, engagement, and productivity. Companies must reinforce mental health resources and implement stress-management programs to maintain a healthy and resilient workforce.		

Management Approach

- Strengthen communication channels and establish diverse feedback mechanisms to encourage constructive employee input.
- Enhance recruitment and retention mechanisms, and promote on-the-job training and career development programs.
- Improve the workplace environment and enhance employee satisfaction and benefits.
- Establish a succession-planning framework for mid- to senior-level management and develop future leadership talent.
- HR regularly reviews and updates benefit programs and employee-development mechanisms to maintain stable labor-management relations.

Performance

- Employee communication platforms showed increasing engagement; the number of constructive suggestions continued to rise, and employee satisfaction feedback remained positive.
- In 2024, SCI hired 28 new employees (new-hire rate: 10.33%) and recorded 14 resignations (turnover rate: 5.16%), lower than the industry average. Key talent retention improved.
- Turnover continued to decrease; workplace-satisfaction scores increased, and employee feedback on enhanced benefits was positive.
- The succession plan has been launched, with a 90% completion rate for leadership-training programs. Talent pipelines for key positions are being established.
- As of 2024, SCI employed 271 full-time staff, including 42 non-Taiwanese employees (15.5%), reflecting a diverse workforce and stable labor-management relations.

5-1 Workforce Structure

To safeguard employment rights and maintain stable and sound labor relations, SCI is committed to fostering a workplace that is equal, diverse, safe, and free from discrimination. We strive to create an environment where employees can support one another, grow together, and attract top talent to join the company.

As of 2024, SCI employed 271 full-time permanent employees, with no temporary, part-time, or zero-hour contract personnel. In addition, approximately eight outsourced or contract workers—including security, cleaning, and kitchen staff—support daily operational needs. All SCI employees are based at the Luzhu site, with no employment arrangements in other regions.

In 2024, the company hired 28 new employees, representing a new-hire rate of 10.33%, including 42 non-Taiwanese employees (15.5% of the workforce). A total of 14 employees resigned, resulting in a turnover rate of 5.16%, mainly from the Production Department. Contributing factors may include shift schedules, job characteristics, commuting distance, and the availability of similar roles in the labor market. To address these challenges, SCI has refined shift arrangements, strengthened internal career development, and implemented enhanced employee support measures to reduce workforce turnover.

Following the completion of reconstruction efforts in early 2024, SCI progressively expanded production lines and resumed operations quarter by quarter. Despite continuous onboarding, frontline manpower remained tight. The company submitted multiple applications to the Workforce Development Agency for hiring migrant workers and successfully obtained employment permits after several rounds of document review. Former migrant colleagues were subsequently rehired, providing essential support and adding stability to production operations.

Overall in 2024, SCI recorded 28 new hires (10.33%) and 14 resignations (5.17%), reflecting normal workforce movement without significant impact on operations or organizational structure. By age group, new hires were primarily aged 31–50 (18 persons, 6.64%), followed by employees under 30 (7 persons, 2.58%) and above 51 (3 persons, 1.11%). Similarly, resignations were concentrated in the 31–50 age group (12 persons, 4.43%). Other age categories showed minimal movements.

In summary, SCI's workforce inflow and outflow remained balanced, with no abnormal fluctuations. The company continues to attract experienced mid-career professionals, contributing to organizational stability and long-term talent sustainability.

Location	Category	Male	Female	Total
Luzhu Site	Permanent Employees	219	52	271
	Temporary Employees	0	0	0
	Employees with No Guaranteed Hours	0	0	0
	Full-time Employees	219	52	271
	Part-time Employees	0	0	0

SCI's Employee Structure in 2024

Sex

- Male 219
- Female 52

Management / Managerial Level

- Male 11
- Female 3

Local Employees

- Male 164
- Female 49

Non-local Employees

- Male 44
- Female 0

Age Distribution

- Under 30 22
- 31-50 153
- Above 50 44

Under 30

- Male 22
- Female 7

31-50

- Male 153
- Female 34

Above 51

- Male 44
- Female 11

2024 New Hires and Employee Turnover

Under 30

New Hires	Employee Turnover
7	2
%	%
2.58%	0.78%

31-50

New Hires	Employee Turnover
18	12
%	%
6.64%	4.43%

Above 51

New Hires	Employee Turnover
3	0
%	%
10.33%	0%

2024 Turnover by Department

Department	Number of Employees
R&D Department	2 人
Production Department	10 人
Quality & Regulatory Affairs	1 人
Sales Department	1 人
Total	14 人

2024 Employee Turnover Rates

Item	Rate(%)
Voluntary Turnover Rate	4.8 %
Total Turnover Rate	5.17 %

Notes:

New Hire Rate = Number of new hires in each category ÷ Total year-end headcount

Turnover Rate = Number of employees who left in each category ÷ Total year-end headcount

5-2 Employee Rights Protection

SCI is committed to upholding and respecting human rights in alignment with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact Ten Principles, and the UN Guiding Principles on Business and Human Rights. Based on these international standards, SCI has established a Human Rights Policy and integrated it into daily operations.

We value open communication and employee participation, and we actively promote diversity, inclusion, and equal employment opportunities. SCI strictly prohibits child labor, as well as any form of discrimination or harassment. Through ongoing training, accessible grievance mechanisms, and well-defined internal procedures, we ensure that employees' fundamental rights and workplace dignity are protected at all times.

SCI PHARMTECH, INC.
旭富製藥科技股份有限公司

Human Right Policy

SCI Pharmtech, INC. supports and adheres to the fundamental principles of human rights recognized internationally, such as the Universal Declaration of Human Rights (UDHR), the International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

SCI Pharmtech, INC. has formulated a human rights policy to safeguard the rights and interests of current employees and also expects our suppliers and contractors to comply with the following principles to uphold human rights:

一、Adhere to The Labor Standards Act and applicable laws and regulations to protect employees' rights.
二、Provide a safe, healthy, and harassment-free working environment.
三、Follow the principle of equal employment, and not discriminate or treat individuals differently based on race, nationality, age, gender, marital status, political views, religion, etc., and protect the labor rights of vulnerable or marginalized groups, such as indigenous people, women, migrant workers, contract employees, and physically challenged individuals.
四、Prohibition of forced labor and child labor.
五、Respect employees' right to privacy, freedom of association and freedom of movement.
六、Support and assist employees in maintaining physical and mental health and work-life balance.
七、Establish smooth labor-management communication channels and provide complaint mechanisms.
八、Regularly review and evaluate systems and actions relevant to human rights.

