Center Laboratories, Inc.
2023 Sustainability Report

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About this Report

Center Laboratories, Inc. (below referred to as “Centerlab” or “The Company”) released its first sustainability report in 2022. This year’s report (below referred to as “This Report”) is the third of its kind issued by the Company. Since our inception, we have been deeply committed to the spirit and business philosophy of “Caring for Life and Selfless Devotion”. We have further incorporated corporate social responsibility concepts into our business strategy and vision planning while gradually internalizing them into our corporate culture. With a view to giving the public and our sharedholders a better understanding of our dedicated efforts and actual achievements in the field of sustainable operations, we have disclosed our sustainable development goals, strategies, and commitments in this report. We also gather and actively respond to issues of concern to stakeholders. The ultimate goal is to establish a solid foundation for mutual communication through the publication of these reports.

Reporting Boundaries

The data disclosed in this period covers actions, performance, and results of CentralLab in every material topic area (corporate governance, environmental sustainability, and social commitment) including issues of concern raised by stakeholders in the period from January 1 to December 31, 2023. The financial information revealed in this report is mostly consolidated revenue, consistent with the data in financial reports audited and attested by a CPA.

Reporting Principles

The report compilation framework is based on the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI) and conforms to the requirements set forth in the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and the SASB Standards. A GRI Content Index, SASB Index, and TCFD Index have been attached to this report as a reference for the Company’s stakeholders.

Reporting Foundation

- All data disclosed in this Report has been collected, compiled, and organized by members of each department. Verification of its accuracy and integrity by unit heads has been followed by final reviews conducted by the Reporting Task Force, Corporate Governance Unit, and Auditing Unit.
- Restatement of information: Changes from the information disclosed in the previous report are clearly indicated in relevant contents of this Report.

- GREAT Certification has been commissioned to verify the disclosed data pursuant to the requirements of the AA1000 Type I (Moderate) Assurance Standards. The assurance statement has been included in the Appendix for reference purposes

Publication Frequency

Publication of this issue: August 2024
Planned publication of the next issue: August 2025

Contact Information

With a view to constantly improving the quality and contents of our sustainability reports and fostering communication with stakeholders, we welcome all suggestions and comments. Our contact information is as follows:
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https://www.centerlab.com.tw/investor/corporate_responsibility/corporate_gov/architecture
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Message from the Chairperson

Center Laboratories started out as a drug manufacturer, but with the passage of time, it constantly expanded its business scope. Synergy effects and competitiveness of the group have been consolidated through investments and mergers & acquisitions. Our pursuit of economic benefits is paired with a deep awareness of the importance of sustainable corporate development. We therefore formulate relevant policies and goals in the three dimensions of economy, environment, and society (ESG) centered around our core operations as a drug manufacturer with reference to international standards and trends in the field of ESG and sustainable development. We rely on highly effective management and resource allocation to ensure steadfast progress on the path toward sustainable operations. Our ultimate goal is to set a paradigm for other group members to emulate.

Looking back on the past year, we have achieved brilliant results in our pharmaceutical and investment business. Our consolidated revenue reached NT$ 1.394 billion, which represents a record-breaking YoY growth of 81.69%. Amid a post-pandemic bounceback, the revenue of our pharmaceutical business rose to NT$ 950 million, accounting for a share of 68% of our total revenue. The successful merger with our subsidiary Glac Biotech in early 2023 contributed NT$ 444 million to our annual revenue.

In our pursuit of business growth, we do not neglect our social and environmental responsibility and proactively implement our business ethical values, namely "Innovation, Integrity, Professionalism, and the Common Good." In the field of energy conservation and carbon reduction, we completed our heating coil and AHU (air handling unit) energy conservation projects paired with the conversion of our electric heaters to available hot water for heating to achieve reduced energy consumption. All these measures coupled with the replacement of obsolete, energy-intensive AC units with new energy-efficient units has resulted in a lower carbon footprint, energy cost savings, and a YoY energy intensity reduction of around 10%. In the social dimension, we champion our talent inclusion concept and are firmly committed to creating a friendly workplace characterized by diversity and equality. We show deep respect for the rights of female employees by offering flextime, parental leaves, and other benefit measures. We further encourage our female staff members to unleash their leadership potential. The high proportion of women in our management positions (68%) bears witness to these efforts. In addition, we show great concern for community health and safety with a focus on senior community members. This concern is reflected in the organization of a drug safety lecture tour for seniors with a total of 27 stops in 2023. This tour which featured 19 more lectures than last year's event aimed to communicate accurate medication concepts and skills to elderly audiences and thereby enhance their life quality.

Looking ahead, we will continue to uphold our vision and mission with the ultimate goal of maximizing values and contributions for our shareholders, customers, employees, society, and the environment. We firmly believe that ESG and sustainable development are indispensable prerequisites to securing long-term competitiveness and maintaining our growth momentum.

Center Laboratories Chairperson
Yvonne Wang

2023 Performance Highlights

Economic dimension	Environmental dimension	Social dimension
Annual revenue of NT$ 951 million; ranking in the top 6-20% bracket of the annual corporate governance evaluations.	YoY energy intensity reduction of around 10.0%.	Female executives account for 67.6% of our management team. Organization of 27 drug safety lectures for seniors.

1. Deep-Rooted Sustainability Ethos

1.1 Stakeholder Identification and Communication Channels

Stakeholder expectations and recommendations are closely linked to the direction of our operational decisions. We place utmost emphasis on issues of concern to stakeholders and rely on regular communication with all stakeholder groups and effective communication mechanisms as a key reference for ongoing improvements. Relevant opinions and feedback are retrieved as a reference frame and target value for our sustainable operations.

With reference to the five core principles of AA 1000 SES (Stakeholder Engagement Standard), namely Dependency, Responsibility, Tension, Influence, and Diverse Perspectives and in consideration of stakeholders who potentially come into contact with or are influenced by the operations of each unit, we identified the following five stakeholder categories for 2023: Shareholders (investors), employees, customers, suppliers, and competent authorities.

Stakeholder communication and engagement

Stakeholders	Major issues of concern	Communication channels, responses, frequency	Implementation in 2023
Shareholders (Investors)	➢ Financial & business conditions ➢ Dividend distribution ➢ Future prospects ➢ Corporate governance	➢ Annual shareholders' meetings ➢ Investor conferences at least once a year ➢ Appointment of a spokesperson and acting spokesperson ➢ Hotline for shareholder inquiries ➢ Scheduled	We held a shareholders' meeting and investor conference to engage in face-to-face communication with investors and shareholders on June 20 and December 5. Our spokesperson and acting spokesperson reply to shareholder phone and email inquiries in a prompt manner and offer consultation and advisory services to maintain excellent interactions with shareholders.

Stakeholders	Major issues of concern	Communication channels, responses, frequency	Implementation in 2023
		and non-scheduled posting of information on the Market Observation Post System (MOPS) ➢ Disclosure of information on the corporate website	Our financial and business information is uploaded to MOPS within the legally precribed time limit and we always provide shareholders and investors with the latest, up-to-date information
Employees	➢ Salary & benefits ➢ Career development ➢ Occupational health and safety ➢ Labor-management relations ➢ Physical and mental well-being	➢ Monthly department meetings ➢ Quarterly labor-management meetings ➢ Quarterly Employee Welfare Committee Meetings ➢ Annual health exams ➢ Annual domestic and international staff trips ➢ Club activities/as required ➢ Training courses/as required ➢ Offering of online internal training courses ➢ Setting up of employee grievance hotline	We communicate with our employees through regular monthly meetings and quarterly labor-management and employee welfare committee meetings. The employee health exam was completed in December. In addition, we offer our employees training subsidies. Internal and external training time amounted to around 2245 in 2023. In addition, we offer our employees 40 courses on our “CenterLab Academy” online platform to encourage autonomous learning. We are firmly committed to implementing various employee benfit and welfare measures and harmonious labor-management relations.
Customers	➢ Product quality, delivery time, price ➢ Technology R&D levels ➢ Management of controlled drugs ➢ Product services	➢ Business visits/as required ➢ Organization of seminars and discussion forums as required ➢ Monthly business review meetings ➢ Customer service hotline ➢ Customer complaint channels	We conduct physical and online visits to communicate with our customers. In 2023, we organized over 108 seminars and discussion forums to promote our products and gain a better understanding of customer demands. In addition to the convening of regular business review meetings, we handle customer complaints in a proactive manner and take corrective action as required to forge solid partnerships with our customers. As a result, we still maintain an industry-leading market share in the field of aqueous agents for children.
Suppliers	➢ Product quality, safety, delivery time, price ➢ Technological capabilities ➢ Stable supply	➢ Supplier interviews/as required ➢ On-site supplier audits/as required ➢ Annual supplier evaluations ➢ Supplier	In 2023, we requested quality document updates by 219 raw material suppliers (validity period of more than six months). In addition, we carry out on-site evaluations of our largest suppliers. Written reviews of quality documents and statistics of incoming quality inspection results serve

Stakeholders	Major issues of concern	Communication channels, responses, frequency	Implementation in 2023
		questionnaire surveys/as required	as the main reference for confirmation of qualified suppliers and absence of shortcomings. We also maintain a stable grasp of supplier quality, safety, delivery times, and prices.
Competent authorities	➢ Labor-management relations and occupational safety ➢ Guide to Good Manufacturing Practice for Medicinal Products ➢ Information disclosure ➢ Legal compliance	➢ Participation in discussion forums, conferences, public hearings, and information meetings on policies and laws/as required ➢ Compliance with supervision and audits by competent authorities ➢ Visits to competent authorities to create opportunities for interactions and exchanges/as required ➢ Establishment of points of contact to maintain excellent interactions with ➢ Compliance with inspections and certification audits	We participate in physical and online information meetings and discussion forums on pharmaceutical technology R&D organized by the competent authority and fully cooperate in policy execution. In addition, we have designated dedicated personnel at our Operations Management Division, R&D I Division, HR Division, and all plants to maintain close contact with competent authorities. We also comply with all inspections and certification audits and maintain excellent communication.

Stakeholders and contact persons

Stakeholders	Name	Title	EMAIL
Spokesperson	**Catherine Lin**	**AVP**	**catherine@centerlab.com.tw**
Acting spokesperson	**Kathleen Tang**	**Manager**	**kathleen.tarng@centerlab.com.tw**
Employees	**Alice Lin**	**Assistant Manager**	**alice.lin@centerlab.com.tw**
Customers	**Kelly Hsieh**	**Manager**	**kelly_1006@centerlab.com.tw**
Suppliers	**Dana Lin**	**Plant Manager**	**dana.lin@centerlab.com.tw**
Competent authorities	**Kevin Chien**	**Manager**	**kevin.chien@centerlab.com.tw**

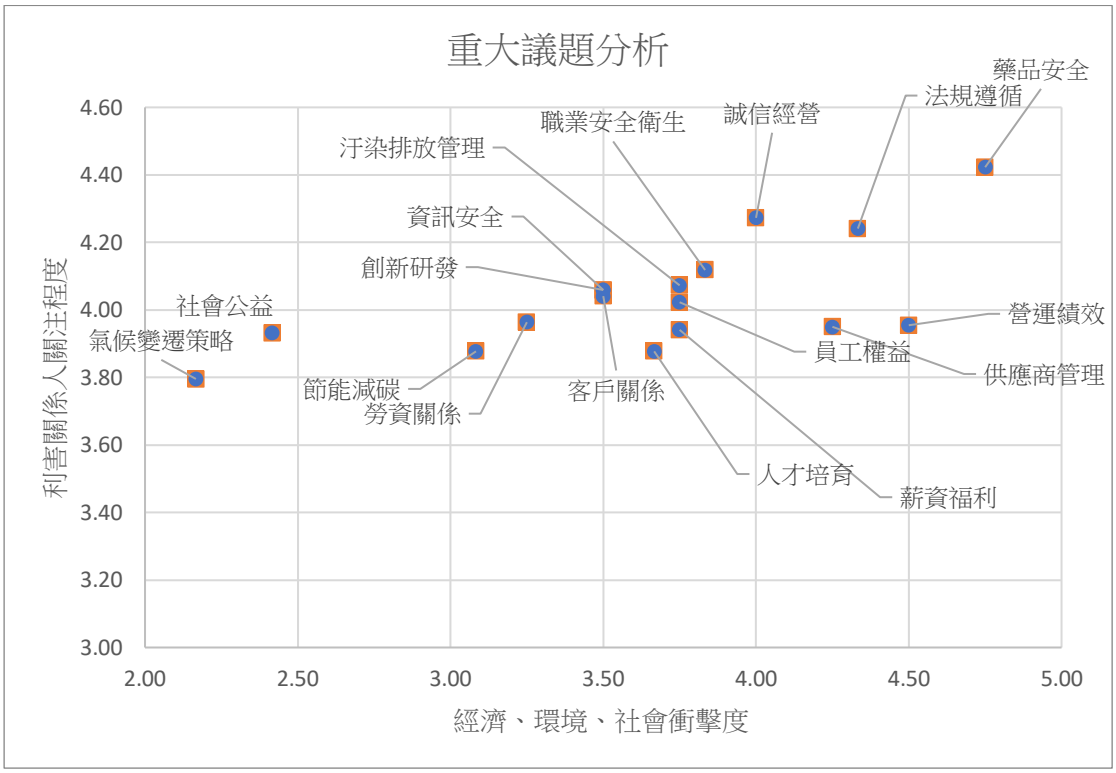
1.2 Management of Material Topics

A good corporate governance structure highly values stakeholder demands and expectations. Their opinions and feedback should be incorporated into business strategy maps. With a view to ensuring effective management of material issues of concern to stakeholders, we have defined processes to determine material topics in accordance with the GRI Standards and AA1000 SES (Stakeholder Engagement Standard). We started by defining and clarifying stakeholder categories, which was followed by departments gathering issues of concern, opinions, and feedback of stakeholders of immediate relevance to their operations. After systematic classification and statistical analysis, this information was handed over to various executives for identification of the topics with the greatest impact on sustainable operations of the Company based on joint discussions and analysis. These issues served as the fundamental framework of this report. We also formulated management approaches and short-, medium-, and long-term goals and explained our current achievements to our stakeholder. Our process to determine stakeholders and material topics can be described as follows:

1.2.1 Process to Determine Material Topics

Steps	Description
Step 1: Identification of stakeholders	Based on the four major principles of the AA 1000 SES (Stakeholder Engagement Standard) : Inclusivity, Materiality, Responsiveness, and Impact, we have identified the following five major stakeholder categories: shareholders (investors), employees, customers, suppliers, and competent authorities.
Step 2: Gathering of sustainability issues	The GRI Sustainability Reporting Standards, Task Force on Climate-Related Financial Disclosures (TCFD), the UN Global Compact, current industry conditions, and domestic and international sustainability issues of concern have served as the basis for the gathering and formulation of sustainability issues. We eventually identified 17 sustainability issues that are directly associated with our corporate operations.
Step 3: Materiality analysis of sustainability issues	We compiled contents of communications conducted by managerial officers and heads of relevant departments with different stakeholders regarding the 17 gathered sustainability issues including but not limited to questionnaire surveys, phone calls, online and physical meetings, and emails. The group relies on diversified communication channels to solicit recommendations by each stakeholder category. These recommendations served as a key reference for the formulation of operations and sustainable development strategies. We also developed the material topic matrix shown below.
Step 4: Confirmation of material topics	We determined nine material topics based on a synthesis of internal discussions, external comments and feedback, and opinions of scholars, experts, and researchers. We also discussed positive/negative and actual/potential impacts and developed the material topic matrix for 2023. These nine material topics serve as the framework for this report and stakeholder communications.

Material topic matrix



上圖-中英對照

中文	英文翻譯
重大議題分析	Analysis of material issues
利害關係人關注程度	Level of concern of stakeholders
經濟、環境、社會衝擊度	Degree of impact in the economic, environmental, and social dimensions
藥品安全	Drug safety
法規遵循	Legal compliance
營運績效	Operating performance
誠信經營	Ethical management
供應商管理	Supplier management
職業安全衛生	Occupational health and safety
汙染排放管理	Pollution and emission management
員工權益	Employee rights
薪資福利	Salary & benefits
人才培育	Talent cultivation
客戶關係	Customer relations
資訊安全	Information security
創新研發	Innovative R&D
節能減碳	Energy conservation and carbon reduction
勞資關係	Labor-management relations
社會公益	Social welfare
氣候變遷策略	Climate change strategy

Changes to material topics in 2023 are shown in the table below. Responsible departments propose execution plans and short-, medium-, and long-term goals for each material topic. Performance is reviewed on a regular basis.

Ranking	Material topics in 2022	Material topics in 2023	Comparison
1	Drug safety	Drug safety	-
2	Supplier management	Legal compliance	Newly added
3	Pollution and emission management	Operating performance	Newly added
4	Energy conservation and carbon reduction	Ethical management	Newly added
5	Information security	Supplier management	↓3
6	Employee rights	Occupational health and safety	↑3
7	Labor-management relations	Pollution and emission management	↓4
8	Talent cultivation	Employee rights	↓2
9	Occupational health and safety	Salary & benefits	Newly added

1.2.2 Actions taken to manage material topics

Corresponding chapter in this Report	Material topic	Positive/negative and actual/potential impacts	**Description of impacts**	**Internal boundary**	**External boundaries**			Corresponding SDGs (images to be inserted by graphic designers)	Corresponding topic-specific disclosures as set forth in GRI Standards
				Company	**Suppliers**	**Customers**	**Local communities**		
2.7 Product liability	Drug safety	Positive/potential	CenterLab strictly abides by the Guide to Good Manufacturing Practice for Medicinal Products (PIC/S GMP) and other pharmaceutical-related norms, standards, and regulations. Conformity of all manufactured drugs to quality and drug safety requirements is ensured through a multi-layered quality control system.	●		●		3	GRI 416: Customer Health and Safety 2016
2.3 Integrity First	Legal compliance	Positive/potential	The efficacy of manufactured products is the lifeline of our sustainable operations. Issues such as maintenance of drug efficacy, environmental protection, and human rights require concerted efforts by professionals in a wide range of disciplines	●		●		16	GRI 2-27 Compliance with Laws and Regulations 2021

2.1 Organizational Profile	Operating performance	Positive/actual	Our operational excellence in 2023 was highly conducive to securing ongoing investments by our shareholders.	●		●		8	GRI 201: Economic Performance 2016
2.3 Integrity First	Ethical Management	Positive/actual	Ethical management conditions are supervised by the board of directors. Implementation of ethical management concepts in our governance operations helps raise investor confidence.	●		●		16	GRI 205: Anti-corruption 2016
2.6 Sustainable Supply Chain	Supplier Management	Positive/potential	With a view to ensuring drug safety, CenterLab implements management of drug ingredients from the source. Quality screening of newsy added suppliers and regular appraisals and inspections are conducted in the context of a supplier management mechanism with the ultimate goal of creating a safe and stable product supply chain. In the field of supplier ESG management, we request new suppliers to sign a Social Responsibility Commitment Letter. We further require existing suppliers to fill out ESG questionnaires to reinforce their sustainability awareness.	●	●			17	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016

3.2 Workplace Safety	Occupational Health and Safety	Positive/actual	Safeguarding the health and safety of our employees at their posts is one of our most fundamental and important goals. We stipulate relevant management regulations and procedures, which every employee is required to comply with. We also regularly administer safety training to build a safe and healthy workplace environment.	●	●				GRI 403: Occupational Health and Safety 2018
4.3 Pollution Control	Pollution and emission management	Negative/potential	The generation of hazardous waste during the drug manufacturing process is unavoidable. We are actively committed to controlling the generation of environmental pollution and minimizing the impact on the surrounding environment pursuant to applicable laws and regulations.	●		●	●	12	GRI 306: Waste 2020
3.4 Diversity & Inclusion	Employee rights	Positive/actual	We place utmost emphasis on equal and non-discriminatory treatment of every employee and protection of their rights from impairment. We persist in our efforts to build a friendly workplace environment characterized by equality.	●				10	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016

3.4 Diversity & Inclusion	Labor-management relations	Positive/actual	Harmonious labor-management relations are highly conducive to sustainable growth. At our company, every employee can freely express his/her opinions and doesn't have to worry about adverse consequences arising from providing feedback or suggestions. We spare no effort to satisfy the needs of our employees and maintain positive labor-management interactions.	●				8	402: Labor-management Relations