Wen Chih Chou
President
2023/6

Employee Rights Protection

Standards Compliance	Employee Communication	Diversity and Inclusion	Prohibition of Child Labor	Prohibition of Discrimination	Human Rights Protection	Zero Tolerance for Harassment
SCI Pharmtech adheres to international human rights standards, including those from the International Labour Organization, the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. We also comply with local labor laws to ensure the rights and obligations of all employees are protected.	SCI Pharmtech uses multiple channels for communication, such as labor-management meetings, manager meetings, and an employee suggestion box. We actively seek employee feedback, understand their needs and expectations, and respond to their concerns.	We are committed to equal opportunity employment. Hiring and treatment of employees are based on qualifications and experience, without regard to nationality, political affiliation, race, religion, gender, age, or disability.	SCI Pharmtech strictly adheres to child labor laws, prohibiting the employment of anyone under 16 years of age, with robust recruitment and screening processes to verify age and prevent child labor. We have no history of employing underage workers or related labor disputes.	We recruit through public channels like recruitment agencies and our company website, ensuring job postings are detailed and transparent. We are committed to equal opportunity employment and comply with laws regarding the employment of people with disabilities and older workers.	SCI Pharmtech follows labor laws and regulations to protect human rights, employee property rights, and privacy, and provide annual human rights training to all employees once a year.	SCI Pharmtech has formulated the "Regulations for the Prevention, Complaint and Punishment of Sexual Harassment" to ensure workplace safety and prevent sexual harassment, and to maintain gender equality in employment and personal dignity. A Sexual Harassment Complaint Committee is established.

5-3 Minimum Notice Period For Operational Changes

SCI Pharmtech completed reconstruction work at the beginning of 2024, and production lines are being expanded one by one and the company's operations are growing quarter by quarter. During this period, we have continuously and gradually added new partners in production, but we still cannot alleviate the shortage of frontline manpower scheduling. After several applications to the Workforce Development Agency for the hiring of foreign workers, and many exchanges of documents, we finally obtained the hiring permits issued by the Agency. We have rehired one by one the foreign colleagues who worked with us in the past. This strong logistical support will inject a stable force into the production front.

5-4 Compensation and Benefits

SCI's compensation policy aims to provide a competitive pay structure that attracts and retains the talent essential to the Company's stable growth and long-term sustainability. Employee compensation consists of fixed and variable components. Fixed compensation is determined based on industry benchmarks, labor market data, job responsibilities, professional capabilities, and talent supply and demand. Variable compensation includes year-end bonuses and employee profit-sharing, enabling partial alignment between employee rewards and corporate performance.

SCI has established Compensation Management Procedures and Performance Evaluation Procedures, which are communicated to employees through onboarding training and internal announcements to ensure full understanding of the compensation system. For managerial personnel, SCI has formulated policies governing performance targets, compensation structures, and remuneration standards. Compensation packages for managers at the level of Senior Manager and above must be reviewed and approved by the Compensation Committee and the Board of Directors to enhance governance quality and transparency.

SCI continues to refine its compensation framework to maintain market competitiveness and support sustainable organizational development. A review of compensation trends from 2020 to 2024 shows a temporary decline caused by the 2020 fire event, followed by a steady recovery.

- In 2020, before the fire incident, the average and median salaries of full-time non-managerial employees were NT$891,000 and NT$828,000, respectively.
- In 2021, business disruptions led to a decline, with the average salary falling to NT$696,000 and the median to NT$634,000—the lowest in five years.
- From 2022 onward, salaries gradually recovered as production activities resumed.
- By 2024, with full operational restoration, the average salary increased to NT$871,000, and the median salary to NT$815,000, demonstrating SCI's improved business performance and commitment to employee welfare.

Overall, compensation for full-time non-managerial employees has shown a positive upward trend, with the 2024 average salary increasing more than 20% compared to 2021. Notably, the annual compensation increase for SCI's highest-paid employee was 4.75%, compared with a 5.0% increase in median compensation, indicating that managerial compensation adjustments did not outpace those of the broader workforce—reflecting SCI's dedication to recognizing and supporting its frontline and core employees.

SCI Employee Compensation Over the Past Five Years

Key Compensation Indicators (2023–2024 Comparison)

Description	2023	2024
Total annual compensation of highest-paid employee	6.374M	6.677M
% increase in highest-paid employee compensation	13.3%	4.75%
Median total annual compensation of all employees	0.79M	0.829M
% increase in median compensation	2.1%	5.0%

5-5 Employee Benefits

SCI is committed to valuing our people as the Company's most important asset. In addition to providing a robust and competitive compensation system, we offer a wide range of comprehensive employee benefits to support physical, mental, and emotional well-being. Our programs are designed to help employees relax and recharge outside of work, while various company activities foster interaction, strengthen team relationships, and cultivate a positive, harmonious, and enjoyable workplace environment.

SCI Pharmtech Employee Welfare Programs

Retirement Security	• A Supervisory Committee of Business Entities' Labor Retirement Reserve as required by law oversees the monthly allocation of 5% of salaries into a dedicated retirement reserve fund held in a special account with the Bank of Taiwan. Since July 1, 2005, we have complied with the Labor Pension Act and contributed to the pension plan. Employees who choose this new system have 6% of their monthly salary contributed by the company to their individual pension accounts with the Bureau of Labor Insurance. • To further enhance retirement security, we have provided an employee annuity insurance plan since 2016. • An employee self-formed stock ownership association allows employees to contribute a portion of their monthly salary to a trust managed by CTBC Bank, helping them accumulate wealth over time.
Benefits	• Financial Incentives: Perfect attendance bonuses, year-end bonuses, employee profit-sharing, and holiday bonuses. • Insurance Coverage: In addition to mandatory labor and health insurance, we offer group insurance covering life insurance, hospitalization, accident insurance, cancer insurance, occupational accident insurance, and maternity benefits. • Meals: Free meals are provided to employees. • Accommodation: Employee dormitories are available. • Transportation: On-site parking is provided for employees. • Facilities: Employees have access to an employee cafeteria. • Social Activities: Employee gatherings and year-end parties. • Other Benefits: Employee uniforms and on-the-job training are provided. • Seniority Recognition: Employees receive seniority bonuses for their dedicated service at 5, 10, 15, 20, and 25 years of service. • Gender-Friendly Benefits: We offer a breastfeeding room, maternity check-up leave, paternity leave, and childcare leave to support employees emotional needs. • Employee Welfare Committee: This committee organizes employee travel, provides subsidies for employee weddings, funerals, and other life events, and arranges holiday bonuses and year-end parties.
Work-Life Balance	• A 45-minute lunch break and a 5:15 PM end of workday allow employees to avoid peak traffic hours. • Regular health check-ups are provided to all employees. • Specific health check-up items and health-level management programs are implemented. • Occupational health physicians conduct bi-monthly on-site visits, and nurses provide health consultation services six times per month. • The facility includes recreational areas and sports equipment, such as a basketball court, badminton court, fitness center, table tennis room, and billiards room. Various competitions are organized periodically.

5-6 Parental Leave Return-to-Work Rate

SCI tracks the number of employees eligible for parental leave, actual applications, the number of employees who return to work after completing parental leave, and the retention status of employees one year after their return. These data include both male and female employees and reflect the Company's commitment to effective implementation of parental leave policies and employee support mechanisms.

In 2024, a total of two employees applied for parental leave (one male and one female). By the end of 2024, four employees had completed their parental leave and were scheduled to return to work, and all four employees successfully returned, achieving a 100% return-to-work rate.

2024 Parental Leave Applications and Return-to-Work Statistics

Category	Male	Female	Total
Employees eligible for parental leave	7	3	10
Employees who applied for parental leave	1	1	2
Employees scheduled to return from parental leave in 2024	2	2	4
Employees who returned to work in 2024	2	2	4
Employees who returned in 2023 and remained employed through 2024	1	1	2
Return-to-work rate (%)	100%	100%	100%

Note:

Return-to-Work Rate = (Number of employees who returned to work during the year ÷ Number of employees scheduled to return during the year) × 100%

Additionally, two employees who returned from parental leave in 2023 remained employed throughout 2024, and the retention rate is calculated based on the number of employees expected to return in the previous year.

SCI will continue to enhance parental leave policies and workplace support measures to help employees balance work and family responsibilities, and to foster a diverse, inclusive, and employee-friendly workplace.

5-7 Training and Development

SCI Pharmtech has established comprehensive Employee Training and Development Guidelines. Each department formulates an annual training plan, which is executed upon approval and continuously updated to track training records and evaluate effectiveness. Tailored programs are designed to meet the needs of employees across different roles and professional fields, enabling continuous learning in technical expertise, industry knowledge, and innovative thinking through both internal and external training resources.

Training Programs

- Managerial Training:

  Periodic training is provided to managers on professional domains, industry trends, and essential leadership and management competencies.

- New Employee Orientation:

  All new hires receive orientation training within their first week, covering personnel policies, employee benefits, occupational health and safety, and GMP quality fundamentals.

- External Professional Training:

  Department supervisors may assign employees to participate in external professional training based on job requirements to enhance competence, efficiency, and work quality.

- Security Personnel Training:

  Security staff from the contracted provider have completed internal professional training; in addition, SCI's Administration Section provides new security personnel with company introduction, job responsibilities, personnel regulations, employee rights, and safety/fire-protection training.

- General Employee Training:

  Annual programs include fire safety, evacuation and emergency response drills, as well as SOP issuance and implementation training.

- Production Personnel Training:

  Operators receive additional pre-production professional training prior to each manufacturing campaign.

- Technical and Specialized Training:

  Including but not limited to confined-space operations, organic solvent operations, designated chemical operations, forklift operation, boiler operation, high-pressure gas equipment, fixed cranes, analytical instrument operation, energy management, and environmental protection certification courses.

- Quality Management Training:

  Annual GMP training and certification programs for ISO 9001, ISO 14001, ISO 45001 and other international management systems.

Training System and Implementation

To continuously strengthen workforce competence and support long-term corporate sustainability, SCI Pharmtech offers internal training, external training, and overseas education programs. Each department prepares its annual training plan and uploads it to the internal system, where training activities are periodically recorded and reviewed.

In 2024, internal training sessions accumulated a total of 37,941 participations, including:

- Production Department: 13,343
- Quality Assurance: 1,695
- Quality Control: 15,662
- Occupational Safety Office: 141

For external programs, a total of 189 participations were recorded in 2024, demonstrating strong learning engagement.

The total expenditure for external training programs amounted to NTD 669,547.

2024 external programs

Participations

189

Cost

NTD669,547

Performance Evaluation

In accordance with SCI Pharmtech's Performance Evaluation and Human Resources Management Guidelines, all employees are required to undergo regular performance and career development evaluations. The evaluation system ensures that performance results are directly reflected in promotion decisions and compensation adjustments, while also encouraging employees to continuously develop the core competencies needed to fulfill their job responsibilities. Through close communication and interaction between supervisors and employees, individual development goals are aligned with organizational objectives, thereby enhancing overall operational efficiency and market competitiveness.

SCI Pharmtech has established a comprehensive and systematic performance evaluation mechanism, conducted semi-annually and applicable to all employees. In 2024, the overall participation rate reached 96.84%, with male employees at 96.55% and female employees at 98.06%. By job category, the participation rate was 97.22% for managerial staff and 96.7% for non-managerial employees, demonstrating the wide implementation and balanced execution of the evaluation system.

Performance results are directly linked to employee promotion, salary adjustment, and development planning. All related processes are strictly executed in accordance with SOP AD-005 Performance Evaluation and Human Resources Management Guidelines, ensuring objectivity, consistency, and fairness, while supporting employees' long-term career development.