1.2.3 Adopted Management Approaches for Material Topics

Material topic	Policy/Pledge	Core Objectives	Invested Resources /Action Plan	Achievements	Assessment/Feedback Mechanism	Goals for 2024
Employee rights	1. Building of win-win labor-management relations and creation of a blissful enterprise based on the core principle of balancing the demands of labor and management	Establishment of labor-management communication channels to ensure error- and obstacle-free interactions	Ø Regular quarterly labor-management meetings to ensure smooth labor-management interactions and exchanges and legal expertise training conducted by HR personnel	Labor -management meetings held every quarter in 2023	Labor-management meeting minutes	● Organization of quarterly labor-management meetings
				Zero labor deficiencies in the respective year		● Maintenance of zero labor deficiencies
	2. Creation of a workplace environment characterized by diversity, inclusion, and gender equity	Raising of gender equity awareness among employees and strong emphasis on female executive ratio.	Ø Offering and promotion of gender equity-related online courses	Ratio of female to male executives: 68% to 32%	Establishment of sexual harassment grievance channels at work locations and disclosure of relevant information in the BPM system	● Gender equity-related online courses viewed by 50% of employees
				Zero gender equity-related grievances in the respective year		● Maintenance of a male to female executive ratio of 1:1 or higher
						● Maintenance of zero gender equity-related grievances
Salary & benefits	Establishment of an organizational pattern	Annual turnover rate of less than 25%	Ø Organization of adaptation programs for new hires once per quarter to	Turnover rate of 21% in 2023	1. Annual turnover rate	1. Annual turnover rate <20%

	characterized by steady growth		accelerate the assimilation of newcomers into our corporate culture and work environment			
			Ø Provision of rental allowances for employees who have been assigned to operating sites in other cities and counties		2. Satisfaction with course offerings of the adaptation program for new hires	2. Satisfaction rate of 4 out of 5 with the adaptation program
Legal compliance	Legal compliance is the cornerstone of sustainable corporate development	We constantly monitor laws and regulations with a potential impact on our finances and business operations to ensure that all our operating activities conform to the law	Ø 1. (A) Corporate governance dimension: Functional committees monitor and supervise our financial operations and internal control system. We rely on Corporate Governance Best Practice Principles and board performance evaluations to boost the ability of the board to monitor key proposals and strengthen the board functions with the ultimate goal of facilitating the provisions of professional opinions and enhancing information transparency.	There was no record of legal violations in the respective year	Monitoring and supervision through grievance channels	1. Compliance with applicable laws and regulations and ongoing reinforcement of employee legal awareness to prevent non-compliance incidents
						2. Maintenance of a record of zero legal violations in

						our operating activities in 2024
			Ø 2. (A) Personnel dimension: Adoption of internal ethical regulations and scheduling of regular audits: We have formulated Procedures for Ethical Management and Guidelines for Conduct and Codes of Ethical Conduct for Directors and Managerial Officers and Employees. The chief internal auditor conducts annual audits of the internal organization in accordance with the audit plan to ensure sustainable operations and development.			
			(B) Education & training: With a view to raising the awareness of professional ethics and legal compliance on the part of employees, the HR Department conducts regular training courses on laws and regulations related to business management for employees in different			

			departments/positions pursuant to applicable laws and internal regulations. In 2023, HR held a total of 13 internal training courses, which were attended by 43 individuals. Average training hours per employee amounted to 1.07. This included training offerings for employees with different duties and responsibilities, orientation training, in-person courses, educational efforts by each department, and external training. Legal compliance guidelines are also provided on posters in plant areas and the internal website to constantly expose employees to law-related knowledge. The chief internal audtor and his/her deputy , the accounting officer and his/her deputy, and the chief governance officer are assigned to participate in relevant external training courses in accordance with legal			

			requirements (total training hours reached 114 in 2023).			
			Ø (C) ESH dimension: We have formulated management regulations and monitoring, measurement, and performance management guidelines to facilitate the management of ESG/environmental laws and regulations and other legal reguirements governing and pertaining to operating activities, products or services. In addition, we implement effective controls regarding environmental management system operations and performance with the goal of facilitating the adoption of effective corrective action plans and preventive measures.			
Ethical management	Integrity represents the foundation of corporate operations. With a	The Board of Directors has ratified Ethical Corporate	Ø During the onboarding process for new hires, the HR Division educates them on our internal ethical	We administered a total of nine hours of ethical management training for new hires	We clearly stipulated procedures for the handling of ethical	1. All new hires have received ethical management training

	view to building a work environment and climate that conforms to ethical standards, we require all employees to gain a clear understanding and strictly abide by professional ethical norms and standards.	Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Codes of Ethical Conduct for Directors and Managerial Officers. We espouse a business philosophy characterized by integrity, transparency, and accountability in our policy formulation processes. In addition, we have established a sound corporate governance and risk control mechanism with the goal of creating a sustainable development-	regulations to cultivate their integrity awareness. We also request our management team to lead by example and strictly abide by integrity principles to shape an integrity-based culture in an imperceptible manner.	starting in the fourth quarter of 2023. In addition, we educate active employees on ethical management related laws via email and bulletin board announcements..	conduct violatons in our Procedures for Ethical Management and Guidelines for Conduct and Ethical Corporate Management Best Practice Principles.	
				No reports or grievances were received in 2023	In addition, we have formulated Regulations Governing the Reporting of Illegal, Unethical, or Dishonest Conduct in accordance with these guidelines. In addition, we have set up reporting and grievance channels and adopted procedures for the handling of grievances and reward and penalty provisions. Upon receipt of reports and grievances, the responsible unit requests the	No reports or grievances in 2024

		oriented business environment			respective level of the company hierarchy to handle the matter in an adequate manner after submitting written evidence. The identity of the whistleblower and the report contents are kept strictly confidential. A special task force is formed for investigations if deemed necessary . The members of this task force must not be an interested party in this case and their independence must be guaranteed.	
						2. Zero violations of ethical management principles and conflict of interest regulations in our operating activities
Occupational health and safety	Provision of operating personnel with a clear	Pursuit of the goal of zero accident and injuries and	Due implementation of hazard prevention training	Internal training Ø Two courses on toxic substances	Scheduling of employee training with the rerporting	1. Zero accidents and injuries 2. 100% achievement rate

	understading of safety knowledge and raising of their safety awareness	safeguarding of the personal safety of employees	and reinforcement of employee awareness	attended by 101 individuals Ø Two emergency response drills with 177 participants Ø Lab biosafety trraining attended by 9 individuals External training Ø 2023 fire and explosion prevention training for the manufacturing industry (one participant) Ø 2023 Nationwide Conference on Environmental Incidents & Award Ceremony for Outstanding Achievements in the Operation and Management of Mutual-Aid Organizations (one participant) Ø 2023 Information Meeting on Toxic and Concerned Chemical	channel of the Occupational Safety and Health Administration as the feedback mechanism	of legally mandated occupational health and safety training 3. 100% achievement rate of orientation training	

				Substances Laws and the Registration and Declaration System (one participant)			
Pollution and emission management	Low-pollution, low-emission manufacturing plants	Stationary pollution source installation/operation permit	Ø Stationary pollution source reporting Ø Daily operations checklist Ø Approved extension of stationary pollution source permit in 2023	Water pollution control permit (2022/05~2027/5) Stationary pollution source permit (2024/05~2029/05)	Provision for equipment installation and maintenance expenses with non-scheduled inspections and testing by the Environmnetal Protection Bureau as the main feedback mechanism Regular boiler inspections to ensure optimal equipment functioning	Non-scheduled inspections and testing by different agencies to ensure conformity to applicable standards	
Supplier management	Creation of a reliable supplier lineup to ensure stable supply of materials of reliable quality for manufacturing operations	Guaranteed provision of top-quality services and raw materials of reliable quality at the lowest costs and development and maintenance of	Ø Demand that existing suppliers deliver raw materials of stable quality on an ongoing basis and carrying out of qualification evaluations for newly added suppliers and non-scheduled on-site audits for existing suppliers	In 2023, we requested our twenty largest suppliers to fill out ESG supplier questionnaires to ensure that suppliers attach the required importance to relevant issues	Dedicated personnel are responsible for supplier evaluations carried out as requried	Adoption of of Social Responsibility Commitment Letters with new and existing suppliers and ESG supplier questionnaires as key criteria for supplier evaluations and carrying out of on-site	

		excellent supplier relations	Ø Signing of distribution and marketing contracts and quality agreements with drug distribution, marketing, and logistics service providers		Supplier questionnaires, supplier/manufacturer evaluation forms	investigations and audits as required	
Drug safety	Maintenance of plant GMP/GDP certifications	Acquiistion of GMP/GDP approval/commissioned plant audit reports	Ø Personnel training record forms	Passing of commissioned audits of OEM manufacturers of pharmaceuticals in 2023	Hard- and software maintenance expenses/employee training expenses/stable raw material supply chain	Passing of follow-up GMP/GDP audits	
					GMP/GDP follow-up audits		
			Ø Equipment maintenance records				
			Ø Planned addition or replacement (in line with TFDA and legal requirements) of different types of equipment including support systems and manufacturing and testing equipment				
			Ø Supplier assessments: document reviews and on-site audits				

2. Corporate Governance & Global Deployment

2.1 Organizational Profile

2.1.1About Center Laboratories

Center Laboratories was established in 1959 as a manufacturer of full-dosage drugs. After taking over as Center Laborities President in 1998, Mr. Rongjin Lin redefined and repositioned the Company's competitive edge by shifting its focus to the professional manufacture of orally administered solutions. From that time on, the Company specialized in the research and development of liquid drug solutions by relying on its advanced technology platform and professional capabilities in the fields of prescription research, design, and analysis. Mr. Lin thereby successfully transformed CenterLab into the largest manufacturer of orally administered solutions in Taiwan.

CenterLab's share of the aqueous drug solution market in Taiwan broke through the 70% mark in 2008. President Lin further assisted in the formulation of a differentiated growth strategy which not only helped optimize the aqueous drug solution product mix but also facilitated the Company's venture into the field of psychiatric and neurological drugs and its transformation into a "Biotech Industry Bank" to create the most professional biotech incubation platform in the Asia-Pacific region. In 2018, CenterLab entered a stage of increasing maturity characterized by outstanding achievements in both its drug manufacturing and investment business. In the wake of the gradual expansion of its investment business, CenterLab launched its third transformation which aimed to turn CenterLab into a "Professional Biotech Investment Holdings Enterprise" with a view to integrating resources and generating synergy effects. The ultimate goal lies in the creation of unicorn enterprises with a market value of NT$ 30 billion each through reprositioning, merger & acquisition, and sale of investee companies. Finally, CenterLab strives to explore opportunities in emerging industries in search for a second growth engine.

The scope of the Company's investments encompasses a wide range of fields including new drug development, manufacturing of biopharmaceuticals and vaccines, the big health industry, cell therapy, innovative medical devices, and AI-based healthcare. CenterLab has invested in and incubated over 20 enterprises under its umbrella and is firmly committed to amassing resources and experiences to propel promising biotech/big health companies onto the international stage. The Company also

specializes in business operations and R&D involving generic orally administered solutions and CNS and development of specialty drugs.

The sustainability policy of the Company is composed of four major dimensions, which are mutually intertwined and complementary and aim to achieve the development goals and corporate vision of the Company:

- Incubation and investment in biotech/big health industry enterprises
- Breakthroughs in the field of new drugs and innovative medical devices
- Consolidation and expansion of the Company's leadership position in the field of orally administered solutions and deep commitment to CNS
- Firm grasp of future trends and active commitment to new-generation, innovative therapies

We deeply believe in "Innovation, Integrity, Professionalism, and the Common Good" as our core values. We are firmly convinced that encouragement of innovation is an indispensable prerequisite for the unlocking of more possibilities and making the impossible possible! "Integrity" is the cornerstone of life care. We are therefore steadfastly committed to implementing integrity and transparency. In addition to our pursuit of corporate growth, we strive to harness our professionalism and resources to expand our influence with the goal of fostering the common good of the industry and create wonderful visions of human health.

Company profile

Company	Center Laboratories, Inc.
Date of establishment	November 1959
Address	7F., No.3-2, Park St., Nangang Dist., Taipei City 115, Taiwan
Chairperson	Yvonne Wang
President	Robert Hsu
Paid-in capital	NT$ 6.914billion
Workforce (as of the end of December 2023)	179
Main products and services	Orally administered solutions/biotech industry investments
Operating sites	Head office: 7F., No.3-2, Park St., Nangang Dist.,

	Taipei City 115, Taiwan Drug manufacturing plant: No.2, Shijian Rd., Hukou Township, Hsinchu County
2023 Revenue	NT$ 950,526,000 (pharmaceutical business excluding investments)

Vision, mission, corporate culture, and spirit

Group vision: Most professional manufacturer of orally administered solutions and leadership position in the field of CNS *

Group mission and strategy:

1. Specialization in the integration of aqueous drug solution value chains, development and manufacture of product mixes and consolidation of the Company's market position as the largest manufacturer of orally administered solutions in Taiwan -
- Integration of the aqueous solution market and firm commitment to perfection of product mixes
- Promotion of child drug safety concepts
- Technology upgrades and quality maintenance

2. Deep dedication to perfection of CNS product mixes, branding, disease care, and market expansion for products –
- Comprehensive product mixes and product protection strategy
- Deepening of the knowledge base in the field of CNS disease

3. Transformation into an original manufacturer of Orally administered solutions and expert in the field of CNS

Note: Central nervous system abbreviated as CNS

Corporate culture and value system

1. Care – Advance the well-being of all stakeholders

2. Integrity and down-to-earthness- Recognition of sustainable corporate development as the joint responsibility of all staff members indispensable for survival, prioritizing of organizational goals over personal interest, espousing a spirit of altruism, pursuit of perfection, and thorough inquiry, and commitment to achieving personal goals and safegurading of company interests.

3. Professionalism – Focus on fostering excellence in core business areas and acquisition of knowledge required for target fields, securing of a leadership position in these fields by harnessing the strong ambition and team spirit of all members of the organization

4. Innovation - True understanding of the self and the environment, engagement in rational thinking and breakthrough actions at the crossroads of pragmatism and ideals

to secure current achievements and future aspirations

CenterLab spirit:
On the foundation of a spirit of "Caring for Life and Selfless Devotion", CenterLab members achieve greatness by rising above the ordinary and through pursuit of perfection in their daily practices. The Company honors its commitment to developing high-quality pharmaceuticals to fulfill its sacred responsibility to safeguard human health.

2.1.2 Strategy Development

- **Short- and long-term planning**

Our reinvestment strategy encompasses the following fields: cell therapy, development of new micromolecular drugs, developers of protein and antibody drugs, technology platforms for innovative drug development, high-end medical devices, healthcare products, agricultural biotechnology, and sector-specific funds. Screening and management of investment targets and maximization of investment returns is accomplished by relying on four major steps, namely "Pre-investment Assessment", "Post-investment Management", "Strategic Focus", and "Adoption of Exit Mechanisms". Through our dedicated efforts over the past decade, we have evolved into the most professional biotech incubation platform in the Asia-Pacific region. We persist in our efforts to adjust our operational structure and sharpen our overall competitiveness through long- and short-term planning.

Short-term planning	Long-term planning
1. Investment strategy Our short-term investment strategy prioritizes three major dimensions to achieve our diversified sustainable investment objectives. First of all, we focus on low-risk, large-scale investments with stable returns with a view to enhancing our core business. This includes the planned increase or adjustment of shareholding ratios in our core business areas and sharpening of our business focus to realize long-term contributions to stable cash flows. In addition, we cautiously	**1. Investment strategy** We have made an unwavering commitment to fulfilling our corporate social responsibility and highly value the spirit of entrepreneurship. Our corporate vision is encapasulated in our motto "invest in tomorrow's industries to change the world today". Our long-term investment strategy is divided into three major BUs. First of all, investments in new drugs are centered around Lumosa Therapeutics and we have made an ongoing commitment to meeting unsatisfied clinical needs in the field of brain and neuroscience propped up by world-leading cutting-

maintain stakes in listed Chinese companies to ensure a solid investment platform. On top of that, centralized investments by large pharmaceutical funds are also considered a key factor guaranteeing funding liquidity. Second, we respond to challenges arising from high-tech, high growth, and high risks by adopting a strategy of investment in the biotechnology sector which is characterized by high technology thresholds. This also implies the investment of more resources into our core business areas to generate synergy effects and enable us to meet the challenges of high growth potential in investments. Finally, we rely on "silent investments" to make forays into diverse industries and business categories and gain early access to emerging industries. We catalyze these investment projects as an organic growth engine for the future. This integrative strategy allows us to adjust our investment portfolio in a flexible manner and rapidly adapt to market changes. Furthermore, we explore investment opportunies in various fields. This array of strategies is highly conducive to the achievement of diversified investment objectives of the group in the short range. We also pursue safe and sustainable capital appreciation. **2. R&D strategy**	edge technologies. Second, we focus on difficult manufacturing in the biotechnology industry to get in sync with the global supply chain of the biopharmaceutical industry. We will maintain our commitment to CDMO manufacturing in fields with high technology and high knowledge thresholds such as ADC, high-end medical devices, and functional probiotics. Finally, we will concentrate on the development of emerging fields with a focus on the hydrogen energy ecosphere in the Greater China Region to actively respond to global environmental sustainability issues. This array of investment strategies clearly demonstrates our comprehensive planning efforts and underscores our commitment to social and environmental contributions all over the world. **2. R&D strategy** CenterLab aqueous solution business:: We strive to develop new dosage forms, gain a leading edge in R&D technologies, and enhance our 505(b)(2) drug project management by relying on our own SOSF(Stabilized Oral Suspension Formulation) technology platform. The goal lies in the accelerated generation of R&D benefits, intensified license acquisition and market launch of products in Taiwan, and expansion of business opportunities. **3. Production strategy** CenterLab aqueous solution business: We are committed to adding production lines for the mass production of solid dosage forms to facilitate license acquisition for

CenterLab aqueous solution business: In addition to satisfying the demand for common pediatric disease medications, we persist in our efforts to develop psychiatric and neurological drugs for the treatment of schizophrenia, Parkinson's, and dementia and venture into new fields such as the development of anticoagulants and diabetes drugs. **3. Production strategy** CenterLab aqueous solution business: We are firmly committed to completing plant inspections and follow-up maintenance pursuant to PIC/S standards in line with the government policy of internationalization of the drug manufacturing industry. We focus on standardized and automated production processes paired with flow flexibility and resource integration planning to improve product quality and reduce manufacturing costs.**4. Marketing strategy** CenterLab aqueous solution business: <u>Orally administered solutions for children</u>: In line with the children drug safety initiative launched by the government, we maintain our commitment to payment for original bottles and harness our corporate influence to change the habit of customers to pulverize and repackage our drugs coupled with efforts to expand our market size.	differentiated products. The ultimate goal lies in the development of package plant export modes and expansion of overseas markets by harnessing our competitive edge in the fields of production scale, equipment, and product mixes. **4. Marketing strategy** CenterLab aqueous solution business: We strive to secure a learship position in the field of CNS in Asia through joint marketing and sales efforts by professional CNS manufacturers all over Asia. In addition, we rely on product differentiation to realize global marketing in cooperation with our partners and large international manufacturers.

CNS: We strive to open up the CNS market and create a market niche with our aqueous drug solution product lines. We are also committed to raising our brand awareness and brand favorability in the CNS market through the provision of differentiated CNS product applications.	

CenterLab product/service items:

Our product offerings are currently centered around orally administered solutions including syrups, suspensions, and liquid drug solutions. Our drug development efforts mostly focus on therapeutic agents for the upper respiratory tract such as antitussives, expectorants, anti-asthma medications, and decongestants. There is also a vast demand for our antipyretic analgesics (fever and pain relievers) and gastrointestinal medications. Numerous orally administered solutions and tabletsfor the treatment of CNS issues such as epilepsy, psychosis, dementia, and Parkinson's Disease have already hit the market.

As a manufacturer of specialized orally administered solutions , we currently hold 92 drug permit licenses (82 licenses for orally administered solutions and 10 licenses for tablets, capsules, and powders for suspension). In addition to manufacturing and marketing our own products, we also provide OEM manufacturing and sales services for other pharmaceutical businesses. Our own business which prioritizes orally administered solutions is characterized by comprehensive drug solution categories, powerful R&D capabilities, rapid product development, and excellent taste and quality paired with automated and standardized production processes. Relatively low manufacturing costs coupled with a competitive edge in product differentiation ensure rising profits and competitiveness.

CenterLab product lines:

A. Respiratory system medications: antitussives, expectorants, and bronchodilators
B. CNS medications: dementia, epilepsy, schizophrenia, and depression medications
C. Nervous system medications: anti-inflammatory analgesic agents
D. Allergic-immunologic system: anti-allergic agents
E. Digestive tract medications: antiemetic and antidiarrheal agents

Output volume/value in 2022 and 2023

Unit: Thousand NTD

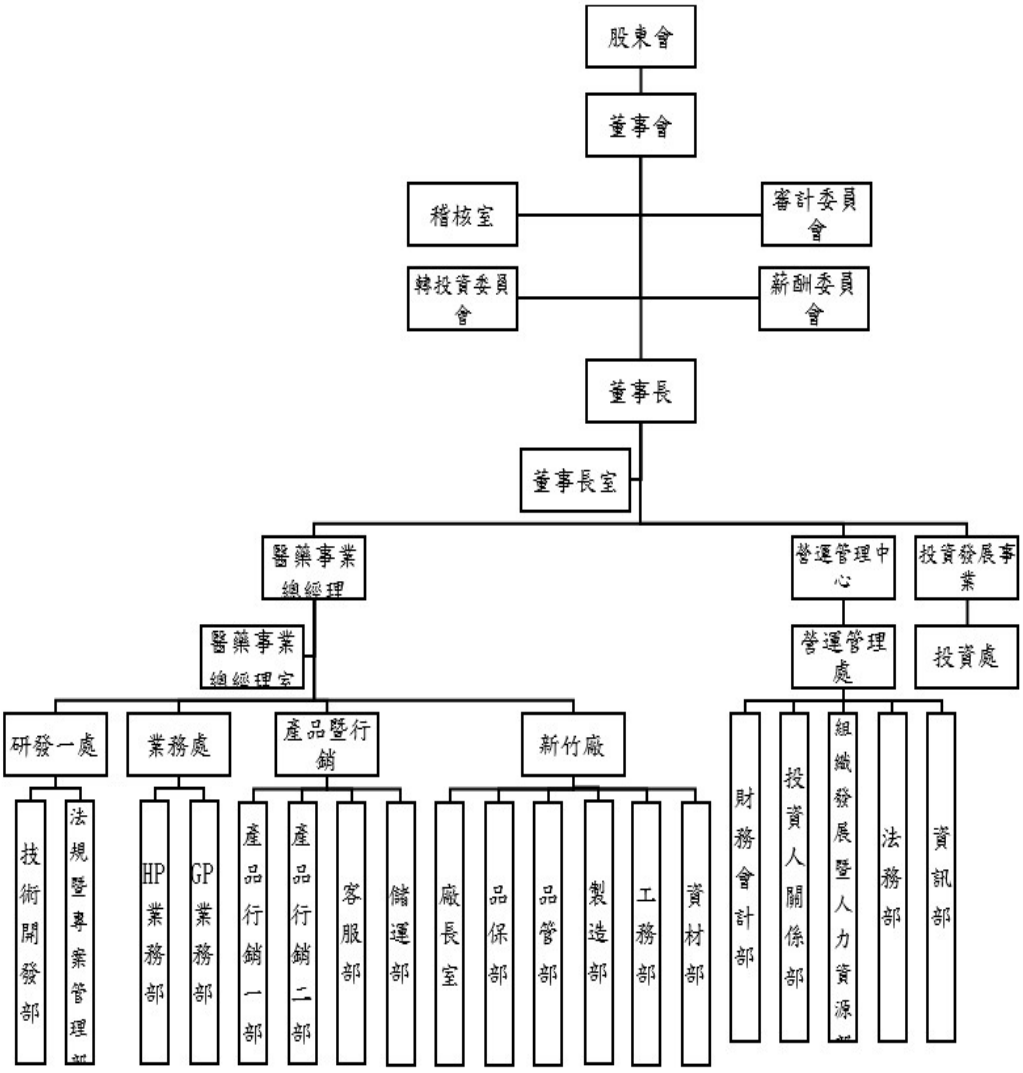
Output Volume/Value / Year / Product categories	2022			2023		
	Production capacity	Output volume	Output value	Production capacity	Output volume	Output value

Orally administered solutions (1,000 bottles)	29705	27,832	315952	37,113	37,082	422,341
Tablets (1,000 boxes)	74	69	12219	107	102	13,697