In addition, SCI Pharmtech continues to refine its performance management processes to enhance fairness, transparency, and effectiveness. The company actively incorporates diverse assessment tools and promotes two-way communication between supervisors and employees, enabling every employee to clearly understand their strengths and areas for improvement. Through a structured performance and career development framework, SCI Pharmtech not only motivates continuous learning and growth, but also strengthens organizational capabilities and supports sustainable, long-term development.

Chapter 6
Local Impact

Chapter 6 Local Impact

SCI Pharmtech is committed to the principle of "giving back to society," actively engaging in local care and public welfare through concrete, long-term actions. The Company strives to be a responsible corporate citizen that generates positive social impact. We believe that business success should be shared with the community; therefore, we continuously promote cultural, educational, athletic, public safety, and employment-related initiatives to create shared value and strengthen social resilience.

Resource Input

NT$49,000 30 participants

Total Beneficiaries

532 individuals

1. Cultural and Educational Support

SCI Pharmtech actively contributes to the preservation and development of local culture and education. In 2024, the Company sponsored cultural events held by the nearby Cheng Sheng Temple, including the Guan Gong Cultural Festival, supporting the continuation of traditional cultural heritage. We also sponsored activities related to the Haihu Elementary School Anniversary Cultural Season, helping to enhance students' learning environment and cultural literacy through corporate participation.

In 2024, a total of approximately NT$37,000 was contributed to cultural and educational initiatives, demonstrating the Company's commitment to supporting local education and cultural preservation.

2. Community Engagement and Participation

SCI Pharmtech maintains strong relationships with the surrounding community and contributes to local development through multiple channels:

- Sponsored the Mid-Autumn Festival celebrations of Haihu Village and Binhai Village to strengthen community cohesion and cultural exchange.
- Supported the Haihu Elementary School table tennis team, encouraging youth participation in sports and fostering teamwork and healthy lifestyles.
- Provided company facilities as training grounds for the military when required, reflecting strong civilian–military collaboration and support for national defense efforts.

Through these initiatives, SCI Pharmtech has strengthened its community connection, supported social harmony, and contributed to local development.

3. Fire Safety Collaboration and Public Sector Cooperation

Safety is a core foundation of SCI Pharmtech's sustainable operations. On March 21, 2024, the Company collaborated with the Taoyuan City Fire Department (Shanjiao Station) to conduct a joint emergency response drill simulating an actual fire scenario. This exercise helped enhance employees' emergency response capabilities and provided firefighters with practical training experience.

The collaboration not only reinforced internal safety preparedness but also strengthened cooperation mechanisms with public-sector agencies, contributing to safety within the industrial district and surrounding communities.

4. Economic Contribution and Social Responsibility

As a publicly listed company, SCI Pharmtech contributes to society through responsible operations and stable financial performance:

• Generated NT$534.68 million in net profit in 2024, delivering solid returns to shareholders.

- Paid NT$42.07 million in corporate income tax, contributing to public finances and social infrastructure.
- Maintained stable employment with 271 employees, providing quality job opportunities and fostering positive labor relations.
- Continued to invest in talent development to strengthen workforce capabilities and support long-term industry development.

5. Public Welfare and Social Contribution

SCI Pharmtech remains committed to supporting vulnerable communities and promoting knowledge advancement through public welfare efforts:

- Joined the Criminal Investigation and Prevention Association, supporting public safety initiatives and contributing to social order.
- Donated funds to the Chang Chao-Ting Memorial Foundation, supporting programs in scientific research, cultural development, and talent cultivation, promoting sustainable advancement in academia and cultural fields.

SCI Pharmtech's social engagement and public welfare initiatives reflect the Company's commitment to creating shared value and contributing to local development. Through cooperation with communities, educational institutions, public-sector agencies, and non-profit organizations, the Company helps foster a friendly, safe, and culturally rich environment.

Looking ahead, SCI Pharmtech will continue expanding its social impact and promoting corporate social responsibility through more structured and strategic initiatives, advancing the goal of sustainable, mutually beneficial growth between the Company and society.

Chapter 7
Appendix

7-1 Association Memberships

SCI Pharmtech participates in the following industry and professional associations:

- Haiku-Kengkou Industrial Park Manufacturers Association, Luzhu District, Taoyuan City
- Institute for Biotechnology and Medicine Industry (IBMI), Taiwan
- Taiwan Generic Pharmaceutical Association (TGPA)
- Taiwan Bio Industry Organization (Taiwan BIO)
- Taiwan Pharmaceutical Manufacturers Association (TPMA)

7-2 GRI Index

Statement of Use	SCI Pharmtech, Inc. has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None

GRI Standards Other Sources	Disclosure	Section	Page
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report	1
		Chapter 0 About SCI	8
	2-2 Entities included in the organization's sustainability reporting	About the Report	1
	2-3 Reporting period, frequency and contact point	About the Report	1
	2-4 Restatements of information	About the Report	1
		3-6 Greenhouse Gas and Energy Management	79
	2-5 External assurance	About the Report	1
	2-6 Activities, value chain and other business relationships	0-2 Operations and Value Chain	10
	2-7 Employees	5-1 Workforce Structure	108~110
	2-8 Workers who are not employees	5-1 Workforce Structure	108~110
	2-9 Governance structure and composition	1-1 Corporate Governance	30~34
	2-10 Nomination and selection of the highest governance body	1-1 Corporate Governance	30~34
	2-11 Chair of the highest governance body	1-1 Corporate Governance	31
	2-12 Role of the highest governance body in overseeing the management of impacts	1-3 Risk Management	40
	2-13 Delegation of responsibility for managing impacts	0-4 Sustainability Topic Management	15
	2-14 Role of the highest governance body in sustainability reporting	0-4 Sustainability Topic Management	15
	2-15 Conflicts of interest	1-4 Ethical Business Conduct	43
	2-16 Communication of critical concerns	0-4 Sustainability Topic Management	15~21
	2-17 Collective knowledge of the highest governance body	1-1 Corporate Governance	30~34
	2-18 Evaluation of the performance of the highest governance body	1-2 Remuneration Policy	37
	2-19 Remuneration policies	1-2 Remuneration Policy	37
	2-20 Process to determine remuneration	1-2 Remuneration Policy	37
	2-21 Annual total compensation ratio	1-2 Remuneration Policy	38
		Message from the Chairman; Message from the President	5~6
	2-23 Policy commitments	5-2 Employee Rights Protection	111
		5-2 Employee Rights Protection	

GRI Standards Other Sources	Disclosure	Section	Page
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Stakeholder Communication Channels and Frequency	20~21
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication Channels and Frequency; 1-4 Ethical Business Conduct	20~21
	2-27 Compliance with laws and regulations	1-5 Regulatory Compliance	46
	2-28 Membership associations	7-1 List of Industry/Trade Association Participation	122
		Stakeholder Communication Channels and Frequency	20~21
	2-30 Collective bargaining agreements	5-2 Employee Rights Protection	111
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	0-4 Sustainability Topic Management	15~26
	3-2 List of material topics	0-4 Sustainability Topic Management	15~26
1.Toxic Chemical Substances Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
2. Occupational Health and Safety			
GRI 3: Material Topics 2021 GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	4-2 Occupational Hazards and Hazard Reporting Process; 4-3 Process Risk Management	96~97
	403-3 Occupational health services	4-1 Employee Health and Safety Management; 4-6 Employee Health Promotion	95
	403-4 Worker participation, consultation, and communication on occupational health and safety	4-1 Employee Health and Safety Management	95
	403-5 Worker training on occupational health and safety	4-5 Occupational Safety Training	99
	403-6 Promotion of worker health	4-6 Employee Health Promotion; 4-6-1 Health Check-ups; 4-6-2 Health Education	100
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4-3 Process Risk Management; 4-7 OHS Improvement Measures	97
	403-8 Workers covered by an occupational health and safety management system	4-1 Employee Health and Safety Management	95
	403-9 Work-related injuries	4-8 Occupational Injury Statistics	104
	403-10 Work-related ill health	4-8 Occupational Injury Statistics	104
3. Customer Health and Safety			
GRI 3: Material Topics 2021 GRI 416: Customer Health and Safety	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	416-1 Assessment of the health and safety impacts of product and service categories	2-5 Quality Assurance	61~65
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents occurred	NA

GRI Standards Other Sources	Disclosure	Section	Page
4. Ethical Business Conduct			
GRI 3: Material Topics 2021 GRI 205: Anti-corruption 2016	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	205-2 Communication and training about anti-corruption policies and procedures	1-4 Ethical Business Conduct	43
	205-3 Confirmed incidents of corruption and actions taken	No such incidents occurred	44~46
5. Regulatory Compliance			
GRI 3: Material Topics 2021 GRI 2: General Disclosures 2021 GRI 419: Socioeconomic Compliance 2016	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	2-27 Compliance with laws and regulations	1-5 Regulatory Compliance	46
	419-1 Non-compliance with laws and regulations in the social and economic area	1-5 Regulatory Compliance	46
6. Customer Privacy			
GRI 3: Material Topics 2021 GRI 418: Customer Privacy	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2-3 Customer Relations	57~58

GRI Standards Other Sources	Disclosure	Section	Page
7.Pharmaceutical Management and Safety			
GRI 3: Material Topics 2021 GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	416-1 Assessment of the health and safety impacts of product and service categories	2-2 Quality Assurance	53~56
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2-2 Quality Assurance	NA
	417-1 Requirements for product and service information and labeling	2-2 Quality Assurance	44
	417-2 Incidents of non-compliance concerning product and service information and labeling	2-2 Quality Assurance	NA
	417-3 Incidents of non-compliance concerning marketing communications	No such incidents occurred	NA
8. Wastewater and Waste			
GRI 3: Material Topics 2021 GRI 306: Waste 2020	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	306-1 Waste generation and significant waste-related impacts	3-7 Waste Management	87~88
	306-2 Management of significant waste-related impacts	3-7 Waste Management	87~88
	306-3 Waste generated	3-7 Waste Management	87~88

GRI Standards Other Sources	Disclosure	Section	Page
GRI 3: Material Topics 2021 GRI 306: Waste 2020	306-4 Waste diverted from disposal	3-7 Waste Management	87~88
	306-5 Waste directed to disposal	3-7 Waste Management	87~88
9. Labor-Management Relations			
GRI 3: Material Topics 2021 GRI 401: Employment 2016	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	401-1 New employee hires and employee turnover	5-1 Workforce Structure	108
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-5 Employee Benefits Program	113
	401-3 Parental leave	5-5 Return-to-Work Rate after Parental Leave	114
10. Innovation and R&D			
GRI 3: Material Topics 2021 GRI 203: Indirect Economic Impacts 2016 GRI 2: General Disclosures 2021 GRI 201: Economic Performance 2016	3-3 Management of material topics	0-4 Sustainability Topic Management	15~26
	203-1 Infrastructure investments and services supported	2-1 Innovation and R&D	50
	2-6 Activities, value chain and other business relationships (governance system reference as provided)	2-1 Innovation and R&D	50
	201-1 Direct economic value generated and distributed	2-1 Innovation and R&D	50

GRI Standards Other Sources	Disclosure	Section	Page
Other Topic Disclosures			
GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016	204-1 Proportion of spending on local suppliers	2-5 Supply Chain Management	61
	308-2 Negative environmental impacts in the supply chain and actions taken	2-5 Supply Chain Management	61
	414-2 Negative social impacts in the supply chain and actions taken	2-5 Supply Chain Management	61