Sales volume in 2022 and 2023

Sales Volume/Value / Year / Product categories	2022		2023	
	Domestic sales		Domestic sales	
	Volume	Value	Volume	Value
Orally administered solutions (1,000 bottles)	29,031	653,954	38,077	818,641
Tablets (1,000 boxes)	72	111,790	88	111,201
Other	-	344	-	20,687
Total	-	766,088	-	950,529

- **Organizational structure**



以上圖片-中英對照

中文	英文
股東會	Shareholders' meeting
董事會	Board of Directors
稽核室	Auditing Office
轉投資委員會	Reinvestment Committee
審計委員會	Audit Committee
薪酬委員會	Remuneration Committee
董事長	Chairperson
董事長室	Chairperson's Office
醫藥事業總經理	Pharmaceutical Business President
醫藥事業總經理室	Pharmaceutical Business President's Office
研發一處	R&D Division I
技術開發部	Technology Development Department
法規及專業管理部	Legal & Professional Management Department
業務處	Sales Division
HP 業務部	HP Sales Division
GP 業務部	GP Sales Division
產品暨行銷	Products & Marketing
產品行銷一部	Product Marketing Department I
產品行銷二部	Product Marketing Department II
客服部	Customer Service Department
儲運部	Logistics Department
新竹廠	Hsinchu Plant
廠長室	Plant Director's Office
品保部	QA Department
品管部	QC Department
製造部	Manufacturing Department
工務部	Engineering Department
資材部	Materials Department
營運管理中心	Operations Management Center

營運管理處	Operations Management Division
財務會計部	Finance & Accounting Department
投資人關係部	Investor Relations Department
組織發展暨人力資源部	Organizational Development & Human Resources Department
法務部	Legal Affairs Department
資訊部	IT Department
投資發展事業	Investment Development Business
投資處	Investment Division

- **Department responsibilities**

Department name	Scope of operations
Auditing Office	Planning and execution of internal audit operations and tracking of the effects of improvements and corrective action
Chairperson's Office	Faithful communication of the current state of the company, core competencies, protection of company reputation, and improvement of corporate image
Pharmaceutical Business President's Office	Implementation of sales targets and performance inspections
R&D Division I	1. Overseeing of R&D directions, planning, execution, and tracking of new products 2. Manufacturing feasibility evaluations for new products, lab trial manufacture in batches, analysis and research 3. Inspection and registration of new products, R&D cooperation projects with the government, new drug assessment, development, human and clinical trials
Sales Division	1. Sales and promotion operations and sales target achievement for the hospital section 2. Sales and promotion operations and sales target achievement for the clinic section
Product & Marketing Management Division	1. Marketing planning and tracking for already launched drugs 2. Life cycle development, marketing execution, and customer complaint tracking for already launched drugs 3. Sales and promotion operations and sales target achievement by dealers and distributors 4. Order and customer complaint processing 5. Warehousing and delivery operations
Hsinchu Plant	1. Overall planning and management of plant affairs to ensure conformity of manufactured products to PIC/S GMP standards 2. Management of plant function establishment and manpower development and deployment 3. Product manufacturing and machinery and equipment maintenance 4. Implementation, execution, and supervision of operations ensuring conformity to PIC/S GMP standards 5. Formulation, execution, examination, and assessment of quality control standards for products, ingredients, and materials 6. Overseeing of plant building engineering operations to ensure smooth progress, supervision and validation of engineering project execution to ensure engineering quality and efficiency and effective cost control 7. Procurement operations and administrative support to meet the operational requirements of the plant
Operations Management Division	1. Overseeing of board and shareholders' meetings, corporate governance, and operations analysis and management, assistance in the implementation of company strategies and business goals, and realization and coordination of the work progress of each department 2. Overseeing, scheduling, and planning of account settlement, tax planning, financial analysis, and working capital utilization, budget achievement and sensitivity analysis 3. Management and maintenance of investor relations, communication of the

Department name	Scope of operations
	company's operating performance to capital markets, and strategy and long-term direction of the company; provision of feedback on investor and capital market suggestions and recommendations to the management team 4. Strategic manpower resource management, planning, and deployment, shaping of an organizational climate conducive to motivation, sharing, and learning, perpetuation of corporate culture 5. Execution of legal affairs including legal and regulatory compliance, business contracts, and litigation 6. Planning and promotion of computerized operations, maintenance, management, and optimization of the IT system, planning and execution of system recovery and information and communication security
Investment Division	Investment planning, analysis, and assessment and post-investment management

Growth trajectory and major milestones

以上圖片-中英對照

中文	英文
正式掛牌上櫃	Official OTC listing
水劑產品在台灣市佔率已突破 70%，啟動投資事業，轉型為「生技工業銀行」	Share of the aqueous drug solution market in Taiwan breaks through the 70% mark, launch of investment business, transformation into “Biotech Industry Bank”
獲選富比士雜誌亞洲兩百家最佳中小企業	Selection as one of Asia’s 200 Best Under a Billion SMEs by Forbes Magazine
收購香港上市公司澳優乳業，成為台灣金融上第一個由台企成功全面收購香港上市公司的案例	Acquisition of the listed Hong Kong Company Ausnutria Dairy (first instance of successful complete acquisition of a listed Hong Kong company in the financial history of Taiwan)
轉投資事業益安生醫、順天醫藥掛牌上櫃	OTC listing of the investee companies Medeon Biodesign and Lumosa Therapeutics
啟動二次轉型，重新定位為生技創投	Launch of second transformation and repositioning as a Biotech Venture Capital Firm
轉投資公司 加科思藥業 (HKG: 1167)於香港聯交所主板掛牌上市	Official listing of the investee company Jacobio Pharmaceuticals (HKG: 1167) on the Main Board of Stock Exchange of Hong Kong Ltd.
業績疫後復甦，2023年再創新高，製藥事業營收成長超過 20%	Post-pandemic sales bounce-back, record-high sales volume in 2023, revenue growth of more than 20% in the pharmaceutical business
營業收入(億元)	Operating revenue in NT$ 100 billion

2.1.3 Participation in External Organizations

In addition to ongoing enhancement of our product competitiveness, we are actively committed to communicating with all stakeholder categories. Through participation in industry-related associations, we engage in positive interactions with association members to gain a clear understanding of the latest industry development trends.

Association name	Status
Taiwan Pharmaceutical Manufacture and Development Association	Member
Hsinchu County Pharmacist Association	Member
Hsinchu Industrial Park Manufacturers Association	Member
Taiwan Parenteral Drug Association	Member
Taiwan Bio Industry Organization	Member
Institute for Biotechnology and Medicine Industry	Member
Taipei Bio Industry Organization	Member
Taiwan Institute of Directors	Member
Taiwan Pharmaceutical Manufacturer's Association	Member
Taiwan Society of Regulatory Affairs for Medical Products	Member

2.1.4 Operating Performance

In 2023, our consolidated net operating revenue reached NT$ 1,394,008,000, which represents a YoY increase of NT$ 626,286,000 or 81.58% over the total amount of NT$ 767,722,000 in 2022. Our consolidated after-tax net losses amounted to NT$ 1,047,649,000, a YoY rise of NT$ 472,028,000 or 82% over the total losses of NT$ 575,621,000 in 2022.
Parent-company-only net operating revenue and after-tax net losses in the same year totaled NT$ 950,529,000 and NT$ 995,421,000, respectively. This marks a YoY increase of NT$ 182,807,000 or 23.81% over the total amount of NT$ 767,722,000 in 2022, while parent-company-only after-tax profits declined by NT$ 1,097,637,000 or 1,073.84% over the total amount of NT$ 102,216,000 in 2022.

- **Financial Revenues and Expenditures and Profitability Analysis**

1. Consolidated revenues and expenditures

Unit: Thousand NTD

Item	2021	2022	2023
Operating revenue	500,107	767,722	1,394,008
Gross profit	259,659	406,268	618,094
Operating expenses	366,791	334,670	539,539
Other income and expenses (net amount)	(147,020)	212,522	-
Operating income (losses)	(254,152)	284,120	78,555
Non-operating revenue and expenses	2,849,797	(873,034)	(1,192,465)
Profits before tax	2,595,645	(588,914)	(1,113,910)
Profits (losses) after tax	2,156,951	(575,621)	(1,047,649)
EPS (in NTD)	3.14	0.16	(1.50)

2. Consolidated profitability

Unit: %

Item	2021	2022	2023
ROA (Return on Assets)	7.68	(1.83)	(3.40)
ROE (Return on Equity)	10.33	(2.85)	(5.37)
Ratio of income before tax to paid-in capital (%)	51.39	(9.90)	(16.11)
Net profit margin	431.29	(74.97)	(75.15)
EPS (in NTD)	3.14	0.16	(1.50)

- **Revenue share of major product categories**

Unit: Thousand NTD

Major product categories	Amount	%
Orally administered solutions and tablets	950,497	68.18
Probiotics	443,511	31.82
Total	1,394,008	100.00

Unit: Thousand NTD

Item	Detailed items	2021	2022	2023
Direct economic value generated	Operating revenue	3,358,322	4,668,803	2,091,952
Distributed economic value	Operating costs	754,259	908,646	1,315,453
	Employee salaries and bnefits (Note 1)	186,935	197,232	405,266
	Payments to investors	686,930	1,262,622	589,922
	Payments to the government	438,694	(13,293)	(66,261)
	Community investments (Note 1)	4,415	3,434	738
Retained economic value (Note 2)		1,478,439	2,510,828	252,838

Note (1) Employee salaries and benefits and community investments are included in operating costs

Note (2) Direct economic value generated = operating revenue – operating costs – cash dividends – payable income tax

2.2 Board Governance

We clearly stipulate in our Corporate Governance Best Practice Principles and Procedures for Election of Directors that diversity is a key criterion for board composition. It is clearly specified that directors concurrently serving as managerial officers shall not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs shall be formulated and include, without being limited to, the following two general standards: (1) Basic requirements and values: Gender, age, nationality, and culture; (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. In 2023, we had five female directors who accounted for 5/9 of the board membership. We have further appointed three independent directors who constitute 33% of the board membership. Two-thirds of the independent directors have not served for more than three consecutive terms, which is in conformity to our diversity goal. In addition, a majority of directors have previous experience serving as directors or independent directors at numerous exchange- (or OTC) listed companies. Our board members possess extensive industry and management experience and their diversified industrial, academic, and professional background encompasses finance & accounting, biotech investments, and biotech R&D and marketing. They are capable of providing professional opinions from different perspectives, which positively contributes to the company’s business performance and management efficiency. For more detailed information on our directors , please refer to p. 13-16 of our 2023 Annual Report.

- **In 2023, the Board of Directors held 13 meetings with an average attendance rate of 97.4%**

Our Board of Directors is our highest governance body. It convenes regularly to confirm the operations strategies and financial health of the Company. It also monitors the business performance of the Company and ensures compliance with our Articles of Incorporation, government decrees, and applicable laws and regulations. With respect to material information disclosure, we have formulated Procedures for Handling Material Inside Information. Relevant information is confirmed by the Operations Management Division prior to approval of public disclosure. A total of 41 pieces of material information were made public in our directors’ reports in 2023. We schedule self-performance evaluations carried out by the Board of Directors, individual directors, and functional committees (including the Audit and Remuneration Committee) pursuant to the Rules for Performance Evaluation of Board of Directors. All evaluation scores were excellent.

Assessment of goals of board function enhancement and their implementation status in the most recent year:

(1) Implementation of corporate governance and strengthening of board functions: Setting of performance targets to enhance board operation efficiency; completion of internal self-performance evaluations by the Board of Directors, board members, and functional committees in 2023.
(2) Improvement of information transparency: Preparation of annual financial statements, shareholders' meeting handbooks, and shareholders' meeting annual reports in English starting in 2021; uploading of material information in English starting in 2022
(3) Enhanced corporate governance: Preparation of sustainability reports starting in 2022; appointment and declaration of a dedicated Information Security Officer and dedicated information security personnel
(4) Enhanced board diversity: Maintenance of the goals of one-third female directors and a majority of independent directors serving no more than three consecutive terms; election of a new board and chairperson in the 2022 shareholders' meeting and the extraordinary board meeting on November 30, 2022, respectively (we currently have five female directors who account for 5/9 of the board membership; two-thirds of the independent directors have not served for more than three consecutive terms)

Ms. Kathleen Tang was appointed Chief Governance Officer on December 8, 2022. She has already completed 18 hours of professional development courses as legally mandated in 2023.

The scope of authority of the Chief Governance Officer includes (1) handling of matters pertaining to board and shareholders' meeting proceedings pursuant to applicable laws (2) preparation of board and shareholders' meeting minutes (3) assistance in directors taking office and continuing professional development (4) provision of data needed by directors for the performance of their duties (5) assistance to directors in legal compliance (6) reporting of the review results of conformity of independent director qualifications to applicable laws and regulations at the time of nomination, election, and during the term of office (7) handling of matters pertaining to changes in the composition of the Board of Directors (8) other matters stipulated in our Articles of Incorporation or contracts.

- **Attendance record of directors in the 13 board meetings in 2023**

Title	Name	Number of held meetings	Number of attended meetings	Actual attendance rate(B/A)	Remarks
Chairperson	Representative of Jason Technology Co., Ltd. Yvonne Wang	13	13	100%	-
Director	Chang-Hai Tsai	13	12	92%	-
Director	Po-Chih Chang	13	13	100%	-
Director	Lejean Biotech Co., Ltd. (Note)	13	13	100%	-
Director	Wechen Co. Ltd. (Note)	13	13	100%	-
Director	Po chang Investment Co., Ltd. (Note)	13	12	92%	-
Independent Director	Mei-Yueh Ho	13	13	100%	-
Independent Director	Shih-Chinn Ho	13	13	100%	-
Independent Director	LIN SHIRLEY YI- HSIEN	13	12	92%	-

Note: Lirong Technology Co., Ltd., Weichen Investment Co., Ltd., and Pochang Investment Co., Ltd. dispatched Ms. Chia-Ling Lin, Ms. Pei-Chen Tsai, and Mr. Chun-Hung Chen, respectively, to attend the board meetings in 2023

Note 1: Where directors and supervisors are juridical persons, the names of juridical person shareholders and their representatives must be disclosed.

Note 2:

(1) Where directors or supervisors resign prior to the end of the year, the date of their resignation must be clearly specified in the remarks column. Actual attendance rates (%) are calculated based on the number of held board meetings and the number of actually attended meetings during their tenure.

(2) Where director or supervisor elections are held prior to the end of the year, the names of the newly appointed and outgoing directors and supervisors must be listed. In addition to the election date, it must be clearly specified in the remarks column whether said director or supervisor is resigning, newly appointed, or reelected. Actual attendance rates (%) are calculated based on the number of held board meetings and the number of actually attended meetings during their tenure.

Board diversity

Diversity statistics/year			2021		2022		2023	
			Number	Percentage	Number	Percentage	Number	Percentage
Directors	Gender	Male	7	70%	4	44%	4	44%
		Female	3	30%	5	56%	5	56%
	Age	50 or below	2	20%	4	44%	4	44%
		51 ~ 60	1	10%	1	11%	1	11%
		61 ~70	5	50%	2	22%	2	22%
		71 or above	2	20%	2	22%	2	22%
	Level of education	Graduate school	4	40%	3	33%	3	33%
		University	6	60%	6	67%	6	67%
		Other	0	0%	0	0%	0	0%

For more details on board diversity, please refer to p.41 of the 2023 Annual Report.

Audit Committee

- **In 2023, the Audit Committee held 9 meetings with an attendance rate of 96.3%**

A new board was elected in the annual general shareholders' meeting in May 2022. In addition, three independent directors were appointed to form an Audit Committee, which will replace the supervisors.

Audit committee authorities and task priorities in 2023:

-- Audits of the financial statement(s)

-- Audits of the stipulation or revision of the internal control system

-- Appraisals of the effectiveness of the internal control system

-- Audits of material asset transactions

-- Audits of the offering, issuance, or private placement of any equity-type securities

-- Audits of CPA hiring, dismissal, or remuneration

Remuneration Committee

- **In 2023, the Audit Committee held 3 meetings with an attendance rate of 100%**

The Remuneration Committee evaluates salaries and compensations with reference to general industry standards, invested time, job responsibilities, personal goal achievement, performance in other positions, and compensation paid to employees

holding equivalent positions in recent years in accordance with performance assessments to ensure that paid salaries and compensations conform to applicable laws and are sufficient to attract outstanding talent.

Board director training hours

With a view to enabling our directors to enhance their sensitivity and decision-making accuracy with regard to industry changes, we schedule at least 6 hours of professional development courses per year to assist them in acquiring an in-depth insight into the latest industry developments. The goal lies in the effective implementation of the corporate governance systems, ongoing optimization of board operations, and realization of corporate sustainability.

Director participation in personal development courses in 2023

Title	Name	Course title	ESG course	Training time
Chairperson	Yvonne Wang	Corporate Governance and Securities Laws	V	3 hours
		2023 ESG Summit- Sustainability Disclosure and ESG Implementation	V	3 hours
Director	Chang-Hai Tsai	Corporate Governance and Securities Laws	V	3 hours
		Corporate Operations and Crisis Management	V	3 hours
Director	Po-Chih Chang	Corporate Governance and Securities Laws	V	3 hours
		Corporate Operations and Crisis Management	V	3 hours
Director Representative of Lejean Biotech Co., Ltd.	Chia-Ling Lin	Corporate Governance and Securities Laws	V	3 hours
		Corporate Operations and Crisis Management	V	3 hours
Director Representative of Wechen Co. Ltd.	Pei-Chen Tsai	Corporate Governance and Securities Laws	V	3 hours
		Corporate Operations and Crisis Management	V	3 hours
Director Representative of Po Chang Investment Co., Ltd.	Chun-Hong Chen	How to Reinforce Information Security in the Finance Industry	V	3 hours
		New Era of AI – Opportunities and Challenges for Taiwan		3 hours
		ESG Investment Principles and Strategies	V	3 hours
		Corporate Governance Lectures	V	3 hours

		Corporate Governance Lectures – Corporate Sustainability	V	3 hours
Independent director	Mei-Yueh Ho	Brief Discussion of Corporate Governance and Public-Private Cooperation	V	3 hours
		New Insights into Corporate ESG and Sustainability Trends and Practices and Securities Management Laws	V	3 hours
		Global Economic and Financial Environment and Analysis of Future Trends	V	3 hours
Independent director	Shih-Chinn Ho	2023 KPMG Construction Leader Academy Discussion Forum – Business Opportunities and Challenges in the Net-Zero Age	V	3 hours
		Management and Safeguarding against New-Generation Corporate Threats: Big Data Analysis and Corporate Malpractice Investigation and Prevention		3 hours
		Corporate Operations and Crisis Management	V	3 hours
		Corporate Governance and Securities Laws	V	3 hours
Independent director	LIN SHIRLEY YI-HSIEN	Corporate Governance and Securities Laws	V	3 hours
		Corporate Operations and Crisis Management	V	3 hours

2.3 Integrity First

Legal and Regulatory Compliance

We view ethical corporate management as the cornerstone of our operations and strive to build a corporate culture based on ethical management concepts. We are therefore firmly committed to instilling such concepts including the refusal of improper benefits into the minds of our employees. Our Chief Governance Officer assists the directors in legal and regulatory compliance and the monitoring of legal changes with a material impact on our operations. In addition, we rely on our auditing department for reviews of legal and regulatory compliance conditions to ensure conformity of operating activities to legal norms and requirements. We strictly abide by applicable provisions set forth in the Company Act, the Fair Trade Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, and Regulations for exchange (OTC-listed) companies. In addition, we have formulated Procedures for Handling Material Inside Information, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct. These principles and procedures clearly stipulate that relevant personnel must recuse themselves from work-related conflicts of interest and refrain from taking advantage of undisclosed information they have become privy to or divulging it to third parties to prevent insider trading. There is no record of material violations of relevant laws or regulations.

Ethical Management

With a view to fostering a corporate culture of ethical management and sound development, we have formulated Ethical Corporate Management Best Practice Principles, which have been ratified by the Board of Directors. The goal lies in the clear stipulation of ethical management principles, procedures, and practices and disclose them on the corporate website to communicate our policy vision to external audiences. Our Board of Directors and senior executives are actively committed to implementing these principles and maximizing shareholder and employee interests.

Our Management Division is responsible for the implementation of ethical corporate management goals and reporting of the status of implementation to the Board of Directors as required.

Directors recuse themselves from items involving interested party relationships (detailed descriptions of recusal conditions are provided in our annual reports).

We have adopted accounting and internal control systems pursuant to applicable laws. The dedicated internal audit unit formulates internal audit plans in accordance with risk assessment results and audits and reports internal control compliance conditions to the Board of Directors on a regular basis. Compliance conditions are also regularly audited by the CPA.

In addition, procedures for the handling of ethical conduct violatons are clearly stipulated in our Procedures for Ethical Management and Guidelines for Conduct and Ethical Corporate Management Best Practice Principles. We have also formulated Regulations Governing the Reporting of Illegal, Unethical, or Dishonest Conduct in accordance with these guidelines. Furthermore, we have set up reporting and grievance channels and stipulated procedures for the processing of grievances and protection, reward, and penalty measures. Upon receipt of reports and grievances, the responsible unit requests the respective level of the company hierarchy to handle the matter in an adequate manner after submitting written evidence. The identity of the whistleblower and the report contents are kept strictly confidential and we pledge to protect whistleblowers from inappropriate disciplinary measures associated wtih the report contents. A special task force is formed for investigations if deemed necessary . The members of this task force must not be an interested party in this case and their independence must be guaranteed.

Amendment of these Ethical Corporate Governance Best Practice Principles in accordance with applicable laws or actual needs is subject to board resolution. Relevant contents are reported to the shareholders' meeting and made public on our corporate website. We engage in educational efforts to build an integrity-oriented corporate culture.

In 2023, a company insider was suspected of engaging in insider trading during the black-out period, which constitutes a violation of the provision banning insider trading set forth in the Securities and Exchange Act. We actively cooperate with inspections conducted by the Ministry of Justice as a third-party unit. Since this offense represents individual behavior with no direct involvement by the company, it has no impact on the company's financial operations. In the future, we will instruct related units to step up employee training and education on the Securities and Exchange Act. We also constantly remind our staff members to adopt a cautious attitude toward stock transactions and ensure conformity to the provisions set forth in the aforementioned act.

Regular scrutiny of supply chain partners

We carry out non-scheduled reviews of the trading conditions with customers and suppliers. Trading relations are terminated if improper or unethical conduct is detected.