7-3 SASB Index – Biotechnology & Pharmaceuticals

Code	Topic	Metric Description	Reference Section / Explanation
HC-BP-210a.1	Safety of Clinical Trial Participants	Description of management processes to ensure medical quality and patient safety across different regions	SCI Pharmtech's products are active pharmaceutical ingredients (APIs) and do not involve clinical trials; therefore, this metric is not applicable.
HC-BP-210a.2		Number of FDA items related to clinical trial management and proactive drug safety surveillance, including (1) Voluntary Action Indicated (VAI) or (2) Official Action Indicated (OAI)	SCI Pharmtech's products are APIs and do not involve clinical trials; therefore, this metric is not applicable.
HC-BP-210a.3	Access to Medicines	Total monetary losses resulting from legal proceedings related to clinical trials conducted in developing countries	SCI Pharmtech's products are APIs and do not involve clinical trials; therefore, this metric is not applicable.
HC-BP-240a.1		Description of initiatives to promote access to healthcare products for priority diseases and in countries with limited healthcare conditions (as defined by the Medicines Patent Pool or similar indices)	SCI Pharmtech's products are APIs; therefore, this metric is not applicable.
HC-BP-240a.2		Products included in the World Health Organization (WHO) Prequalification Programme (PQP) list	SCI Pharmtech's products are APIs; therefore, this metric is not applicable.
HC-BP-240b.1	Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation involving fines and/or agreements to delay the sale of approved drugs for a specified period	SCI Pharmtech's products are active pharmaceutical ingredients (APIs); therefore, this metric is not applicable.
HC-BP-240b.2		Percentage change in average drug prices: (1) average list price and (2) average net price for U.S. products	SCI Pharmtech's products are active pharmaceutical ingredients (APIs); therefore, this metric is not applicable.
HC-BP-240b.3		Percentage change in drug prices: (1) list price and (2) net price of the product with the largest year-over-year increase	SCI Pharmtech's products are active pharmaceutical ingredients (APIs); therefore, this metric is not applicable.

<table>
<tr><th>Code</th><th>Topic</th><th>Metric Description</th><th>Reference Section / Explanation</th></tr>
<tr><td>HC-BP-250a.1</td><td rowspan="4">Drug Safety</td><td>Products listed in the U.S. Food and Drug Administration (FDA) MedWatch human medical product safety alerts database</td><td>SCI Pharmtech's products are active pharmaceutical ingredients (APIs) and therefore do not fall within the scope of products covered by the FDA MedWatch reporting system. This metric is not applicable.</td></tr>
<tr><td>HC-BP-250a.2</td><td>Number of fatalities associated with products reported in the FDA Adverse Event Reporting System (FAERS)</td><td>SCI Pharmtech's products are active pharmaceutical ingredients (APIs); therefore, this metric is not applicable.</td></tr>
<tr><td>HC-BP-250a.3</td><td>Number of recalled products and total units recalled</td><td>0 (No such incidents occurred in 2024).</td></tr>
<tr><td>HC-BP-250a.4</td><td>Total amount of products accepted for take-back, reuse, or disposal</td><td>A total of 5,725.089 kg of products were accepted for disposal in 2024.</td></tr>
<tr><td>HC-BP-250a.5</td><td>Drug Safety</td><td>Number of enforcement actions taken by the FDA for violations of current Good Manufacturing Practice (cGMP), by type</td><td>In 2024, SCI Pharmtech underwent two inspections conducted by the Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare (MOHW). A total of 26 inspection findings were identified, as detailed below.
<table>
<tr><th>Deficiency Level</th><th>Definition Summary</th><th>Number of Cases</th></tr>
<tr><td>Critical Deficiencies</td><td>1. Deficiencies that have resulted in the manufacture of products harmful to human health, or that pose a significant risk of producing harmful products.
2. Involvement in fraud, misrepresentation, or falsification of products or data.</td><td>0</td></tr>
<tr><td>Major Deficiencies</td><td>1. Potential production of products not in compliance with approved registrations.
2. Significant deviations from GMP requirements or manufacturing license conditions.
3. Batch release procedures not satisfactorily implemented.
4. A combination of multiple "other deficiencies."</td><td>4</td></tr>
<tr><td>Other Deficiencies</td><td>Deviations from GMP that do not contain sufficient information to be classified as critical or major, and are considered minor or unclear deficiencies.</td><td>22</td></tr>
</table></td></tr>
</table>

Code	Topic	Metric Description	Reference Section / Explanation
HC-BP-260a.1	Counterfeit Drugs	Methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	To ensure full traceability across the entire supply chain and effectively prevent counterfeiting, SCI Pharmtech has implemented the SAP system to enable systematic management and detailed recording of raw material sources and customer information. This ensures end-to-end traceability from raw materials to finished products. In addition, during the finished product packaging stage, SCI Pharmtech adopts SCI proprietary anti-counterfeiting seals (such as tamper-evident locking mechanisms) to strengthen product identification and anti-counterfeiting controls, ensuring the security and integrity of products throughout distribution.
HC-BP-260a.2		Procedures for alerting customers and business partners to potential or known risks associated with counterfeit drugs	To raise awareness among customers and business partners regarding potential or known risks of counterfeit or falsified products, SCI Pharmtech emphasizes that all products are manufactured under valid regulatory approvals and have successfully passed inspections conducted by multiple regulatory authorities, including the U.S. FDA, EU EDQM, and Japan PMDA, with full GMP compliance. This ensures legitimate product origin and reliable quality. Furthermore, SCI Pharmtech proactively communicates counterfeit risks and preventive measures through regular customer communications, technical briefings, and contractual provisions, and reminds partners to avoid sourcing products from non-authorized channels. These actions are intended to jointly safeguard supply chain quality and safety. For further details, please refer to Chapter 2-2: Quality Assurance.
HC-BP-260a.3		Number of incidents leading to seizures, arrests, or criminal proceedings related to counterfeit drugs	0 (No such incidents occurred).
HC-BP-270a.1	Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0 (No such incidents occurred). SCI Pharmtech's products are active pharmaceutical ingredients (APIs) and are not marketed directly to end users; therefore, this metric is not applicable.
HC-BP-270a.2		Description of ethical codes related to off-label use of pharmaceuticals	To ensure the lawful and ethical use of pharmaceutical products strictly within approved labeling purposes, SCI Pharmtech clearly marks all API outer packaging with warnings such as "For formulation use only" or "Controlled substance", as applicable. These warnings are intended to remind users to comply with regulatory requirements and intended use, prevent misuse or diversion, and ensure the safety and appropriateness of pharmaceutical applications.