2.4 Internal Risk Control

2.4.1 Risk Management

We formulate contingency strategies for the management of material risks on an annual basis based on relevant market information collected by dedicated units and assessment of potential risks. The goal is to ensure early deployment and responses to potential material risksto keep them within controllable limits and thereby mitigate the impact on the company's ability to secure preferential business opportunities. We have further adopted accounting and internal control systems pursuant to applicable laws. The dedicated internal audit unit formulates internal auditing plans in accordance with risk assessment results and audits and reports internal control compliance conditions to the Board of Directors on a regular basis. Compliance conditions are also regularly audited by the CPA.

Scope of Risk Management
We adopt contingengy strategies based on risk occurence likelihood (probability) and severity of the impact on the Company as determined by responsible departments.

Risk source	Risk description	Contingency measures
Interest and exchange rate fluctuations, inflation	Interest and exchange rate fluctuations and inflation can result in rising raw material costs and operating losses	1. Interest rate: Proactive cooperation with banks, timely grasp of market rate fluctuations, and securing of the most preferential rates 2. Exchange rate: A. Provision of information on exchange rate fluctuations by cooperating banks to maintain a timely grasp of such fluctuations B. Purchase or sale of foreign currencies at opportune times as required to mitigate the impact of such exchange rate fluctuations 3. Inflation: Timely grasp of raw material prices to reduce procurement costs
Investment leverage risks	Engagement in high-risk, high-leverage	1. We do not engage in high-risk or high-leverage investments; all

	investments, lending of funds to others, endorsement/guarantee and derivatives trading policies, profits or losses	investments are conducted pursuant to company rules and regulations after careful assessment; we also refrain from non-hedging transactions 2. Control of derivatives transaction risks 2.1 Credit risks: Limited to renowned domestic and international financial institutions and provided products 2.2 Market risks: Centered around open foreign exchange trading markets provided by banks (excluding the futures market) 2.3 Liquidity risks: With a view to ensuring market liquidity, priority is given to the selection of highly liquid financial instruments which can be balanced on the market at any time. Entrusted financial institutions must possess adequate information and the ability to execute transactions on any market at any time. 2.4 Cash flow risks: With a view to ensuring working capital turnover stability, the funding sources for derivatives transactions we engage in are limited to self-owned capital. Appropriations must be determined in consideration of funding needs based on cash revenue and expenditure forecasts for the next three months. 2.5 Operational risks: Strict compliance with limits of authority and operating procedures is paired with adoption of internal audits to prevent operational risks and ensure that personnel engaged in derivatives trading do not concurrently serve as confirmation/settlement personnel. Risk measurement, monitoring, and control personnel must belong to different departments than the aforementioned personnel. They must deliver reports to the Board of Directors or senior executives with no responsibility for trading or position decision-making. 2.6 Product risks: Internal trading

		personnel must possess comprehensive and accurate knowledge of financial instruments; banks are required to fully disclose risks to minimize the risk of financial instrument misuse. 2.7 Legal risks: Signing of documents with financial institutions is subject to scrutiny by professional foreign exchange, legal affairs, or legal consulting personne;
R&D expense risks	In 2024, R&D expenses are projected to account for roughly 3%-4% of operating revenue	Our R&D efforts in 2024 can be divided into the following main categories based on dosage forms and applicable laws: 1. Marketing of new strength diarrhea drugs 2. Drug registration applications for neuropathic pain and complementary epilepsy therapy drugs 3. Acquisition of outsourced manufacturing orders for neonatal & pediatric cardiovascular disease medications 4. Completion of development of new dosage Orally administered solutions for new disease categories including anticoagulants and anti-diabetic medications
Risks associated with policy and legal changes	Substantial potential impact of national and international policy and legal changes on R&D and capital investments	Listing of biopharmaceuticals in the "5+2 Innovative R&D Program" in line with relevant policies as a key driver of next-generation industry growth in Taiwan
Risks associated with technological changes	Impact of technological changes (including information and communication security risks) and industry transformations on the financial operations of the Company	We will persist in our efforts to prioritize R&D and constantly monitor industry and technoogy changes to satisfy market demands.
Risks associated with corporate image changes	Negative events with an impact on the corporate image potentially arising from the lack of a sound internal	We will continue to embrace ethical and sustainable management concepts and persist in our commitment to implement corporate governance and social responsibility with to ultimate goal of maintaining our excellent

	management system	corporate image
Plant expansion risks	Uncertainty factors affecting drug development schedules and marketing plans which in turn are closely linked to plant expansion plans	We will implement rigorous controls for every link of our drug development, manufacturing, and marketing programs while keeping a constant eye on drug market supply and demand conditions to ensure that plant expansion effects meet our expectations.
Restocking risks	Risk of unstable material supply sources affecting cooperating suppliers	We have developed long-term partnerships characterized by stable supply conditions with most of our suppliers

2.4.2 Internal Auditing

We conduct regular self-evaluations of our internal control system. The self-evaluation reports prepared by each unit are reviewed by the internal audit unit to ensure the quality of submitted reports. The compiled and organized self-evaluation results are then delivered to the Board of Directors and managerial officers as a key reference for assessments of the effectiveness of the internal control syste.

The independent internal audit unit is directly subordinate to the Board of Directors. Auditing personnel appointment and dismissal, performance appraisals, and salaries and compensations in accordance with the provisions set forth in the Corporate Governance Best Practice Principles are subject to formal reporting to and approval by the Board of Directors. The same applies to the appointment and dismissal of the Chief Internal Auditor. This dedicated unit is responsible for the perfection of internal audit system rules and regulations, impartial execution of internal auditing operations, and regular reporting of relevant items to the Board of Directors, the Chairperson, and the Audit Committee. The goal lies in the scrutiny and assessment of the effectiveness of the internal control system, judgment of operating effects and efficiency with an equal emphasis on timeliness, reliability and transparency of reports, and applicable laws and regulations, and timely provision of suggestions for improvement with a view to ensuring the ongoing effective implementation of all relevant systems.

The audit unit prepares annual audit plans based on risk assessment results. Audit operations are conducted according to the board-approved audit plans. Project-based audits are conducted as deemed necessary. The audit unit conducts evaluations of business performance and execution in an objective and impartial manner. Audit findings and conclusions are compiled into audit reports. Finally, management units are provided with suggestions for improvement and corrective action with regard to detected shortcomings and anomalies and ongoing tracking is implemented until successful completion of such corrective action.

- **Communication between independent directors and the Chief Internal Auditor in 2023**

Time	Communication method	Communication items	Results
Q1	Audit Committee	● Report on the state of internal auditing operations ● Description of Internal Control System Effectiveness Evaluations and the Internal Control System Statement in 2022	Approved unanimously by independent directors
Q2	Audit Committee	● Report on the state of internal auditing operations	Approved unanimously by independent directors
Q3	Audit Committee	● Report on the state of internal auditing operations	Approved unanimously by independent directors
Q4	Audit Committee	● Report on the state of internal auditing operations ● Description of the 2024 Audit Plan	Approved unanimously by independent directors

2.5 Information Security

2.5.1 Information Security Risk Management Framework

Safeguarding of information security has always been one of our top priorities. We have established a sound information security management system with a view to creating a safe and reliable information environment, maintaining business continuity, mitigating information security risks, and protecting customer data. We have adopted the relevant frameworks to cope with and prevent risk events:

Framework	Description
Identification	Regular autonomous inventories and inspections with a focus on asset management, business environment, governance, risk management strategies, and supply chain risk amangement with the ultimate goal of proactive prevention of information security incidents
Protection	Protection of the group, defense against internal/external attacks, and prevention of damage caused by information system intrusions and leakage of sensitive information and trade secrets with a potential impact on sustainable operations through identity verification and access control, cybersecurity awareness and training, information security measures, information protection processes and procedures, and operational maintenance and protection technologies; prevention of production losses caused by environmental factors (malfunctions/tripped breakers/viruses/equipment losses)
Detection. Response, and recovery	Records of ongoing monitoring of anomalous incident detection processes and safety and proposal of response plans targeting such events; root causes are adequately discussed and analyzed to alleviate damage caused by such incidents; improvement and recovery plans are proposed to enhance system reliability

2.5.2 Information Security Policy

We convene routine meetings every quarter to effectively implement information security management in all plant areas. The adequacy of information security policies and protective measures is scrutinized based on the PDCA (Plan-Do-Check-Act) management cycle approach. Implementation results are reported to the chairperson on an annual basis.

- Planning stage: Emphasis on information security risk management and establishment of a comprehensive Information Security Management System (ISMS) to mitigate information security threats in the systemic, technological, and procedural dimensions; implementation of protective

services for confidential information that meet the highest standards in line with company requirements

- Doing stage: Building of a multi-layered information security protection mechanism, ongoing adoption of innovative information security defense technologies, integration and internalization of information security control mechanisms into routine operating procedures including hard- and software maintenance, systematic monitoring of information security, and maintenance of the confidentiality, integrity, and accessibility of key assets
- Checking stage: Proactive monitoring of information security management results and deliberation and quantitative analysis of information security indicators based on audit results
- Action stage: Implementation of supervision and audits on the foundation of reviews and ongoing improvements to ensure the continued effectiveness of information security norms and regulations; if employees violate relevant norms, standards, regulations, and procedures, disciplinary action is adopted commensurate with the severity of the offense (including performance appraisal scores for the respective year or adoption of legal action as deemed necessary); in addition, regular reviews and corrective actions including information security measures and employee training and education are implemented in accordance with performance indicators and maturity evaluation results to prevent leakage of key confidential information

We are deeply committed to ongoing enhancement of information security in our group and fulfillment of our corporate responsibility to protect the personal information of our customers. We rely on the adoption of management and control tools for different kinds of information security risks to strengthen our management measures such as device management, hardware protection, safety monitoring for application systems, and network and mobile security. In addition, we conduct annual examinations in the technological and management dimensions to improve our ability to protect our network and information security and enhance our information governance standards which includes firewall optimization and backup of software updates. In the face of the constantly rising number and complexity of cyber threats and information risks arising from emerging technology applications, the IT Department has implemented an e-mail whitelisting and wireless network real-name connection mechanisms with a view to enhancing our cybersecurity environment. Risk-oriented information personnel meetings are convened every quarter to confirm operational risks in the dimensions of information security risk management, threat intelligence management (membership in TWCERT Information Security Alliance since 2023), information security control, outsourcing and dependency relationship management, and management and responses to information security incidents. The goal is to consolidate network and information security. In 2023, information security expenses amounted to NT$ 678,014. There was no record of losses caused by information and communication security incidents.

2.6 Sustainable Supply Chain

Maintenance of excellent supplier relations represents a pivotal strategy of our perpetual operations blueprint. In addition to requiring all suppliers to maintain stable raw material quality, we evaluate the qualifications of newly added suppliers and conduct non-scheduled, on-site audits of existing suppliers. Furthermore, we sign distribution and marketing contracts and quality agreements with drug distribution, marketing, and logistics service providers. With a view to realizing sustainable corporate development, we encourage our supply chain partners to join us in our efforts to proactively respond to corporate social responsibility issues and incorporate core issues such as business ethics, labor rights, eco-friendliness, and occupational health and safety into our management processes. We are steadfastly committed to teaming up with our suppliers in the fulfillment of our corporate social responsibility with the ultimate goal of building a sustainable supply chain.

2.6.1 Supplier Management

We rely on domestic and overseas suppliers to meet our demand for ingredients. With a view to securing a stable supply of ingredients, we maintain intensive partnerships with our domestic suppliers and actively explore opportunities for cooperation with overseas suppliers. The goal is to ensure that our product deliveries and R&D initiatives remain unaffected by ingredient supply limitations.

Management of Newly Added Suppliers

With a view to guaranteeing raw material quality and ensuring conformity to the regulations and requirements of the competent authority through effective supplier management, we request that all newly added suppliers provide product C.O.A. and specifications, testing methods, MSDS for main ingredients, TSE/BSE certificates, origin-related data (manufacturing plant registration certificate, GMP and ISO certificates), and other pertinent data (import/export certificates and other written proof of certification) pursuant to the regulations of the Ministry of Health and Welfare. In addition, all supplier candidates are required to fill out supplier questionnaires and provide tested samples for inspections by QC. Only businesses who meet the required criteria based on QC lab testing, inspection, and review results are listed as qualified new suppliers. We rely on a rigorous screening process to ensure stable raw material quality and implement controls at the source to facilitate follow-up management and save management costs. In the future, we will continue to rely on this evaluation system for new suppliers. 100% of all newly added suppliers were screened via this evaluation system in 2023.

Supplier evaluation management

We rate supply conditions of suppliers/manufacturers based on a three-grade evaluation system:

Rating	Standards
A-rated suppliers	Suppliers who are capable of maintaining stable raw material quality and have supplied us with materials for at least two years or have delivered at least three batches; GMP/ISO-certified, qualified suppliers or holders of other relevant international certifications that meet our requirements
B-rated suppliers	Qualified suppliers who are capable of maintaining stable material quality, but have supplied us with materials for less two years or have delivered less than three batches
C-rated suppliers	New suppliers or non-qualified suppliers pending reassessment

Performance appraisal guidelines

- As a rule, A-rated suppliers are evaluated based on submitted written information (supplier/manufacturer evaluation forms) every two years or on-site audits (if possible) every three years. If the results of such evaluations fail to meet our requirements , they are downgraded to B-rated suppliers. If GMP quality certificates for pharmaceutical ingredients fail to meet TFDA requirements or ISO or other certifications are revoked, suppliers are downgraded to a C rating for reassessment.
- As a rule, B-rated suppliers are evaluated based on submitted written information (supplier/manufacturer evaluation forms) every year or on-site audits (if possible) every two years. If the results of such evaluations fail to meet our requirements , they are downgraded to C-rated suppliers. If B-rated suppliers meet the required criteria of said evaluation or can provide valid GMP or ISO certificates or other relevant international certifications to prove their qualifications or are capable of maintaining stable raw material quality and have supplied us with materials for at least two years, they are upgraded to an A rating.

- As a rule, C-rated suppliers in Taiwan are evaluated based on submitted written information or on-site investigations (if possible) conducted annually, while non-local suppliers in other regions are currently evaluated based on submitted written information or questionnaire surveys. If the results of such evaluations fail to meet our requirements , they are downgraded to non-qualified suppliers pending reassessment and relevant departments are notified. If B-rated suppliers meet the required criteria of said evaluation or can provide valid GMP or ISO certificates or other relevant international certifications to prove their qualifications or are capable of maintaining stable raw material quality over at least three batches, they are upgraded to a B rating.

- During on-site performance appraisals, competent departments may submit applications for supplier evaluations if deemed necessary. Upon approval of such

applications, responsible units are ordered to form an evaluation task force. This task force conducts on-site evaluations of material supply conditions, quality management capabilities, and conformity to environment-related substance requirements. Relevant assessments are conducted in two-year intervals and B- or C-ratings are assigned based on total scores. Corrective action for detected shortcomings/deficiencies must be completed within a prescribed time limit.

2.6.2 Supplier Social Responsibility Requirements

In addition to fulfilling their own social responsibility, enterprises should also maximize their substantial influence and cooperate with their suppliers in the promotion and implementation of CSR and common good concepts. In the future, we will report the implemenation status of sustainable development to the Board of Directors. We will also request suppliers to sign Social Responsibility Commitment Letters in line with actual needs. In addition to declaring our commitment to building a friendly work environment, prioritizing employee health and safety, and establishing a social responsibility management system that conforms to labor and ethical standards, we request our supply chain partners to make concerted efforts to espouse and implement core CSR concepts such as friendly workplace environments, occupational health and safety, environmental protection, safeguarding of labor rights, and ethical management and moral norms and standards. If suppliers commit any serious offenses in violation of their social responsibility obligations and fail to take concrete corrective action despited repeated reminders, their conduct constitutes a serious breach of contract. We immediately terminate or rescind contracts and orders placed with such suppliers and revoke their qualifications.

In 2023, the 20 suppliers with the highest transaction amounts (accounting for 83.8% of our total annual transaction amount) were selected for an ESG questionnaire survey. The response rate reached 85%.

2.6.3 Local Procurement

We proactively develop local suppliers and implement local procurement through a sound supplier profile system and material source investigations. The goal lies in timely procurement at the right locations to reduce transportation costs, minimize pollution caused by transportation, and thereby achieve the goal of sustainable development.

Total procurement from local suppliers
Unit: NTD

Item/Year	2021	2022	2023
Ingredient procurement	94,985,367	149,012,692	198,612,122
Material procurement	60,829,315	108,106,117	143,886,541
Total procurement amount	155,814,682	257,118,809	342,498,663

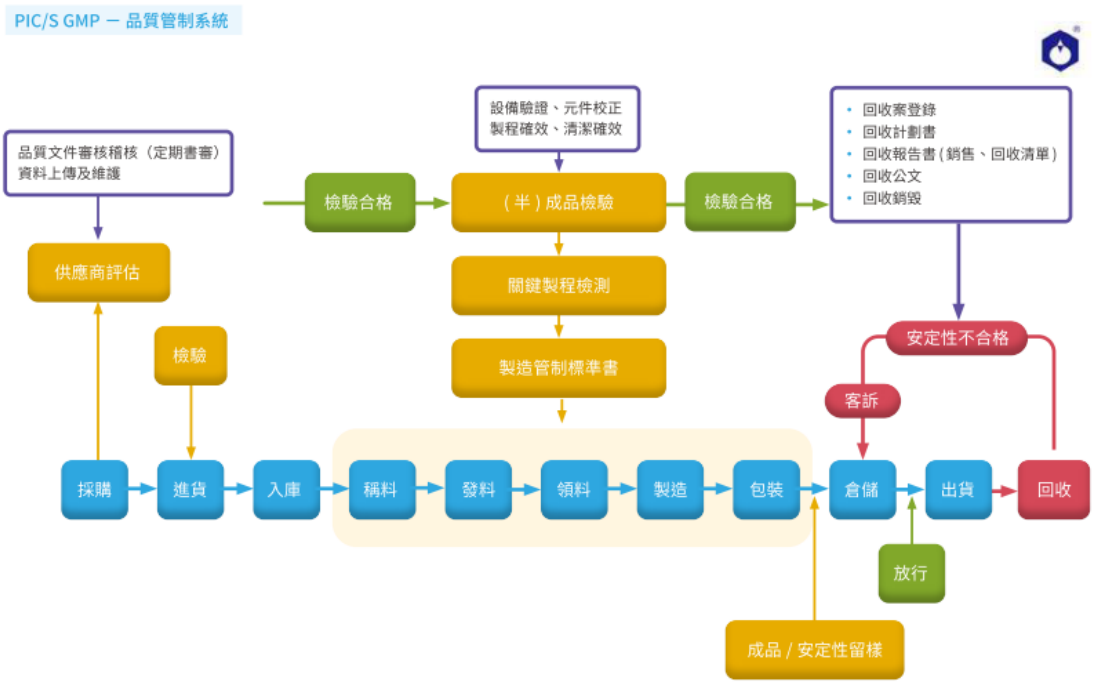
[Note] All raw materials are provided by Taiwanese suppliers

2.7 Product Liability

We uphold our core values of “Innovation, Integrity, Professionalism, and the Common Good” and implement strict quality controls and requirements for all product-related procecces ranging from R&D and license acquisition to manufacturing and sale. We are firmly committed to providing health-related products and services and safe and effective drugs to safeguard public health.

Quality policy
Regular reviews to maintain purity and content stability, uniformity, and efficacy

Product flowchart:
Orally administered solutions:
Ingredients→Dissolution→Filtering→Filling→Bottle sealing→Testing→Labeling→Packaging
Tablets:
Ingredients→Sifting→Blending→Granulation→Drying→Sizing→Tablet pressing→Testing→Sorting→Portioning→Packaging
We conduct impurity research and stability testing for all ingredients/excipients and drug formulations prior to license acquisition. In addition, we have various analysis and lab testing methods in place to ensure stable product quality. Furthermore, we proactively align our testing specifications and raw material source assessments with international standards and requirements such as the latest editions of pharmacopoeia of the ten advanced nations, ICH (International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use), and PIC/S GMP requirements after market launch to achieve maximum drug safety for consumers. All products are manufactured in factory buildings and environmental monitoring conditions that meet PIC/S GMP specifications. A minimum of three production validation processes are carried out prior to market launch to guarantee worry-free use of our products by consumers. Products manufactured under these specifications must meet the standards of clinical trials prior to acquisition of drug permit licenses.



上圖中英對照

中文	英文翻譯
PIC／S GMP-品質管制系統	PIC／S GMP-Quality control system
品質文件審核	Quality document review
稽核（定期書審）	Audit (regular written review)
資料上傳及維護	Data upload and maintenance
設備驗證、元件校正	Equipment testing, component calibration
製程確效、清潔確效	Process validation, cleaning validation
（半）成品檢驗	(semi-)finished good testing
關鍵製程檢測	Key process inspections
製造管制標準書	Manufacturing control standards
檢驗合格	Testing passed
供應商評估	Supplier evaluation
檢驗	Testing
回收案登錄	Recall registration
回收計劃書	Recall plan
回收報告書	Recall report
（銷售、回收清單）	(sales/recall list)
回收公文	Recall document
回收銷毀	Destruction
安定性不合格	Unsatisfactory stability
客訴	Customer complaint
採購	Procurement

進貨	Receipt of materials
入庫	Warehousing
稱料	Weighing
發料	Issuing
領料	Pickup
制造	Manufacturing
包裝	Packaging
倉儲	Storage
出貨	Shipping
回收	Return

The QA Department conducts overall planning and sets requirements for suppliers/manufacturers by relying on a quality management system. Only materials that meet the required standards as determined through testing and controls upon receipt of shipments are warehoused. Manufactured products are inspected batch by batch and revalidated every year to ensure maximum safety and efficacy. In case of any process or formulation modifications, revalidation and quality confirmation must be scheduled. Storage and transportation operations are carried out in conformity to applicable legal requirements. If any quality concerns are detected, customer complaint processing/product recall norms and regulations are formulated pursuant to applicable laws and regulations. The effectiveness of relevant procedures is ensured through annual recall drills.

Water system validation

QA Department

Our drugs can only be purchased through exlusive channels such as hospital and clinical pharmacies subject to medical prescription issued by a licensed physician based on patient conditions to ensure optimal treatment and protection of patient privacy.
Our customer service department and dedicated pharmacists are always available to respond to all questions and concerns of customers and patients regarding our pharmaceutical products. The Taiwan Food and Drug Administration has established a reporting system for non-conforming products, which allows real-time reporting and handling of products with quality flaws. In addition, the drug injury reliefsystem applies to all our products.