<table>
<tr><th>Code</th><th>Topic</th><th>Metric Description</th><th>Reference Section / Explanation</th></tr>
<tr><td>HC-BP-330a.1</td><td rowspan="2">Employee Recruitment, Development, and Retention</td><td>Description of efforts to recruit and retain R&D talent</td><td>Please refer to Chapter 5: Friendly Workplace (Employee Well-being) for details on recruitment strategies, employee development programs, and talent retention mechanisms.</td></tr>
<tr><td>HC-BP-330a.2</td><td>(1) Voluntary and (2) involuntary turnover rates for: (a) executive management, (b) middle management, (c) professionals, and (d) other employees</td><td>
<table>
<tr><th>Employee Category</th><th>Voluntary Turnover</th><th>Involuntary Turnover</th></tr>
<tr><td>Senior Management</td><td>0</td><td>1</td></tr>
<tr><td>Middle Management</td><td>0</td><td>0</td></tr>
<tr><td>Professionals</td><td>13</td><td>0</td></tr>
<tr><td>Total</td><td>13</td><td>1</td></tr>
</table>
</td></tr>
<tr><td>HC-BP-430a.1</td><td>Supply Chain Management</td><td>Percentage of (1) entity facilities and (2) Tier 1 supplier facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party supply chain and ingredient integrity audit programs</td><td>SCI Pharmtech does not participate in the Rx-360 consortium. However, the Company conducts regular supplier assessments, including document-based reviews and on-site audits, in accordance with internal Standard Operating Procedures (SOPs). SCI Pharmtech has established a qualified raw material supplier monitoring and evaluation system, which includes ongoing performance reviews and risk-based assessments to ensure supply chain quality, regulatory compliance, and pharmaceutical ingredient integrity.</td></tr>
<tr><td>HC-BP-510a.1</td><td rowspan="2">Business Ethics</td><td>Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption</td><td>0 (No such incidents occurred).</td></tr>
<tr><td>HC-BP-510a.2</td><td>Description of ethical standards for interactions with healthcare professionals</td><td>SCI Pharmtech's products are active pharmaceutical ingredients (APIs) and the Company does not engage directly with healthcare professionals. Therefore, this indicator is not applicable.</td></tr>
<tr><td>HC-BP-510a.2</td><td rowspan="2">Activity Metric</td><td>Number of patients treated</td><td>SCI Pharmtech is an active pharmaceutical ingredient (API) manufacturer and does not produce or sell finished dosage forms. As the Company does not have direct access to end-patient data, this metric is not applicable.</td></tr>
<tr><td>HC-BP-000.B</td><td>(1) Number of drugs in product portfolio (2) Number of drugs in development (Phase 1–3)</td><td>(1) Number of APIs in the product portfolio: 20 (2) Number of patent-applied APIs under development: 1</td></tr>
</table>

7-4 Enhanced Disclosure of Sustainability Metrics

None.

7-5 Climate-Related Information Disclosure for TWSE/TPEx Listed Companies

<table>
<tr><th>No.</th><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1</td><td>Board and management oversight and governance of climate-related risks and opportunities</td><td>On December 20, 2024, the Board of Directors approved the establishment of the Sustainability Development Committee under the Board (see Appendix 3). The Committee is chaired by the Chairman and includes two independent directors. The Executive Office of the President remains the dedicated unit responsible for promoting sustainability, supported by five functional task forces. These task forces are convened regularly to review and improve implementation performance. The Vice President in charge of the Corporate Governance and Social Contribution Task Force is designated by the President to report at least once a year to the Board on the status of sustainability implementation, enabling the Board to assess climate change impacts and provide strategic guidance.</td></tr>
<tr><td>2</td><td>Impact of identified climate-related risks and opportunities on business, strategy, and financial planning (short-, medium-, and long-term)</td><td>Short-term: Extreme weather events may cause production interruptions and logistics delays, leading to reduced sales and increased costs. The Company mitigates such impacts through contingency planning
Medium-term: Climate instability in specific regions may affect the supply of certain raw materials. Accordingly, SCI Pharmtech strengthens supply chain management to ensure supply stability.
Long-term: Climate change may affect the Company's long-term sustainability and financial stability. SCI Pharmtech adopts the TCFD-recommended risk assessment framework to evaluate climate-related issues and their potential financial impacts, and adjusts long-term strategies to align corporate development with climate challenges.</td></tr>
<tr><td>3</td><td>Financial impacts of extreme climate events and transition actions</td><td>Extreme climate events may result in production disruptions requiring remedial actions such as temporary production adjustments or raw material stockpiling, potentially creating short-term financial pressure. Climate transition actions may also require increased sustainability investments, including environmentally friendly equipment and renewable energy adoption, which may affect short-term cash flow. However, these actions are expected to enhance corporate brand value and long-term competitiveness, generating positive financial impacts over time.</td></tr>
<tr><td>4</td><td>Integration of climate risk identification, assessment, and management into overall risk management</td><td>To strengthen corporate governance and effectively implement a robust risk management framework, SCI Pharmtech has established a "Risk Management Policy and Procedures." In response to global climate change trends, the Company conducts TCFD-based assessments of climate-related risks and opportunities and their financial impacts, and continues to develop short-, medium-, and long-term greenhouse gas (GHG) reduction targets and actions. Climate risks will be progressively integrated into the overall enterprise risk management system and aligned with the governance structure to ensure comprehensive and effective management.</td></tr>
<tr><td>5</td><td>Climate risk and opportunity issues and financial impact assessment</td><td>Climate Risk and Opportunity Issues and Financial Impact Assessment
<table>
<tr><th>Issue</th><th>Risk Category</th><th>Impact Level</th><th>Description</th><th>Potential Financial Impact</th></tr>
<tr><td>Carbon fee</td><td>Policy & Regulation</td><td>High</td><td>Carbon fee to be imposed by the Ministry of Environment with preferential rates and reduction mechanisms</td><td>Not currently subject; if regulated in the future, approx. NTD 5.1 million annually based on 17,000 tCO_2e at NTD 300/ton</td></tr>
<tr><td>Water consumption fee</td><td>Policy & Regulation</td><td>Medium</td><td>Fee imposed on high water consumers under amended Water Act</td><td>Estimated additional cost of approx. NTD 270,000</td></tr>
<tr><td>EU CBAM</td><td>Policy & Regulation</td><td>High</td><td>EU Carbon Border Adjustment Mechanism affecting high-carbon imports</td><td>Increased costs for organic chemical products exported to the EU</td></tr>
<tr><td>Customer decarbonization requirements</td><td>Market</td><td>High</td><td>EU customers require suppliers to meet 2030 reduction targets</td><td>Potential increase in procurement costs</td></tr>
</table></td></tr>
</table>