We achieve comprehensive quality control through the stipulation of standard operating procedures for every stage of our operations ranging from research and development of drugs, clinical trials, and mass production to market launch, sales, and delivery to patients. The goal is to ensure that drug safety and efficacy meet the required standards. The most rigorous controls are implemented to safeguard public health and safety.

*All our drugs are manufactured in compliance with marketing authorization requirements to ensure they meet our expectations in the fields of intended use and quality and protect patients from hazards arising from inadequate safety , quality, and efficacy. We have established a reliable and properly implemented quality assurance system which encompasses Good Manufacturing Practices and quality controls. The quality assurance system is fully documented and monitors post-market launch safety and efficacy.

*If we receive any complaints about product quality, investigations are initiated immediately after filing to explore the root causes. Corrective and protective action (CAPA) is adopted based on the investigation results. Upon documentation of investigation results and conclusions, hospitals and clinics are notified in writing in a synchronized manner. In addition, we review their efficacy at the end of each year to ensure the safety of all products within the period of validity. If complaints concern detected issues such as manufacturing flaws, product deterioration, and counterfeit drugs or other serious quality issues, we adopt the required actions for recall and take the initiative in notifying the competent health authority.

*Pursuant to the provisions set forth in Article 57 of the Pharmaceutical Affairs Act and Article 3 of the Pharmaceutical Good Manufacturing Practice Regulations, drug manufacturers are required to appoint supervising pharmacists and a quality authorized person (AP) in charge of product release operations and registration on the competent authority system. During the appointment period, the AP is required to attend at least 24 hours of GMP-related continuing education and training per year administered by pharmaceutical institutions commissioned by the central competent health authority or other competent authorities. The same requirement applies to the AP deputy.

*All staff members are required to complete at least one GMP-related, one toxic substance accident, and two fire safety training courses per year. Furthermore, reviews and external training are conducted regularly in accordance with relevant responsibilities and requirements.

*Quality reviews for all manufactured drugs are conducted annually to verify consistency of existing processes and the adequacy of current specifications for ingredients and end products. Results of product and process improvements are identified through trends.

*All drug labels, package inserts, and packaging conform to the provisions set forth in Article 75 of the Pharmaceutical Affairs Act and Article 20 of the Regulations for Registration of Medicinal Products. Particulars are indicated as approved by the central competent health authority.

*We have stipulated Warehousing Management Regulations for all raw materials, semi-finished goods, and finished goods to ensure good storage conditions and an excellent management system for all raw materials and drugs. Our staff members access and control all warehoused items in accordance with applicable standard operating proceduresto shield them from environmental impacts.

*The Hsinchu manufacturing plant and in-plant storage facilities, equipment, and transportation tools conform to PIC/S GMP standards and applicable legal requirements, while distribution procedures and drug tracking mechanisms conform to PIC/S GDP specifications.

*Inspection equipment is replaced or added on an annual basis in accordance with instrument conditions to increase the accuracy of inspections. At the same time, we pursue further standardization and unification and addition of auxiliary inspection instruments.

衛生福利部藥品優良製造證明書

衛部藥廠證字第(AP)0256008 號

製造廠名稱：晃德大藥股份有限公司新竹廠
製造廠地址：新竹縣湖口鄉實踐路2段，光復北路21巷1號
核定劑型及作業內容：
一、 劑型：
-非無菌產品：
液體劑型：懸液劑（含油溶劑）。
固體劑型：錠劑（含膜衣錠）、膠囊劑。
二、 作業內容：製造作業、分/包裝作業、實驗室作業、運銷作業。
三、 GDP 作業項目（DA0249）：儲存。

本證明書係依據藥事法第五十七條符合藥物優良製造準則之規定發給。
本部係依據藥物優良製造準則第二編第一章西藥藥品優良製造規範及國際醫藥品稽查協約組織（PIC/S）GMP 及 GDP 之標準進行查核。

部長 陳時中

原發證日期：099 年 04 月 29 日
換證日期：110 年 11 月 11 日
有效期限：113 年 12 月 25 日

0917

第 1 頁，共 2 頁

3. Friendly Work Environment & Talent Inclusion

3.1 Friendly Workplace

We view our employees as one of our most valuable assets. This is reflected in our unwavering commitment to refrain from any form of discrimination, uphold gender equality, and treat every employee with kindness and respect in strict compliance with applicable laws and policies. In addition to creating a friendly and inclusive work environment, we strive to enlist outstanding talent through the adoption of diversified recruitment channels. Employee health and safety measures are inspected on a regular basis in conformity to relevant health and safety laws and regulations. We also make an all-out effort to build safe, healthy, and clean work environments. Furthermore, we offer diversified training courses to enhance the professionals skills of our employees and nurture their competencies. Our ultimate goal is to care for the mental and physical well-being of every employee, provide them with a gender-equality-based workplace environment which allows them to unleash their potential and constantly improve themselves, and forge an enterprise that all staff members take pride in.

3.1.1 Staff Structure

According to the latest statistics, we had a total workforce of 179 at the end of 2023. Male and female employees accounted for 50.28% and 49.72%, respectively. Female executives (director level and above) comprised 67.6% of our management team. We are firmly committed to implementing a workplace policy conducive to female empowerment to enable employees of all genders to perform their work duties in a worry-free manner and realizing the concept of equal pay for equal work and equal opportunities for promotion and advancement for both genders. We also strive to maintain a male to female executive ratio of 1:1 or higher. As of the end of 2023, we employed 34 and 145 employees in managerial and non-managerial positions, respectively, and 3 temporary employees. Most of our employees were in the 30-50 age bracket.

There have been no significant changes in our turnover rate in the most recent two years. The number of new hires exceeds the number of resigning employees, which is a clear indicator for stable growth. In addition, we employ one mentally and physically challenged individual who works at our Taipei Head Office. In addition to meeting our hiring target for people with disabilities, we design work duties and environmental facilities that perfectly suit the needs of such workers.

Diversified statistics

Year				2021		2022		2023	
				Number	Percentage	Number	Percentage	Number	Percentage
Employees	Executives	Gender	Male	20	12.20%	16	9.58%	11	6.15%
			Female	23	14.02%	23	13.77%	23	12.85%
		Age	Below 30	1	0.61%	0	0.00%	0	0.00%
			30- 50	26	15.85%	24	14.37%	21	11.73%
			Above 50	16	9.76%	15	8.98%	13	7.26%
		Education	Graduate school	11	6.71%	10	5.99%	9	5.03%
			University	28	17.07%	25	14.97%	21	11.73%
			Other	4	2.44%	4	2.40%	4	2.23%
	Rank and file	Gender	Male	60	36.59%	66	39.52%	79	44.13%
			Female	61	37.20%	62	37.13%	66	36.87%
		Age	Below 30	17	10.37%	21	12.57%	21	11.73%
			30- 50	88	53.66%	91	54.49%	104	58.10%
			Above 50	16	9.76%	16	9.58%	20	11.17%
		Education	Graduate school	14	8.54%	17	10.18%	23	12.85%
			University	74	45.12%	80	47.90%	87	48.60%
			Other	33	20.12%	31	18.56%	35	19.55%

Note:

Executive: Director level and above

Rank and file staff: Positions below director level

Percentage of rank and file staff below 30 = (Number of rank and file employees below 30 in the respective year/Total workforce in the respective year) *100%

Percentage of rank and file staff with a graduate degree = (Number of rank and file employees with a graduate degree in the respective year/Total workforce in the respective year) *100%

Employee categories	Male	Female	Total
Total number	92	90	182
Permanent (regular) employees	90	89	179
Temporary (contract) employees	2	1	3

Employees without guaranteed working hours (dispatch)	0	0	0
Full-time employees	90	89	179
Part-time employees	2	1	3

Note:

1. Total workforce= Number of permanent employees + temporary employees + employees without guaranteed working hours = Number of full-time employees + part-time employees
2. Non-employee statistics – Only one directly contracted cleaning worker serves at Taipei Head Office

Number and ratio of new hires

Newly hired and resigning employee statistics /Year		2021		2022		2023	
		Number	Ratio (Note)	Number	Ratio (Note)	Number	Ratio (Note)
New hires							
Age	Below 30	5	2.96%	13	7.56%	12	6.70%
	30- 50	8	4.73%	23	13.37%	35	19.55%
	Above 50	0	0.00%	0	0.00%	3	1.68%
Gender	Male	5	2.96%	16	9.30%	29	16.20%
	Female	8	4.73%	20	11.63%	21	11.73%
Resigning employees							
Age	Below 30	5	2.96%	8	6.30%	8	4.47%
	30- 50	31	18.34%	20	15.75%	26	14.53%
	Above 50	2	1.18%	3	2.36%	3	1.68%
Gender	Male	13	7.69%	15	11.81%	20	11.17%
	Female	45	26.63%	16	12.60%	17	9.50%

Note:

Total workforce in the respective year: Total number of employees at the end of the respective year (December 31) as stated by the company

New hire rate = (Number of newly hired employees in the designated category in the respective year/Total workforce in the respective year) *100%

Rate of newly hired female employees = (Number of newly hired female employees in the respective year/Total workforce in the respective year) *100%

Turnover rate = (Number of resigning employees in the designated category in the respective year/Total workforce in the respective year) *100%.

Turnover rate in the below 30 age bracket = (Number of resigning employees in the below 30 age bracket in the respective year/Total workforce in the respective year) *100%.

3.1.2 Employee Benefits

In addition to the pursuit of business growth and sustainable development, we are

deeply committed to providing our employees with a blissful, friendly, and inclusive work environment and caring for their mental and physical well-being and quality of life. We place utmost emphasis on the goals of work-life balance and all-round development of our employees. On top of legally mandated benefits, we have adopted numerous benefit and welfare measures to satisfy the needs of our employees in the physical, spiritual, and healthcare dimensions. This includes birthday, wedding, childbirth, festival, and Labor Day cash gifts, funeral and domestic/overseas travel subsidies, consolation payments in case of hospitalization, lunch/dinner gatherings, year-end banquets with prize draws, and regular, free health checks.

Benefit categories	Items	Supplementary description
Legally mandated benefits	Labor & Health Insurance	
	Unpaid parental leave	
	Labor pension scheme	
Company benefits (including Employee Welfare Committee)	Overseas travel subsidies	Three months to one year of service: NT$ 2500 or higher At least one year of service: NT$ 15,000 Receipt-base reimbursement, tour groups require at least 10 participants, entitlement to two days of official leave for overseas trips
	Domestic travel subsidies	Three months to one year of service: NT$ 1,125 or higher At least one year of service: NT$ 6,000 Receipt-base reimbursement, tour groups require at least 15 participants, entitlement to one day of official leave for domestic trips of a duration of at least three days
	Subsidies for non-participation in trips	At least one year of service: NT$ 2,000 Entitlement to one day of official leave
	Wedding	Three months to one year of service: NT$ 1,000 or higher At least one year of service: NT$ 2,000 Copy of household registration transcript required
	Childbirth	Three months to one year of service: NT$ 1,000 or higher At least one year of service: NT$ 2,000 Copy of household registration transcript required

	Funeral (relatives within the first degree of consanguinity)	Three months to one year of service: NT$ 1,500 or higher At least one year of service: NT$ 3,000 Required: 1. Copy of obituary 2. Death certificate and kinship certificate
	Funeral (other than first degree of consanguinity)	
	Festival cash gifts (Lunar New Year, Dragonboat Festival, Moon Festival)	Three months to one year of service: NT$ 800 or higher At least one year of service: NT$ 1,500
	Birthday cash gifts	Three months to one year of service: NT$ 300 or higher At least one year of service: NT$ 600
	Health checks	Non-scheduled health checks in Taipei; annually scheduled checks at the Hsinchu Plant
	Other company activities	1. Christmas dinner gatherings (departmental): Subsidy of NT$ 500 for employees with at least one year of service Subsidy of NT$ 250 for employees with six months to one year of service 2. Other activities organized in line with budget considerations and actual needs
	Group insurance	32 claims filed in 2023, total settlements reaching NT$ 233,985
	Actual subsidies of the Employee Welfare Committee in 2023	NT$ 2,047,430

	
Annual checkups	Annual year-end party
	
Departmental lunch/dinner gatherings	Staff trips

- **Marriage and child care**

We regard it as our primary responsibility to care for the mental and physical health and well-being of our employees and enable them to achieve work-life balance and lead a prosperous and fulfilled life. The goal is to safeguard their quality of life and enable them to devote themselves to their work without any concerns and pursue fulfillment in their careers and lives. Pursuant to the provisions set forth in the Act of Gender Equality in Employment, all employees in Taiwan who have accumulated at least six months of service are entitled to apply for unpaid parental leaves to care for children below three years of age. We also have a sound leave and attendance management system in place, which allows employees to utilize leaves in a flexible manner to care for their children. Staff members are also eligible to apply for long-term unpaid leaves to complete their mandatory military service and seek medical treatment for serious illnesses and injuries. Applications for reinstatement should be submitted upon expiry of leaves. The ultimate goal is to enable employees to place equal emphasis on family care and personal needs.

In 2023, four employees (one male, three female) applied for unpaid parental leaves. All these employees applied for reinstatement. This clearly demonstrates that CenterLab is a childcare-friendly enterprise.

Item	Gender	2021	2022	2023
Number of employees eligible to apply for parental leaves	Male	14	12	8
	Female	14	11	7
	Total	28	23	15
Number of actually submitted applications	Male	0	3	1
	Female	1	1	3
	Total	1	4	4
Number of employees to be reinstated	Male	0	2	1
	Female	1	0	3
	Total	1	2	4
Number of reinstated employees	Male	0	2	1
	Female	0	0	3
	Total	0	2	4
Reinstatement rate	Male	0%	100%	100%
	Female	0%	0%	100%
	Total	0%	100%	100%
Number of retained employees one year after reinstatement	Male	0	0	1
	Female	0	0	0
	Total	0	0	1
Retention rate	Male	0%	0%	50%
	Female	0%	0%	0%
	Total	0%	0%	50%
Note 1. The number of employees entitled to unpaid parental leaves is determined based on the number of employees who have applied for maternity and paternity leaves within the most recent three years 2. Reinstatement rate= (Number of reinstated employees in the respective year / Number of employees to be reinstated in the respective year) *100%. 3. Retention rate = (Number of employees still active 12 months after reinstatement in the previous year/Number of reinstated employees in the previous year) *100%.				

3.2 Workplace Safety

We embrace a human-centered approach in the care for the mental and physical well-being of our employees and creation of friendly work environments with the goal of safeguarding their health and safety, which represents one of our core objectives in the field of sustainable development. Pursuant to the Occupational Safety and Health Act, we have appointed a Class-B Occupational Health and Safety Officer for our Taipei Head Office and a Class-A Occupational Health and Safety Officer for our Hsinchu

Plant. Since the plant currently employs less than 100 workers, we have not established an Occupational Health and Safety Committee yet. A committee will be formed once the workforce exceeds the threshold.

We schedule regular health and safety training courses and conduct regular fire safety and chemical drills in consideration of identified workplace hazards and risks. We have further formulated Employee Health and Safety Regulations based on identified hazards and risks at our work sites to ensure that employees can refer to standardized operating procedures in the performance of their duties. In addition, we educate our employees on occupational health and safety concepts as required to heighten their occupational safety awareness and thereby ensure ongoing progress on the path toward zero occupational accidents and work safety incidents.

3.2.1 Occupational safety actions

Item	Description
Disaster prevention drills and building and equipmen safety inspections	We hold semi-annual fire safety and toxic chemical disaster prevention drills at our plants. Comprehensive inspections of equipment apperance and functionality and maintenance operations are conducted annually by businesses entrusted by us. Public safety inspections of our buildings are carried out by commissioned businesses every two years. Regular maintenance of lifting equipment is conducted by professional service providers every month. We keep records of such inspections and apply for safety inspections with inspection institutes pursuant to applicable regulations. In addition, we organize occupational health and safety training for our employees on a regular basis. Office environments are cleaned and disinfected on a regular basis by cleaning personnel to provide our employees with safe and healthy work environments.
Chemicals management	The Management Department has registered priority management chemicals online and updates this list on an annual basis. The plant utilizes a controlled chemical named o-Tolidine for which a permit has been acquired upon application as required for procurement and use. This permit also requires QC personnel to undergo training and pass an exam for acquisition of a certificate for supervisors in charge of specified chemical substance operations. The plant must further be equipped with shower and exhaust equipment. Acquisition of the permit is subject to monthly spot inspections of equipment maintenance records environmental monitoring reports.

Environmental monitoring	All our plant areas carry out environmental monitoring with respect to organic solvents and specified chemical substances (linked to controlled chemicals) utilized by the Hsinchu Plant QC Lab pursuant to the Implementation Rules for Labor Operating Environment Monitoring . The report issued by the monitoring institution upon completion of inspections indicates that the amount of chemical residues in the lab environment is far below the prescribed standard.
Scheduling of health exams for specified personnel	All plant areas have added specific health exam items for QC operators pursuant to the Occupational Safety and Health Act to determine whether or not chemicals such workers come in contact with have an impact on their physical health. The following 11 tasks with special health hazards have been identified in the plant: benzidine and its salts, benzene, arsenic, chromic acid and chromates, formaldehyde, carbon disulfide, dimethylformamide, n-hexane, ethyl mercury compounds, and mercury and its inorganic compounds.These items are completed in the context of annual employee health checks. We conduct statistical analysis and evaluations based on the results of health exams. On-site health services and health guidance are scheduled for individuals with abnormal results.

Occupational health and safety training statistics

No.	Internal training course	Participants	Training hours per person	Total training hours
1	2023 GMP-related training (incl. toxic chemical substances)	92	4	368
2	Lab Biosafety (annual biosafety training)	9	8	72
3	Orientation training	43	4.5-5	191.5
4	H1 Toxic Chemical Substance Training	9	2	18
5	H1 Fire Safety Drill	80	4.5	360
6	H2 Fire Safety Drill	81	4.5	364.5
Total		314		1374

No.	External training course	Participants	Training hours per person	Total training hours
1	Chemical Risk Management Mechanism and Results	1	6	6
2	2023 Manufacturing Industry Fire & Explosion Prevention Training	1	4	4
3	2023 Nationwide Conference on Environmental Incidents & Award	1	12	12

	Ceremony for Outstanding Achievements in the Operation and Management of Mutual-Aid Organizations			
4	2023 Conference on Demonstration & Observation of Exposure Assessment and Self-Management	1	3.5	3.5
5	OTJ Training for Operators of Forklifts with Payloads in Excess of One Metric Ton	9	3	27
6	Hazard Prevention Training and Education on Relevant Laws and Regulations	1	2	2
7	Information Meeting on Precursor Chemical Reporting and Inspection Methods	1	2	2
8	2023 Information Meeting on Toxic and Concerned Chemical Substances Laws and the Registration and Declaration System	1	3	3
9	Health and Education Training for Class-B Occupational Health and Safety Officers	1	35	35
10	Operation of Forklifts with Payloads in Excess of One Metric Ton	1	18	18
Total		18		112.5

Occupational health and safety training statistics				**Unit**
	Total number of employees		179	Persons
	Occupational health and safety training hours (internal and external training)		1486.5	Hours
	Average training hours per employee		8.3	Hours/person

Training images

Annual fire safety drill – Fire Extinguishing Team training	Annual fire safety drill – Rescue Team training
	
CPR first-aid and AED operation training	Course on management regulations for toxic and concerned chemical substances

Employee Health and Safety Regulations at Work Sites

(1) Health and Safety Management:

- Safety issues must be considered prior to initiation of operations.
- Follow instructions when carrying out tasks.
- Communicate problems and consult with the supervisor.
- Comply with warnings and danger signs.
- No joking or teasing at work locations.

(2) Clothing:

- Appropriate clothing must be worn at work locations.
- Earplugs or earmuffs should be worn in noisy environments pursuant to applicable regulations.
- Operators should wear appropriate headwear to prevent contamination of products by fallen hair or long hair getting caught in rotating machinery.
- Appropriate PPE should be worn if hazardous substances or dangerous items are present in work environments.

(3) Operations:

- Machinery and equipment must be inspected prior to manufacturing operations.
- Use of goods only lifts for transport of personnel is strictly prohibited.
- Throwing of tools to co-workers during work operations is strictly prohibited.
- A safe distance should be maintained from rotating machinery unless otherwise required for work tasks.
- Selection of suitable work stations

- Protective covers must be removed and machines and equipment must be restored to their original state after maintenance operations prior to activation.
- Sliding of vehicles parked on inclines for unloading must be prevented through wheel chocking.

(4) Movement:

- Special caution must be exercised when walking on wet, slippery floors; running at work locations is strictly prohibited.
- Stepping over rotating equipment with conveyor belts or chains for convenience sake is strictly prohibited.
- It is strictly forbidden to place any objects in passageways to ensure they remain unobstructed.

(5) Cleanliness:

- Maintenance of workplace cleanliness can help prevent incidents.
- Raw materials must be placed and stored in accordance with separation and categorization rules and regulations.
- It is strictly forbidden to place objects in the vicinity of electrical switch boxes.
- Tools and parts should be sorted and stored properly after use.
- Materials should be retrieved starting from the top.
- Machinery and equipment must be cleaned prior to manufacturing operations; when cleaning tanks, a “cleaning in progress” sign should be attached; operations may be carried out in front of the electric control panel

(6) Other:

- It is strictly forbidden to stand under hoisted loads.
- Carrying out work tasks in an inappropriate position should be avoided.
- Don't use damaged or worn wires.
- Don't support hoisted loads with your bare hands.

3.2.2 Contractor Health and Safety Management

We have always viewed our contractors and subcontractors as part of our team. Consequently, we attach great importance to the health and safety of their work personnel and strictly implement relevant management regulations. The responsibilities and obligations of contractors engaged in construction work are clearly stipulated. This includes construction work safety, maintenance of construction work environments, and workers insurance to guarantee the safety of construction personnel in plant areas.

We require our suppliers to deliver raw materials of stable quality on an ongoing basis and carry out qualification evaluations for newly added suppliers and non-scheduled on-site audits for existing suppliers. Finally, distribution and marketing contracts and

quality agreements are signed with drug distribution, marketing, and logistics service providers.

3.2.3 Occupational Accident Statistics

Employee and non-employee occupational accident, injury, and illness statistics and relevant anslysis results are shown in the table below. In 2023, there was no record of occupational injuries or illnesses sustained by our employees (including recordable occupational illnesses). We strive to maintain our zero-inury record through non-scheduled work environment improvements and ongoing provision of safety training.

Employees-- Occupational injury and illness statistics

Statistics/Year		2021	2022	2023
Total working hours		346,824	332,304	368,136
Occupational injury fatalities	Number	0	0	0
	Rate	0	0	0
Serious occupational injuries (Note 1)	Number	0	0	0
	Rate	0	0	0
Recordable occupational injuries (Note 2)	Number	0	0	0
	Rate	0	0	0
Occupational illnesses	Number	0	0	0
	Rate	0	0	0
Recordable occupational illnesses	Number	0	0	0
	Rate	0	0	0

Non-employees-- Occupational injury and illness statistics

Statistics/Year		2021	2022	2023
Total working hours		0	932	3,752.5
Occupational injury fatalities	Number	0	0	0
	Rate	0	0	0
Serious occupational injuries (Note 1)	Number	0	0	0
	Rate	0	0	0
Recordable occupational injuries (Note 2)	Number	0	0	0
	Rate	0	0	0
Occupational illnesses	Number	0	0	0
	Rate	0	0	0
Recordable occupational illnesses	Number	0	0	0
	Rate	0	0	0

Note 1: The term “Serious Occupational Injuries” refers to injuries resulting in death or inability/difficulty to recover to pre-injury health status within six months (fatalities should be excluded from this statistical category)

Note 2: The term "Recordable Occupational Injuries or Illnesses" refers to injuries or illnesses associated with one of the following conditions: death, leaving of work stations, restricted work or transfer to other work stations, medical care beyond first aid, loss of consciousness, or major injuries or illnesses diagnosed by physicians or licensed medical care personnel (while fatalities should be included, minor injuries treated on site should be excluded from this statistical category)
Note 3: Commuting accidents are not included in these statistics

3.2.4 Healthy Workplace Promotion

In view of recent social and economic changes, the International Labor Organization (ILO) and the World Health Organization (WHO) advocate labor workplace safety and health services as a fundamental right. In line with the intent of ILO and WHO initiatives and applicable laws and regulations, we engage in proactive planning, promotion, and implementation of health issues in the following three dimensions: health services, health education, and healthy work environments. In addition to ongoing educational efforts in the fields of disease prevention and health care, we regularly organize lectures on health-related topics, preventive health consultation sessions for employees, and employee health checks. Based on our firm commitment to safeguarding employee health, we spare no effort to conduct health risk assessment, health management, health promotion, work environment hazard assessment, and advisory services. We further provide our employees with accurate health protection concepts to prevent health issues from affecting their work performance and facilitate the implementation of healthcare measures at the workplace.

With a view to implementing our health service system and mental and physical health protection measures and elevating the workplace health literacy of our staff members, we are actively committed to planning, educational, and promotional efforts from a care perspective with the goal of conveying accurate health concepts and building a health-friendly and LOHAS-oriented workplace environment. We actively encourage our employees to embrace positive health concepts, maintain their physical, mental, and spiritual well-being, and integrate workplace health principles into their daily lives with the ultimate goal of realizing LOHAS-based family lives and careers.

◎ Health management

We conduct annual occupational health checks which are divided into the following two categories: general health examinations and special health examinations for those involved in tasks with special health hazards (76 individuals underwent general health examinations at our Taipei Head Office; general/special health examinations were performed for 80 and 4 individuals, respectively, at the Hsinchu Plant). Anomaly ranking management conducted for health examination results clearly shows that metabolic syndromes (hypertension, hyperlipidemia), ocular hypertension, and chest X-ray issues predominate. In addition to the provision of personal health guidance services, we are determined to step up health management measures including disease-related health education, follow-up examinations and tracking, and ongoing employee

health management. No confirmed or suspected cases of occupational illness were detected in health checks carried out in 2023. In 2024, we will maintain our commitment to health promotion activities and care for the health of our employees.

Hsinchu Plant health management items

1. On-site health services provided by medical personnel (two-hour service sessions offered by licensed physicians once a year and by RNs once a month)

Screening of employees with a high risk of cardiovascular disease within ten years paired with tracking and health promoting measures such as personal health interviews and health consultation & guidance.

2. Execution of the following programs:

Prevention of abnormal workload-induced diseases

Prevention of ergonomic hazards

Middle-aged and senior-adapted work tasks

Maternal health protection at the workplace

Prevention of unlawful infringement during performance of duties

COVID-19 prevention and response measures

Implementation results in 2023: prevention of ergonomic hazards (8 participants), health promotion program (63 participants), health guidance (63 participants), post-health check guidance (30 participants)

3.3 Talent Development

We place strong emphasis on employee training. In the internal training dimension, we not only organize orientation training for new hires but also train internal instructors who offer courses in various fields as required. We also have set up a digital learning platform as a convenient online learning tool for our employees. In addition, our departments organize professional OTJ training in line with their individual needs. In the field of external training, we encourage our employees to participate in subsidized professional development courses offered by external organizations to enhance their competitiveness. Finally, we schedule personal safety, environmental health , and fire safety drills and training at opportune times pursuant to applicable provisons set forth in the Labor Standards Act and the Labor Safety and Health Act.

3.3.1 Training and Passing On Skills

We spare no effort in the cultivation and development of talent and place high emphasis on the passing on of experiences and professional knowledge. We are also steadfastly committed to providing our employees with an open and diversified learning environment. In addition to the provision of a well-planned training system for new hires and current employees, we persist in our efforts to hone their professional competencies and thereby maximize their job satisfaction. On top of that, we plan diverse professional development courses for active employees. The ultimate goal is to implement talent development and training through the integration and utilization of various resources and raise the self-worth of our employees through participation in different professional development and advanced training courses every year. Our course offerings include (1) orientation training for new hires (2) advanced professional training planning based on the industrial value chain (3) executive training to upgrade management skills and ensure ongoing learning and growth through diversified learning methods and adoption of (4) corporate colture concepts in the development of training courses and development of core competences. Total employee training time amounted to 1,430.5 hours in 2023.
Employee training hour statistics

Statistics/Year	2021	2022	2023
Average training hours per employee	2.67	1.84	12.14
Female	3.62	2.6	11.70
Male	1.64	1.05	12.57
Executives	5.13	4.7	11.65
Rank and file staff	1.79	0.96	12.26

Notes:
1. Executive: Director level and above
2. Due to the fact that only external training statistics are available for 2021 and 2022, the number of training hours exhibits a significant increase in 2023 due to the addition of internal training hours
3. Average training hours per employee=Total training hours/total number of employees
4. Average training hours by category (gender) = Total training hours by gender/total number of male/female employees
5. Average training hours by category (position) = Total training hours by position/total number of executives/rank and file employees

CenterLab Training Platform

1.Youtube Training Courses

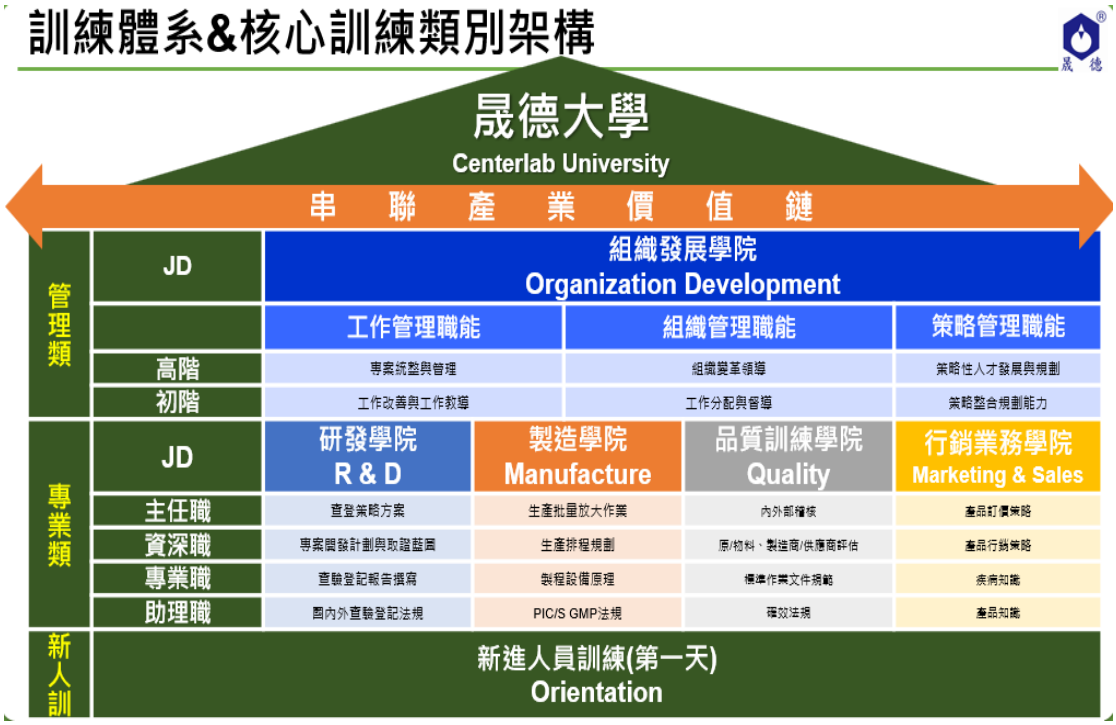
The CenterLab Group HR team has converted biotech industry knowledge into online courses and uploaded them to Youtube to enable all staff members to engage in autonomous learning anytime and anywhere. The online academy curriculum design is based on the biotech industrial value chain. Five online academies (manufacturing, quality training, marketing & sales, organizational development, and R&D) feature 40 online courses.


5 大學院
新人訓練包
法規小教室
目前共計 40 門線上課程
藍字：2023 年新增
新進人員一般安全衛生教育訓練
食品廠 6S 管理與應用實務
GDP 概論
GMP 概論
1 製造學院
3 品質訓練學院
18 組織發展學院
新人訓練包
12 行銷業務學院
2 研發學院
4 法規小教室
新進人員試用考核及任用核定表撰寫攻略
年度 PDP 績效與職涯發展計畫表撰寫攻略 *2
招募甄選概論 *2
績效面談概論 *2
合併財報概論
財務報表概論
企業投資模式介紹
透過工作分析建立職務說明書與職務規範
績效發展計畫 (順藥)
順藥系統操作 (BPM)
晟德大藥廠 _ 公司簡介與產品概述
【ChatGPT 工作應用 (一)】< 摘要篇 >
【ChatGPT 工作應用 (二)】< 摘要進階篇 >
【ChatGPT 工作應用 (三)】< 翻譯篇 >
【ChatGPT 工作應用 (四)】< 文案 & 簡報篇 >
液劑概論
醫療環境概論
行銷學概論
豐華簡介與產品功能概述
腸道保健益生菌介紹
女性私密健康益生菌介紹
胃部保健益生菌介紹
口腔保健益生菌介紹
抗敏保健益生菌介紹
愛膝康一次性自體軟骨修復系統
順藥 LT1001 專案簡介
Revocart 跟刀手術流程
臨床試驗概論
創新醫療器材如何取得給付碼
性騷擾防治教育訓練
關於退休請領大小事
認識特休週年制與歷年制
工作受傷怎麼辦

晟德線上課程平台介紹	Introduction of the online course platform
5 大學院	Five academies
新人訓練包	Orientation package
法規小教室	Laws & regulations classroom
目前共計 40 門線上課程	A total of 40 courses are currently available
橘字: 制作	Orange print: in progress
藍字: 2023 新增	Blue print: added in 2023
新進人員試用考核及任用核定表撰寫攻略	Walkthrough for the creation of probation appraisal and hiring approval forms for new hires
·年度 PDP 績效與職涯發展	Annual PDP performance and career development
計畫表撰寫攻略 * 2	Walkthrough for the creation of schedules *2
·招募甄選概論 * 2	Fundamentals of recruitment & selection * 2
·績效面談概論 * 2	Fundamentals of perfromance interviews * 2
·合併財報概論	Fundamentals of consolidated financial statements
·財務報表概論	Fundamentals of financial statements
·企業投資模式介紹	Introduction to corporate investment models
·透過工作分析建立職務說明書與職務規範	Creation of job descriptions and specifications through job analysis
·績效發展計畫 (順藥)	Performance development plans (Lumosa Therapeutics)
·順藥系統操作 (BPM)	Lumosa system operations (BPM)
·晟德大藥廠 _ 公司簡介與產品概述	Center Laboratories – Company profile and product overview
【ChatGPT 工作應用 (一) 】	Chat GPT applications (I)
< 摘要篇 >	Summaries
【ChatGPT 工作應用 (二) 】	Chat GPT applications (II)
< 摘要進階篇 >	Summaries (advanced)
【ChatGPT 工作應用 (三) 】	Chat GPT applications (III)
< 翻譯篇 >	Translations
【ChatGPT 工作應用 (四) 】	Chat GPT applications (IV)
< 文案＆簡報篇 >	Copywriting & Presentations
新進人員一般安全衛生教育訓練	General health and safety education for new hires
製造學院 1	Manufacturing Academy 1
品質訓練學院 3	Quality Training Academy 3
組織發展學院 18	Organizational Development Academy 18
新人訓練包	Training package for newcomers
行銷業務學院 12	Marketing & Sales Academy 12
研發學院 2	R&D Academy 2
法規小教室 4	Laws & regulations classroom

臨床試驗概論	Fundamentals of clinical trials
創新醫療器材如何取得給付碼	How to acquire billing codes for innovative medical devices
性騷擾防治教育訓練	Sexual harassment prevention
關於退休請領大小事	Pension claim-related matters
認識特休週年制與歷年制	Introduction to the two systems (seniority and calenday year based) for calculation of annual leaves
工作受傷怎麼辦	How to deal with work injuries
食品廠 6S 管理與應用實務	Food processing plant management and application practices
GDP 概論	Fundamentals of GDP
GMP 概論	Fundamentals of GMP
液劑概論	Fundamentals of liquid drug solutions
醫療環境概論	Fundamentals of medical environments
行銷學概論	Marketing fundamentals
豐華簡介與產品功能概述	Glac Biotech profile and product functions overview
腸道保健益生菌介紹	Introduction to intestinal care probiotics
女性私密健康益生菌介紹	Introduction to female reproductive health probiotics
胃部保健益生菌介紹	Introduction to gastric care probiotics
口腔保健益生菌介紹	Introduction to oral care probiotics
抗敏保健益生菌介紹	Introduction to anti-allergic care probiotics
愛膝康一次性自體軟骨修復系統	“RevoCart” One-step Autologous Cartilage Repair System
順藥 LT1001 專案簡介	Brief description of Lumosa Therapeutics LT1001 Project
Revocart 跟刀手術流程	Revocart surgery procedures

CenterLab University Framework



Training System & Core Training Categories

Centerlab University					
Linkage to industrial value chain					
Management category	JD	Organization Development			
		Task management competency	Organizational management competency	Strategic management competency	
	Advanced	Project integration and management	Organizational change leadership	Strategic talent development and planning	
	Basic	Work improvements and instructions	Task assignment and supervision	Strategy integration and planning competence	
Professional category	JD	R&D Academy R&D	Manufacturing Academy Manufacture	Quality Training Academy Quality	Marketing & Sales Academy Marketing & Sales
	Director positions	Drug registration strategy plan	Production batch enlargement operations	Internal and external audits	Product pricing strategy
	Senior positions	Project development plan and license acquisition blueprint	Production scheduling	Assessment of ingredients/materials, manufacturers, and suppliers	Product marketing strategy
	Specialist positions	Drug registration report writing	Process equipment principles	SOP document specifications	Disease knowledge
	Assistant positions	National and international drug registration laws and regulations	PIC/S GMP laws and regulations	Validation laws and regulations	Product knowledge
Orientation training	Training for new hires (first day)				

2. Online library

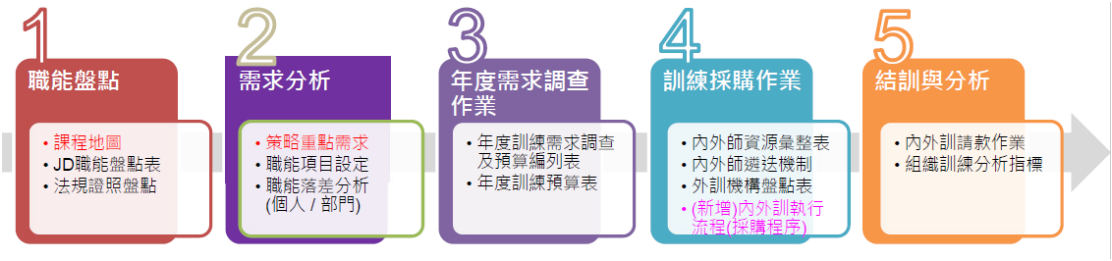
Cloud upload of compiled and organized handouts and teaching materials of internal and external instructors to create an online library.

CenterLab cloud library

3. Annual Internal and External Training Planning

Effective investigations of employee competency gaps via annual external and external training procedure cycles and follow-up scheduling or design of corresponding training courses ensure a more effective utilization of training resources. Regulatory Affairs Certification (RAC) inventories reveal training qualifications of staff members of each department . Professional training courses are integrated into annual plans. Other soft skill courses are arranged in line with the results of competency inventories and investigations. Upon preparation of training budgets for the respective year, subsidy application for corporate HR improvement courses in accordance with applicable procedures.

Training planning process



1.職能盤點	1. Competency inventories	
課程地圖	Course map	
JD 職能盤點表	JD competency inventory form	
法規證照盤點	Regulatory Affairs Certification (RAC) inventories	
2.需求分析	2. Needs analysis	
策略重點需求	Strategic priority needs	
職能項目設定	Setting of competency items	
職能落差分析 (個人/部門)	Competency gap analysis (individuals/departments)	
3.年度需求調查作業	3. Annual needs survey operations	
年度訓練需求調查及預算編列表	Annual training needs survey and budgeting form	
年度訓練預算表	Annual training budget form	
4.訓練採購作業	4. Training procurement operations	
內外師資源彙整表	Internal/external teaching resource form	
內外師遴迭機制	Internal/external selection mechanism	
(新增)內外訓執行流程 (採購程序)	(newly added) internal/external training implementation process (procurement procedures)	
5.結訓與分析	5. Training completion and analysis	

內外訓請款作業	Internal/external training reimbursement operations	
組織訓練分析指標	Training analysis indicators	

Internal Training Administration Process

策略重點、職能落差與法規訓練需求調查&確認 Strategic priorities, competency gaps, and regulatory training needs survey and confirmation

內部訓練 **Internal Training**	**外部訓練** **External training**
搜尋與評估適當講師 Search for and assessment of qualified instructors	外訓課程資料收集與評估 Collection and assessment external training course data
確保課程架構符合課程需求目的 Confirmation that the course framework is aligned with training needs and goals	部門派訓/外訓申請 Training assignment/application for external training
講師提供教案設計/學經歷 Lesson plans/academic and professional background provided by instructors	主管審核 Supervivor review
內部審查(TTT) Internal review	訓練單位確認 Confirmation of training units

評核後確定授課 Course confirmation after evaluation	報名/繳費 Registration/payment
確定訓練日期及地點 Confirmation of training date and location	如期參訓 Training participation as scheduled
發布開課資訊 Public announcement of course information	
課程執行 Course administration	

Adaptation Program for Newcomers "For Your helping"

We have designed a comprehensive adaptation program for new hires to facilitate their rapid assimilation into the company and turn them into valuable CenterLab team members. The ultimate goal is to accelerate their understanding of the company culture and enable them to speak their minds and freely express their opinions about the company. This mechanism also allows them to provide rapid feedback regarding adaptation difficulties in addition to giving HR staff an opportunity to gain insight into how newcomers view their learning tasks. This in turn serves as a key reference for ongoing improvements of training programs for new hires.

[上圖翻譯]

1 From the moment of receipt of the Offer Letter – All time-consuming paperwork procedures must be completed and all required documents must be submitted to HR prior to onboarding to save the time required for the filling out of forms on the day of onboarding. The goal is to enable new hires to dedicate all their time and energy to getting to know their colleagues and gaining a clear understanding of the company resources.

2 On-boarding Kits – HR fills the role of a nanny for newcomers and serves as a trustworthy point of contact from the day of onboarding and adaptation period to career and learning development

3 Passport to success – Creation of learning task lists for the first three months after the date of joining the company

4 CenterLab Culture - Display of conduct in conformity with CenterLab culture to propel progress in all task areas

5 Performance development plan based on newcomer probation appraisals - Display of conduct in conformity with CenterLab culture to propel progress in all task areas

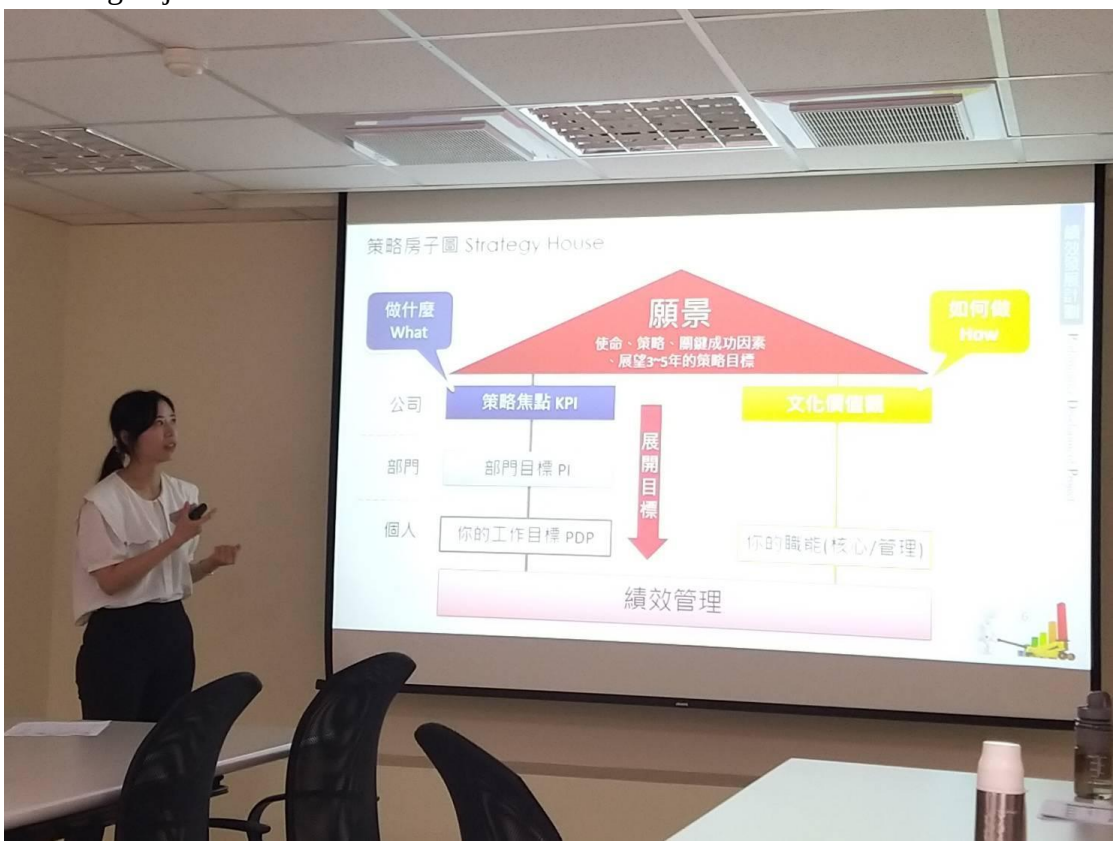
CenterLab Adaptation Program for Newcomers

Orientation training images:

warm up games

Interactive games

Teaching objectives



Strategy House: Company vision unfolded

Classroom drills

3.3.2 Performance Appraisal

We strive to provide our employees with a stage for unleashing their potential by harnessing their professional competencies. We therefore not only offer them regular opportunities for professional development but also conduct annual performance appraisals and interviews in accordance with our Employee Performance Appraisal Guidleines. Supervisors and employees jointly discuss and develop annual personal development plans. The ultimate goal is to assist employees in elevating their career development competence through regular reviews and feedback.