No.	Item	Implementation Status				
5	Climate risk and opportunity issues and financial impact assessment	Corporate reputation	Reputational	Medium	ESG performance increasingly affects financing decisions	Higher borrowing costs if ESG expectations are unmet
		Flooding	Acute physical risk	Low	Heavy rainfall may cause plant shutdowns	Estimated loss of NTD 6.82 million per day of shutdown
		Water shortage	Chronic physical risk	Medium	Reduced water supply impacting production capacity	Estimated revenue impact of NTD 50 million for half-month restriction
		Circular economy	Technology	High	Solvent recovery and purification technologies	Estimated annual solvent recovery of approx. 23,000 tons
		Resource reuse	Resource efficiency	Medium	Process improvements and by-product reuse	Reduced raw material and waste disposal costs
		Low-carbon fuel / renewable energy	Resource efficiency	Medium	Renewable Energy Development Act requirements	Estimated benefit of NTD 2,300 per kWp for solar installations
6	Climate transition plans, indicators, and targets for managing physical and transition risks	The Board approved the GHG inventory and third-party verification roadmap. Originally targeted for completion by 2026, SCI Pharmtech accelerated its efforts in 2024 by completing organizational GHG inventory and external verification, in addition to three product carbon footprint assessments. Using pre-2020 fire incident emissions as the baseline year, the Company has formulated reduction strategies focusing on:				
		(1) GHG reduction				
		Targeting a 20% reduction by 2030 through energy efficiency, renewable energy adoption, and process optimization.				
		(2) Renewable energy adoption:				
		Initiating renewable energy installation planning by 2027, including feasibility assessments for solar power.				
		(3) Energy management system:				
		Achieving ISO 50001 certification within two years by establishing systematic energy management and continuous monitoring.				
7	Internal carbon pricing	SCI Pharmtech plans to complete internal carbon pricing development in 2025, referencing domestic and international carbon pricing trends.				
8	Climate-related targets, scope, timelines, and progress	SCI Pharmtech has preliminarily set climate targets and will track progress annually. GHG reduction: Scope 1 and Scope 2 emissions; baseline year: pre-2020; target: 20% reduction by 2030. Renewable energy: Scope 2; renewable energy planning initiated by 2027. Energy management: ISO 50001 certification by 2026. The Company primarily achieves emission reduction through energy efficiency improvements and renewable energy adoption, and will further evaluate the use of Renewable Energy Certificates (RECs) to support target achievement.				

Greenhouse Gas Inventory and Assurance Status

1. Greenhouse Gas Emissions, Intensity, and Data Coverage for the Most Recent Two Years

Following the partial resumption of production operations in 2023 and the full resumption of all production areas in 2024, the Company's greenhouse gas (GHG) emissions and emission intensity for the most recent two years are as follows:

2023
Scope 1 and Scope 2 emissions: 10,925 metric tons CO_2e
Emission intensity: 9.07 metric tons CO_2e per NT$ million of revenue

Breakdown:
Scope 1: 2,978 metric tons CO_2e
Scope 2: 7,947 metric tons CO_2e
Scope 3: 11,691 metric tons CO_2e
Total emissions: 22,616 metric tons CO_2e

2024
Scope 1 and Scope 2 emissions: 15,723 metric tons CO_2e
Emission intensity: 10.42 metric tons CO_2e per NT$ million of revenue

Breakdown:
Scope 1: 6,013 metric tons CO_2e
Scope 2: 9,710 metric tons CO_2e
Scope 3: 21,337 metric tons CO_2e
Total emissions: 37,060 metric tons CO_2e
With full production operations resumed in 2024, Scope 1 and Scope 2 emissions reached approximately 80% of pre-fire levels.

(For reference, Scope 1 and Scope 2 emissions in 2020, prior to the fire incident, totaled 21,898 metric tons CO_2e.)

2. Assurance Status for the Most Recent Two Years as of the Annual Report Publication Date

The assurance status of the Company's greenhouse gas inventory for the most recent two years is summarized as follows:

- Assurance scope:
  January 1, 2023 to December 31, 2024
  SCI Pharmtech, Inc.
- Assurance provider:
  SGS Taiwan Ltd.
- Assurance standards:
  ISO 14064-1 and ISO 14064-3
- Assurance conclusion:
  The Company successfully completed ISO 14064-1 verification for the years 2020 and 2023 in 2024, with no qualifications or reservations.
  Verification for 2024 was completed and obtained in September 2025.

7-6 Independent Third-Party Assurance Statement

bsi.

INDEPENDENT ASSURANCE OPINION STATEMENT

SCI Pharmtech, Inc. 2024 Sustainability Report

The British Standards Institution is independent to SCI Pharmtech, Inc. (hereafter referred to as SCI in this statement) and has no financial interest in the operation of SCI other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of SCI only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by SCI. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SCI only.

Scope

The scope of engagement agreed upon with SCI includes the followings:

1. The assurance scope is consistent with the description of SCI Pharmtech, Inc. 2024 Sustainability Report.
2. The evaluation of the nature and extent of the SCI's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the SCI Pharmtech, Inc. 2024 Sustainability Report provides a fair view of the SCI sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the SCI and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate SCI's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that SCI's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to SCI's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that SCI has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the SCI's inclusivity issues.

Materiality

SCI publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of SCI and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the SCI's management and performance. In our professional opinion the report covers the SCI's material issues.

Responsiveness

SCI has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for SCI is developed and continually provides the opportunity to further enhance SCI's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the SCI's responsiveness issues.

Impact

SCI has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. SCI has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the SCI's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

SCI provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the SCI's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the SCI's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

AA1000
Licensed Report
000-4/V3-ARRHG

...making excellence a habit.™

Statement No: SRA-TW-822779
2025-07-24

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

SCI PHARMTECH, INC.
旭富製藥科技股份有限公司