2023 Performance appraisal statistics		**Actually appraised employees**	**Number of employees in the respective category**	**Percentage**
Gender	Male	82	90	91.11%
	Female	86	89	96.63%
Employee category	Executives	34	34	100%
	Rank and file	134	145	92.41%
Notes: 1. Employee statistics are based on the number of active employees as of December 31, 2023 (excluding contract employees) 2. Employees who have less than three months of service or haven't passed the newcomer performance appraisals are not included in these evaluations 3. Definition of executive positions: Director level and above				

3.4 Diversity & Inclusion

We place utmost emphasis on labor-management relations and are firmly committed to creating an environment characterized by mutual benefit and shared prosperity and establishing smooth communication channels. Our employees can communicate their problems, suggestions, or rights to our management team by any means. Consequently, our labor-management relations are stable and harmonious and we haven't had any major labor-management disputes. We have formulated work rules according to the law to stipulate labor working conditions and safeguard labor rights and interests. In addition, we have set up an Employee Welfare Committee to implement various employee welfare measures. Finally, we persist in our efforts to improve our administrative measures and protect the rights and interests of our employees through extensive communication and coordination in the context of labor-management meetings and internal meetings.

3.4.1 Communication Channels

Since our employees are our most important asset, we highly value their opinions and rights. We have set up numerous feedback and communication channels and advocate diversified communications between supervisors and employees, description of labor representative election, and stipulation of labor /management representative numbers.

Our open and diversified labor-management communication channels facilitate mutual communication of opinions and consensus building while demonstrating respect for our employees' right to freedom of assembly and association. We place equal emphasis on labor-management relations, creating an environment characterized by mutual benefit and shared prosperity, and establishing smooth communication channels. Our employees can communicate their problems, suggestions, or rights to our management team by any means with the goal of seeking solutions. Furthermore, we have formulated work rules according to the law to stipulate labor working conditions and safeguard labor rights and interests. In addition, we have set up an Employee Welfare Committee to implement various employee welfare measures. Finally, we persist in our efforts to improve our administrative measures and protect the rights and interests of our employees through extensive communication and coordination in the context of labor-management meetings and internal meetings. Labor representatives also participate in accident investigations and communication and coordination of health and safety-related matters.

3.4.2 Grievance Channels

We have open grievance channels in place to enable our employees to file grievances with executives at all levels if they encounter any problems at the workplace. We have further set up a dedicated sexual harassment prevention grievance boxes to protect gender equality at the workplace and provide a work and service environment free of sexual harassment. Investigations are carried out in a confidential manner to prevent disclosure of the name or any other personally identifiable information of the grievant. There is no record of grievances in 2023.

3.4.3 Human Rights Protection

We attach great importance to the promotion of labor and business ethics policies and protection of the fundamental human rights all employees, customers, suppliers, and stakeholders in fulfillment of our corporate social responsibility. We eliminate any conduct that violates or encroaches on human rights and ensure reasonable, equal, and dignified treatment of all staff members in compliance with the core principles of international human rights covenants including the Universal Declaration of Human Rights, United Nations Global Compact, UN Guiding Principles on Business and Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work. We focus on every detail in this dimension with the ultimate goal of enabling our employees to dedicate themselves to their work and professional growth without any concerns in a friendly environment characterized by equality. The following human rights protection measures have been adopted:

Measure	Description
Strict compliance with labor laws	Provision of fair and reasonable work conditions in strict compliance with labor-related laws and regulations
Building a friendly work environment	Realization of workplace equity, eradication of discrimination based on ethnicity, skin color, religion, nationality, gender, sexual orientation, age, or disability, strict prohibition of any form of forced labor and employment or harassment, deep commitment to building a work environment characterized by dignity, safety, equality, diversity, and tolerance
Reasonable working hours	Prohibition of child labor, stipulation of working hour and overtime regulations, and concern for and management of employee attendance conditions
Creation of a safe and healthy workplace	Compliance with health and safety-related laws and regulations, regular review of employee health and safety measures, creation of a clean, healthy, and safe work environment
Harmonious labor-management communication	Open and diversified labor-management communication channels, regular convening of labor-management meetings, mutual communication of opinions and

	consensus building, and respect for our employees' right to freedom of assembly and association
Establishment of grievance channels	Open grievance channels are in place to enable our employees to file grievances with executives at all levels if they encounter any problems at the workplace. We have further set up a dedicated sexual harassment prevention grievance boxes to protect gender equality at the workplace and provide a work and service environment free of sexual harassment. Investigations are carried out in a confidential manner to prevent disclosure of the name or any other personally identifiable information of the grievant.

CENTER

Education on legal compliance – corporate social responsibility

We are deely committed to fulfillment of our corporate social responsibility, safeguarding the rights of all staff members, compliance with national labor laws and regulations, internationally recognized labor ethics, health and safety, and environmental standards, and other applicable international covenants and laws, and ongoing improvement of work conditions and labor welfare.

Prohibition of child labor

- Prohibition of the hiring of child or prison labor and rejection of suppliers that employ child or forced labor

Non-discrimination and anti-harassment

- Respect for fundamental labor rights and prohibiiton of any form of discriminatory, humiliating, or degrading conduct
- Prohibition of any form of unlawful discriminatory, harassing, and violent conduct to build a work environment characterized by respect and gender equality

Working time management

- Reasonable production plan and labor working, rest, and vacation time scheduling

Prohibition of forced labor

- Respect for labor free choice and prohibition of any form of forced labor

Guarantee of humane treatment

- Provision of healthy and safe work conditions and environments to ensure labor health and safety

Freedom of association

- Promotion of labor-management cooperation, respect for the right of workers to freedom of association and collective

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4. Sustainable Development & Green Environment

4.1 Climate Risk Management

Extreme weather events such as torrential rains, flooding, and droughts are a constant occurrence with an enormous impact on affected regions all over the world. For instance, the Global Risks Report published by the World Economic Forum identifies “failure to mitigate climate change” as one of the ten most severe threats of the next decade based on the results of the 2021 Global Risks Perception Survey. Adequate responses to climate change have therefore turned into key risk assessment items. As of 2023, we divide climate-related risks and opportunities into the four core elements of governance, strategy, risk management, and metrics & targets in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework. Climate-related risks and opportunities are identified by all members of the Sustainable Development Committee who also formulate follow-up response strategies and deliver annual reports to the Board of Directors. The board monitors the implementation results. In the future, we will persist in our efforts to gradually achieve full disclosure of relevant actions in line with the TCFD framework.

Governance	Strategy	Risk Management	Metrics & Targets
Our governance around climate-related risks and opportunities	Actual and potential climate-related impacts on our businesses, strategy, and financial planning	Climate-related risk management processes	Metrics and targets used to assess and manage climate-related risks.
◆ Climate-related risk and opportunity governance conditions are reported to the Board of Directors together with annual sustainability risk management issues by the President; the Board of Directors oversees implementation results	Please refer to the Short-, Medium-, and Long-Term Risk and Opportunity Table for 2023	Risk identification, assessment, and management processes : Step 1: The members of the Sustainable Development Committee complete collection of climate and environmental background data and assessment of climate risks and scope of operations Step 2: Compilation of a climate risk and opportunity list Creation of an internal organizational impact questionnaire Step 3: The Sustainable Development Committee conducts climate risk/opportunity and operational impact analysis and determines material risk items Step 4: Adoption of implementation strategies and target setting	◆ Completion of autonomous GHG inventory in 2023 Third-party verification of GHG inventories expected to be passed in 2025

		Step 5: Annual rolling reviews of implementation strategy and target setting effects by the Sustainable Development Committee	
◆ The President serves as the committee chairman responsible for climate risk and opportunity governance. All first-level unit heads identify, assess, and manage relevant risks.	Please refer to climate-related impacts		2023 Scope 1 emissions: 153.3851 metric tons CO_2e; Scope 2 emissions: 2551.712 metric tons CO_2e
	Our discussions in Sustainable Development Committee meetings are based on the two-degree scenario (2DS). We further utilize the tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) as a key reference for assessments of physical climate-related risks. We ultimately decided to adopt 2DS / RCP2.6 as our climate-related risk scenario. Within this adopted scenario, we describe topics concerning climate-related risks and opportunities with a focus on physical risks and transition (policy and legal) risks.	Climate-related risks and opportunities have been incorporated into our unit operations pertaining to the risk management system	We have set 2024 as the base year for GHG inventories and will formulate relevant carbon reduction goals, strategies, and concrete action plans after carrying out a comprehensive inventory in 2025

All our business units participate in discussions to assess the operational impacts of identified climate-related itemsand the adoption of corresponding response measures:

Climate-related risks	Risk level	Time frame	Climate-related risks	Opportunity level	Time frame
Enhanced emissions-reporting obligations	Low	Long-term	Use of more efficient modes of transport	Low	
Changing customer behavior	Low		Use of more efficient production and distribution processes	Medium	Medium- and long-term
Uncertainty in market signals	High	Short-, medium-, and long-term	Use of recycling	Medium	
Increased cost of raw materials	Medium	Long-term	Move to more efficient buildings	Low	
Increased stakeholder concern or negative stakeholder feedback	Medium	Long-term	Reduced water usage and consumption	Low	
Increased severity of extreme weather events such as cyclones and floods	High	Short-, medium-, and long-term	Use of supportive policy incentives	Low	
Changes in precipitation patterns and extreme variability in weather patterns	High	Medium- and long-term	Market change opportunities	High	Short-term
Rising mean temperatures	Medium				

Note 1: Short-, medium-, and long-term is defined as 1-3, 3-5, and over 6 years, respectively

- **Responses to climate-related risks**

Major climate-related risks		Potential operational and financial impact	Future direction of our response strategies
Extreme weather-related disasters	Natural disasters such as torrential rains and flooding potentially arising from extreme weather patterns cause damage to equipment at our operating sites, injuries to our personnel, raw material shortages, and transport and supply chain disruptions	Increased operating costs Decreased revenues Increased employee safety risks	1. Adoption of business disruption and recovery plans 2. Stipulation of climate disaster prevention guidelines to heighten the climate disaster awareness and reinforce environmental health and safety concepts of our personnel to facilitate early adoption of preventive measures 3. Inventories of key raw material suppliers to ensure there are alternative suppliers for all materials and thereby mitigate risks
Uncertainty in market signals	Consumers exhibit a lower willingness to purchase non eco-friendly products and even may request stores and businesses to take proactive action in reponse to environmental issues, which results in R&D expenses and rising production costs	Increased production costs Increased R&D costs Reputational decline	Ongoing monitoring of market reactions and feedback to sustainability issues, discussion of the feasibility of carbon and plastic reduction in product and packaging design processes and marketing initiatives, and gradual progress toward product sustainability

➢ **Responses to climate-related opportunities**

Major climate-related opportunities		Challenges and opportunities	Direction of our response strategies
Increased market demand	Extreme weather patterns caused by global warming coupled with pollution emissions directly or indirectly result in a rising incidence of respiractory tract diseases, which in turn boosts the demand for corresponding pharamceuticals	Rising market share Sales volume growth Increased operating costs	Proactive development of diversified products to meet the requirements for indications, intelligent, optimized production lines, and enhanced production efficiency

4.1.2 GHG Management

We mostly consume purchased electricity and Diesel for our boilers. In recent years, we have implemented energy conservation measures and provided education on power-saving policies on an ongoing basis. Our power consumption has not increased significantly, remaining at roughly the same level over the past few years . We have set 2024 as the base year for our GHG inventories pursuant to the Sustainable Development Roadmap for TWSE/TPEx-listed Companies. The inventory report will be completed in 2025 and we will formulate carbon reduction goals and strategies based on the report data.

GHG emission amounts and emission intensity values in the most recent three years are shown in the table below

Scope	2021	2022	2023
Scope 1	58.37	148.17	153.39
Scope 2	2,431.85	2,406.86	2,551.71
Scope 1＆Scope 2 combined	2,490.22	2,555.03	2,705.10
Total revenue (in million)	500.107	767.722	950.526
GHG emission intensity	4.98	3.33	2.85

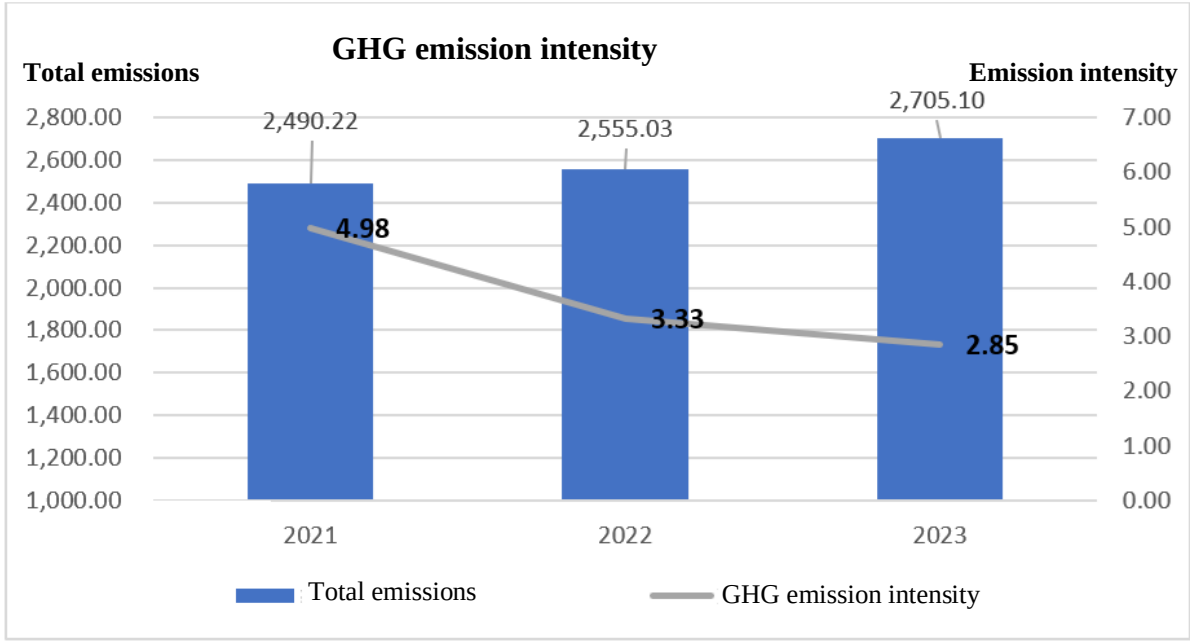
Emission equivalent (metric tons CO_2e/year)

Note:

1. Adoption of the operational control approach
2. Scope of Scope 1 and 2 statistics: power consumption (based on Taipower bills) and boiler Diesel consumption
3. For Scope 2 emission calculations, we have adopted the electricity emission factor released by the Energy Administration, Ministry of Economic Affairs

4. For Global Warming Potentials (GWP), we utilize the GWP values provided in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC 2013)
5. GHG emission factor: GHG Emission Factor Management Table Version 6.0.4 released by the Environmental Protection Administration, Executive Yuan
6. In 2023, the scope of disclosed data included the Hsinchu Plant and the Taipei Head Office

GHG emission intensity



Note: GHG emission intensity = Total emissions (in metric tons CO_2e)/Total revenue in the respective year (in million NTD)

GHG reduction

We constantly deliberate energy conservation program to mitigate environmental impacts caused by process energy consumption. In 2023, we have carried out heating coil and AHU (air handling unit) energy conservation projects with a total budget of around NT$ 3 million to realize the conversion of our electric heaters to available hot water for heating. In addition, obsolete, energy-intensive AC units are replaced with new energy-efficient units. These measures are expected to decrease carbon emission by a total of 54% from 190.93 metric tons CO_2e/year to 87.07 metric tons CO_2e/year.

Energy-consuming equipment improvements

Pre-improvement	**Fan**	**Humidifier**	**Heater**	**Total energy consumption**	**GHG factor**	**GHG emissions**	**Annual emission amount (metric tons)**
Raw material room AHU	15	0.09	16.5	31.59	0.494	15.61	190.93
Sample materials room AHU	5	0.03	7.5	12.53	0.494	6.19	
Post-improvement							
AHU total	20	0.12	0	20.12	0.494	9.94	87.07
					CO_2e reductions in metric tons	11.86	103.86

4.2 Energy Management

We make an all-out effort to implement energy conservation and carbon reduction policies and actions in our plant. In addition to the installation of energy-saving light tubes and motion-sensitive lighting in public areas, we adjust in-plant AC equipment to reduce energy consumption in accordance with the AC specifications and requirements laid out in PIC/S GMP. Furthermore, in-plant equipment is maintained on a regular basis and it is planned to gradually replace obsolete equipment to enhance the effectiveness of support system operations. Finally, we lease out a certain percentage of our rooftop areas for the installation of solar panels and supply of green power. The ultimate goal lies in the achievement of energy saving and carbon reduction targets through various energy conservation actions.

4.2.1 Energy Use

Our main energy sources are purchased electricity and Diesel. Our power consumption in 2023 amounted to 4,950,450 kWh, which represents a YoY increase of 457,485 kWh (total consumption in 2022 reached 4,492,560 kWh). The plant schedules production operations in line with the product demand planning of our marketing and sales units. Due to a substantial increase in market demand in 2023, the plant expanded its output and scheduled overtime work. Output in 2023 therefore rose by 33% compared to 2022. Energy use conversions are shown in the table below:

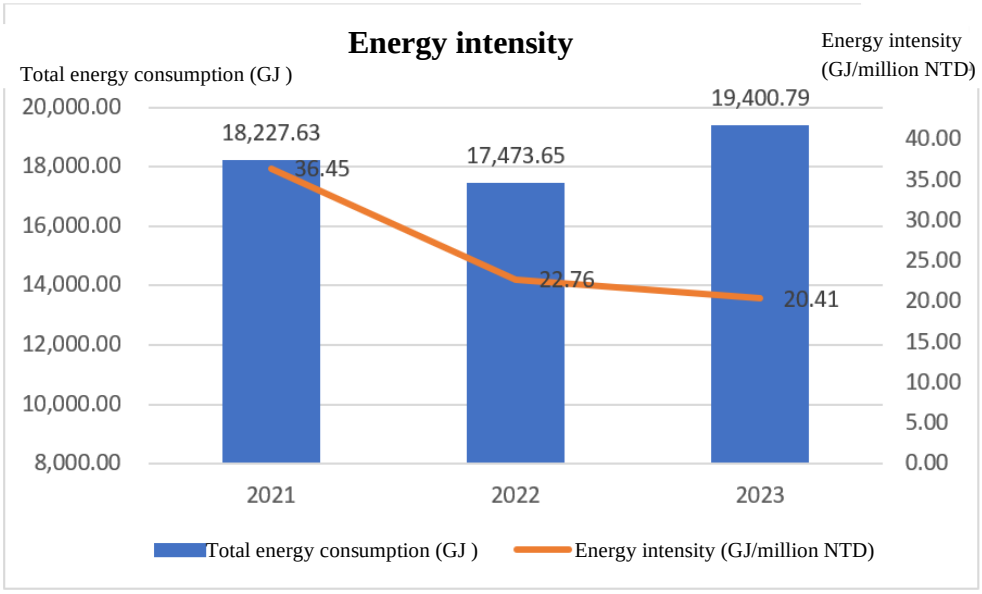
Energy use in recent years Unit: GJ

Item	2021	2022	2023
Total Diesel consumption (in liters)	22,400	31,000	37,000
Diesel (GJ)	787.79	1,090.24	1,301.26
Total power consumption (in kWh)	4,844,400	4,492,560	4,950,045
Purchased electricity (GJ)	17,439.84	16,173.22	17,820.16
Company vehicle Diesel consumption (in liters)	-	5976.50	7943.60
Company vehicle Diesel consumption (GJ)	-	210.19	279.37
Total energy consumption (GJ)	18,227.63	17,473.65	19,400.79
Energy intensity (GJ/ million dollar revenue)	36.45	22.76	20.41

Notes:

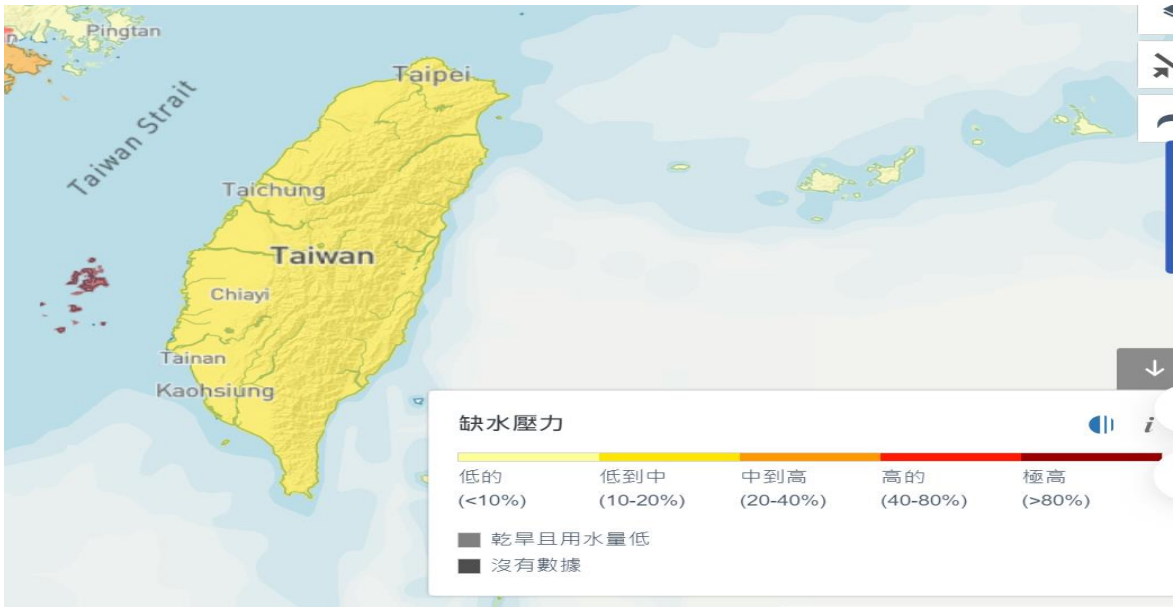
1. Calculations of the calorific values and liters of oil equivalents of all energy categories are based on the Heat Content of Energy Products Table released by the Energy Administration, Ministry of Economic Affairs. Source: official website of the Energy Administration at (http://www.moeaboe.gov.tw/)
2. In 2023, the scope of disclosed data included the Hsinchu Plant and the Taipei Head Office

Energy intensity



Note: Energy intensity = Total energy consumption (in GJ)/Total revenue in the respective year (in million NTD)

4.3 Water Resource Management



According to the Environmental Sustainability Index (ESI), Taiwan is the 18th most water-scarce country in the world. The results of a simulated scenario analysis conducted with the aid of the WRI (World Resources Institute) Aqueduct tool clearly

indicate that the region where CenterLab is located will face a water shortage risk of 10-20% in 2030. Despite the fact that there is no immediate significant risk of water shortages, we make regular public announcements reminding our employees to conserve water in line with the rising awareness of water conservation issues all over Taiwan.

We strictly abide by environmental laws and regulations and have acquired a water pollution control permit. Sampling inspections of waste water are carried out on a regular basis in conformity with waste water discharge standards. In addition, sewage treatment fees are paid on a monthly basis. Taiwan Water Corporation supplies all of the water consumed in our operations with Touqian River and Shihmen Reservoir as the sole water sources. We don't utilize well, ground, or rain water. Our annual water consumption rose by 9,117 compared to 2022 (total consumption reached 40,357 tons in 2022). This increase in water consumption can mainly be attributed to a significant output increase. Production line manufacturing processes account for a substantial share of our water intake. The remainder solely serves as domestic water for our employees (drinking water, scrubbing, cleaning of environments). Discharged domestic waste water and sewage are treated directly in sewers in a lawful manner. Finally, we actively advocate water conservation actions among all our staff members.

Water testing report

Unit: mg/L	Total suspended solids	Discharge standard	Biochemical oxygen demand	Discharge standard	Chemical oxygen demand	Discharge standard
2021	8.50	400	28	400	84	480
2022	4.20	400	75	400	255	480
2023	2.50	400	24	400	146	480

Note: Our process water which is tested by third-party bodies on a semi-annual basis conforms to relevant legal standards

Water discharge and consumption statistics

Unit: million liters	2021	2022	2023
Water intake	33.909	40.537	49.654
Water discharge	28.431	33.933	42.099
Water consumption	5.478	6.604	7.555

4.4 Pollution Control

Waste management measures

We place utmost emphasis on environmental sustainability and spare no effort in the field of environmental protection actions. Waste generated during our operations and production processes is treated properly pursuant to applicable laws. We fully comply with environmental laws and regulations and have acquired a water pollution control permit. Waste gases produced in our pharmaceutical manufacturing processes are discharged after adequate treatment through air pollution control equipment. We also submit reports and pay air pollution control fees on a regular basis. In line with PIC/S GMP standards and applicable legal regulations, pharmaceutical ingredient and chemical storage sites are clearly labeled, ranked, and controlled. Material Safety Data Sheets (MSDS) are available for checks by our employees to guarantee safe operations and use. On top of that, we persist in our efforts to implement various energy conservation measures and educate our employees on the sorting and recycling of domestic waste and different types of solid waste. We are actively committed to achieving waste reduction through collection, sorting, reduction, and recycling. Furthermore, general and industrial waste is removed, treated, and disposed of by qualified waste treatment businesses in accordance with Industrial Waste Disposal Plans. Finally, we have made a long-term commitment to cooperating with our raw material suppliers in the recycling and reuse of containers.

Waste discharge conditions

Unit: tons

Waste category	2021	2022	2023	Annual increase/decrease
General industrial waste	24.59	32.42	23.74	Annual decrease of 8.68
Hazardous industrial waste	5.33	4.58	5.80	Annual increase of 1.22
Subtotal	29.92	37	29.54	Annual decrease of 7.46
Reported quantity of recycled drug containers (unit: pcs)	3,433,655	7,433,533	8,265,563	Annual increase of 832,030

Note:

1. The scope of disclosed data is limited to the Hsinchu Plant

2. The significant increase in 2022 can mainly be explained by the reclassification of C-0199 and C-0399 as hazardous industrial waste

We hold an operating permit for stationary pollution sources issued by the Environmental Protection Bureau for our plant boiler processes. In addition, we regularly commission qualified businesses to conduct air pollutant testing. The test results for 2023 which conform to relevant environmental standards are shown in the table below:

Boiler testing	NOx	SOx
Most recent test	2023/10/6	2023/10/6
Tested value	32.8ppm	ND
Next test scheduled for	2028	2028

Scrubber testing	Total carbides, hydrides, and oxides (non-methane)	PM
Most recent test	2023/2/17	2023/2/17
Tested value	10ppm	ND
Next test scheduled for	2028	2028

5. Social Engagement & Industry-Academia Collaboration

5.1 Center Laboratories Bootcamp

In addition to the fulfillment of our corporate social responsibility, we attach utmost importance to talent cultivation in Taiwan. We therefore plan to launch a summer internship program titled “Center Laboratories Bootcamp” by harnessing our corporate resources. This proactive talent cultivation and development measure aims to create more opportunities and possibilities for the Taiwanese biotech industry and promising talent.

Three core principles of Center Laboratories Bootcamp (CLB)

Vision and expectations towards the talent training camp
This training camp aims to provide university and college students in Taiwan with ample opportunities to engage in internships in a quasi-industrial environment and rely on the contents of these internship programs to cultivate the combat power required by the biotech industry.

- Carefully selected, all-around courses of world-class quality

We offer basic courses in various dimensions of corporate operations including manufacturing, sales, research, development, and finance in addition to diversified general courses on “ outside the box perspectives of enterprises” and must-have job skills including presentation and project management abilities and corporate life cycle concepts to help students gain a rapid understanding of the enteprise and the industry.

- Sharing of career experiences by industry heavyweighhts

Industry heavyweights and luminaries including senior executives of the CenterLab Group and its over ten subsidiaries serve as instructors to personally share their career planning experiences and the secret to perpetuating passion.

- Diversified internship opportunities in company units

Highly popular internship opportunities at numerous CenterLab subsidiaries are made available to give students an opportunity to accumulate interdepartmental practical experiences and thereby hone their workplace competitiveness.

In addition, we assist local students in their transition to industry careers by offering internship quotas to schools located in the vicinity of our plant areas. We also conclude cooperation agreements to give students early access to industry internships.

Industry-academia collaboration	College/university	Department	Contract period	Quota	Actual number of interns
2023	Jen-Teh Junior College of Medicine, Nursing and Management	Department of Biotechnology and Pharmaceutical Management	2023/9/1-2024/6/30	2	1
2024	Yuanpei University of Medical Technology	Department of Biotechnology and Pharmaceutical Technology	2024/7/1-2025/5/31	2	2 (expected)
Total				4	3

Center Laboratories Bootcamp interview activity

Center Laboratories Bootcamp Final Presentation


Stop1
參訪晟德大藥廠
晟 德
晟德人才培訓營
CENTER LABORATORIES BOOTCAMP


Mycenax
Stop2
參訪永昕生物醫藥
晟德人才培訓營
CENTER LABORATORIES BOOTCAMP

5.2 Education on Drug Safety

Drug safety for seniors is an issue requiring special attention due to the fact that seniors suffering from several chronic diseases may require a multi-drug regimen. The added impact of gradual physical decline and diminishing immunity associated with advancing age tends to result in a significant decline in drug metabolism. Old age can also be characterized by a weakening memory and cognitive functions, which negatively affects the patients' ability to follow medication directions. Senior patients therefore tend to forget their medication or take drugs concurrently, which results in serious side effects.

As a drug manufacturer, we are deeply aware of the importance of drug safety for seniors. In recent years, we have therefore started to actively promote drug safety education for seniors with the goal of assisting seniors and their caregivers in the accurate use of drugs through the provision of pertinent information and knowledge. The goal lies in the joint creation of a safer medication environment. Due to the waning impact of the pandemic in 2023, we considerably increased the number of physical sessions to a total of 27.

2022	2023
8 sessions	27 sessions

5.3 Donations to Various Organizations

We make donations to sponsor social welfare and biotechnology and medical organizations and institutions such as Chang Bing Show Chwan Memorial Hospital, Taiwan Neurological Society, Movement Disorder Association, Changhua Christian Hospital, Da Chien General Hospital, Cheng Ching Foundation, Pingtung Christian Hospital, and Rong Sing Medical Foundation as deemed appropriate. The goal lies in the realization of the core CSR concept of "giving back to society in a spirit of gratitude" and thereby foster social prosperity. In 2023, donations totaled over NT$ 730,000.

Appendix 1 - GRI Content Index

★Material Topic

Statement of Use	Center Laboratories, Inc. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI Sector Standards not applicable

Topic	Disclosure	Description	Corresponding chapter	Page	Reason/explanation for omission
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational details	2.1 Organizational Profile		
	2-2	Entities included in the organization's sustainability reporting	About this Report		
	2-3	Reporting period, frequency and contact point	About this Report		
	2-4	Restatements of information	About this Report		
	2-5	External assurance	About this Report		
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Organizational Profile		
	2-7	Employees	3.1 Friendly Workplace		
	2-8	Workers who are not employees	3.1 Friendly Workplace		
Governance	2-9	Governance structure and composition	2.2 Board Governance		
	2-10	Nomination and selection of the highest governance body	2.2 Board Governance		

	2-11	Chair of the highest governance body	2.2 Board Governance		
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Board Governance		
	2-13	Delegation of responsibility for managing impacts	2.2 Board Governance		
	2-14	Role of the highest governance body in sustainability reporting	2.2 Board Governance		
	2-15	Conflicts of interest	2.2 Board Governance		
	2-16	Communication of critical concerns	2.2 Board Governance		
	2-17	Collective knowledge of the highest governance body	2.2 Board Governance		
	2-18	Evaluation of the performance of the highest governance body	2.2 Board Governance		
	2-19	Remuneration policies	2.2 Board Governance		
	2-20	Process to determine remuneration	2.2 Board Governance		
	2-21	Annual total compensation ratio	--	--	This information is confidential and cannot be publicly disclosed
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	Message from the Chairperson		
	2-23	Policy commitments	3.4 Diversity & Inclusion		
	2-24	Embedding policy commitments	3.4 Diversity & Inclusion		
	2-25	Processes to remediate negative impacts	3.4 Diversity & Inclusion		
	2-26	Mechanisms for seeking advice and raising concerns	3.4 Diversity & Inclusion		

	2-27	Compliance with laws and regulations	2.3 Integrity First		
	2-28	Membership associations	2.1.3 Participation in External Organizations		
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.1 Identification of Stakeholders and Communication Channels		
	2-30	Collective bargaining agreements	3.4.1 Communication Channels		
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine material topics	1.2 Management of Material Topics		
	3-2	List of material topics	1.2 Management of Material Topics		
Economic Aspects					
★Economic Performance (Operating Performanc)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.1.4 Operating Performanc		
	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Risk Management		
	201-3	Defined benefit plan obligations and other retirement plans	3.1.2 Employee Benefits		
Anti-corruption					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
	205-1	Operations assessed for risks	2.3 Integrity First		

		related to corruption			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2.3 Integrity First		
	205-3	Confirmed incidents of corruption and actions taken	2.3 Integrity First		
Environmental Aspects					
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Energy Management		
	302-3	Energy intensity	4.2 Energy Management		
Water and Effluents					
GRI 303: Water and Effluents 2018 - Management Approach	303-1	Interactions with water as a shared resource	4.3 Water Resource Management		
	303-2	Management of water discharge related impacts	4.3 Water Resource Management		
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	4.3 Water Resource Management		
	303-4	Water discharge	4.3 Water Resource Management		
	303-5	Water consumption	4.3 Water Resource Management		
Emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Energy Management		
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Energy Management		
	305-4	GHG emissions intensity	4.2 Energy Management		
	305-5	Reduction of GHG emissions	4.2 Energy Management		

	305-6	Emissions of ozone-depleting substances (ODS)	-		NA/such emissions do not exist
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-		NA/such emissions do not exist
★Waste (Pollution and emission management)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 306: Waste 2020 - Management Approach	306-1	Waste generation and significant waste-related impacts	4.4 Pollution Control		
	306-2	Management of significant waste related impacts	4.4 Pollution Control		
GRI 306: Waste 2020	306-3	Waste generated	4.4 Pollution Control		
	306-4	Waste diverted from disposal	4.4 Pollution Control		
	306-5	Waste directed to disposal	4.4 Pollution Control		
★Supplier Environmental Assessment (Supplier Management)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.6 Sustainable Supply Chain		
	308-2	Negative environmental impacts in the supply chain and actions taken	2.6 Sustainable Supply Chain		
Social Aspects					
★Employment (Employee Benefits)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
	401-1	New employee hires and employee turnover	3.1.1 Staff Structure		

GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1.2 Employee Benefits		
	401-3	Parental leave	3.1.2 Employee Benefits		
★Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 403: Occupational Health and Safety 2018-Management Approach	403-1	Occupational health and safety management system	3.2 Workplace Safety		
	~~403-2~~	~~Hazard identification, risk assessment, and incident investigation~~	~~3.2 Workplace Safety~~		
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.4.1 Communication Channels		
	403-5	Worker training on occupational health and safety	3.2 Workplace Safety		
	403-6	Promotion of worker health	3.2 Workplace Safety		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2 Workplace Safety		
	403-9	Work-related injuries	3.2 Workplace Safety		
Training and Education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3.3 Talent Development		
	404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Talent Development		
	404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Talent Development		
★ Diversity and Equal Opportunity (Employee rights and interests)					

GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.2 Board Governance 3.1.1 Staff Structure		
★ Non-discrimination (Employee rights and interests)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	3.4.2 Grievance Channels		
★ Supplier Social Assessment (Supply Chain Management)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.6 Sustainable Supply Chain		
	414-2	Negative social impacts in the supply chain and actions taken	2.6 Sustainable Supply Chain		
★Customer Health and Safety (Drug safety)					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.7 Product Liability		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.7 Product Liability		
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5 Information Security		
Self-defined Topics					

★Legal Compliance					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.2 Management of Material Topics		
Self-defined Topics	2-27	No record of major violations	2.3 Integrity First		

Appendix 2

Sustainability Accounting Standards Board (SASB) Index (Biotechnology & Pharmaceuticals)

Topic	Code	Accounting Metric	Disclosure	Corresponding chapter in the ESG report	Corresponding pages in the ESG report	Metric type	Unit
Safety of Clinical Trial Participants	HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	No record available	--		Qualitative/ descriptive	n/a
	HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Volun tary Action Indicated (VAI) and (2)Official Action Indicated (OAI)	No record available	--		Quantitative	Number
	HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	No record available	--		Quantitative	Presentation currency
Access to Medicines	HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	No record available	--		Qualitative/ descriptive	n/a
	HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	No record available	--		Qualitative/ descriptive	n/a

Affordability and Pricing	HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Adjustments in certain items, maintenance of price parity	--		Quantitative	Percentage (%)
	HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Adjustments in certain items, maintenance of price parity	--		Quantitative	Percentage (%)
Drug Safety	HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	No record available	--		Qualitative/ descriptive	n/a
	HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	No record available	--		Quantitative	Number
	HC-BP-250a.3	Number of recalls issued, total units recalled	1 recall occured in 2023; product name: SULFACOTRIM; a total of 186 were recalled from dealers/distributors for simultaneous editing due to revision of package insert warnings by the original manufacturer	--		Quantitative	Number
	HC-BP-250a.4	Total amount of product accepted for take-back, reuse, or disposal	No take-back and reuse Waste treatment: reported quantity of recycled drug	--		Quantitative	Metric tonnes (t)

			containers= 8,265,563 pcs				
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	No record available	--		Quantitative	Number
Counterfeit Drugs	HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Designated anti-counterfeit label for drug products	--		Qualitative/ descriptive	n/a
	HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	No record available	--		Qualitative/ descriptive	n/a
	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counter feit products	No record available	--		Quantitative	Number
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	No record available	--		Quantitative	Presentation currency
	HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	No record available	--		Qualitative/ descriptive	n/a
Employee Recruitment, Developing & Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	In addition to the pursuit of business growth and sustainable development, we are deeply committed to	3.1.2 Employee Benefits		Qualitative/ descriptive	n/a

			providing our employees with a blissful, friendly, and inclusive work environment and caring for their mental and physical well-being and quality of life. We place utmost emphasis on the goals of work-life balance and all-round development of our employees.				
	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	There was one involuntary resignation in 2023, accounting for 0.56% of the total workforce. All other departing employees resigned voluntarily due to career development considerations	--		Quantitative	Percentage (%)
Supply Chain Management	HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I sup pliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	No record available	--		Quantitative	Percentage (%)

Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	No record available	--		Quantitative	Presentation currency
	HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	No record available	--		Qualitative/ descriptive	n/a

SASB Activity Metrics
(Biotechnology & Pharmaceuticals)

Topic	Code	Accounting metric	Disclosure	Corresponding chapter in the ESG report	Corresponding pages in the ESG report	Metric type	Unit
Activity Metrics	HC-BP-000.A	Number of patients treated	Our customers are mostly hospitals, clinics, and pharmacies, numerous prescription medications, statistical analysis impossible	--		Quantitative	Number
	HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	1) Number of drugs in portfolio CNS:6 indications, 15 items NCNS: 8 indications, 35 items For more details, please refer to the product informaiton on our corporate website 2) Number of drugs in research and	--		Quantitative	Number

			development Phase 1 Pre-development assessment *2 Phase 2 In development *4 Phase 3 Submitted for review and license acquisition *1				

Appendix 3

Climate-Related Information of TWSE/TPEx Listed Company

1 Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Item	Corresponding chapter
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Climate Risk Management
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.1 Climate Risk Management
3. Describe the financial impact of extreme weather events and transformative actions.	4.1 Climate Risk Management
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Climate Risk Management
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	4.1 Climate Risk Management
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and	4.1 Climate Risk Management

targets used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not been implemented yet
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	4.1 Climate Risk Management
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	4.1 Climate Risk Management

Basic information of the company	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies:
□ Capital of NT$10 billion or more, iron and steel industry, or cement industry	□ Inventory for parent company only □ Inventory for all consolidated entities
■ Capital of NT$5 billion or more but less than NT$10 billion	□ Assurance for parent company only

	□ Assurance for all consolidated entities
□ Capital of less than NT$5 billion	

(1-1) Greenhouse Gas Inventory and Assurance Status for the past 2 years

Year 2022

Scope 1	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)	Assurance body / standard	Description of assurance status
Parent company	148.17	0.0002	Projected implementation in 2027	Projected disclosure in 2027
Scope 2	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)		
Parent company	2,406.86	0.0031		
Scope 3	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)		
Parent company	No statistics available			

Year 2023

Scope 1	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)	Assurance body	Description of assurance status (Scope)
Parent company	153.39	0.0002		

Scope 2	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)	Projected implementation in 2027	Projected disclosure in 2027
Parent company	2,551.71	0.0027		
Scope 3	Total Emission (Metric tons CO2e)	Intensity (Metric tons CO2e/million)		
Parent company	No statistics available			

(1-2) GHG reduction goals, strategies, and action plans

We have set 2024 as the base year for GHG inventories and will formulate relevant carbon reduction goals, strategies, and concrete action plans after carrying out a comprehensive inventory in 2025

Appendix 4

Third-Party Assurance Statements

格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Independent Assurance Statement Based on 2023 Sustainability Report of Center Laboratories, Inc.

Statement No.: 2405011

Center Laboratories, Inc. (hereinafter referred to as Center Laboratories) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2023 sustainability report, GREAT has no financial relationship with Center Laboratories.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant Center Laboratories 's Sustainability Report, and not for other purposes. Except for the independent assurance statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent assurance statement.

This independent assurance statement is based on the conclusions made by the relevant information verification provided by Center Laboratories to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this independent assurance statement or related matters will be answered by Center Laboratories.

The Scope of Assurance

The verification scope of Center Laboratories and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of Center Laboratories from January 1, 2023 to December 31, 2023;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of Center Laboratories 's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report.
- This Statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of Center Laboratories 's sustainability report, and provide a fair standpoint of Center Laboratories 's related operations and performance. We believe that the specific performance indicators of Center Laboratories in 2023, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate Center Laboratories 's expectations and efforts to identify and satisfy stakeholders.
Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by Center Laboratories is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to Center Laboratories 's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of Center Laboratories about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of Center Laboratories on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).
-

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**
  Center Laboratories has established a process of cooperation with major stakeholders, Including shareholders (investors), employees, customers, suppliers, competent authorities, etc., and will launch a series of stakeholder activities in 2023, involving economy, society, environment, corporate governance and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of Center Laboratories.
- **Materiality**
  The report has stated that Center Laboratories focuses on the topics, and identified 9 major topics Including drug safety, regulations compliance, operating performance, integrity management, supplier management, occupational safety and health, pollution emission management, employee rights and salary and benefits, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of Center Laboratories.
- **Responsiveness**
  Center Laboratories responds to requests and opinions from stakeholders. Implementation methods include holding labor-management meetings, setting up workplace sexual harassment complaint/report and appeal channels, handling new employee adaptation plans on a quarterly basis, supplier evaluation/questionnaire, and establishing functional committees, those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders and to promptly respond to stakeholders' concerns. In terms of our professional opinion, this report covers the responsiveness issues of Center Laboratories.

-Impact

Center Laboratories has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. Center Laboratories has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of Center Laboratories.

-GRI Guidelines

Center Laboratories provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers Center Laboratories 's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of Center Laboratories. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team JUN. 11th, 2024

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chen

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