CCSB

2024 SUSTAINABILITY REPORT

Chunghwa Chemical Synthesis & Biotech Co., Ltd.

INDEX

Message From the Chairman

"CCSB's Commitment to Sustainability: From One Person to Many, Creating a Future of Health and Boundless Hope"

Since its establishment in 1964, CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD. (hereinafter referred to as "CCSB") has upheld the corporate culture values of "Integrity, Unselfishness, Friendship and Mutual Aid" dedicating itself to the research, development, and manufacturing of active pharmaceutical ingredients (APIs). Guided by the philosophy of "From One Person to Many," CCSB actively promotes corporate social responsibility (CSR) and sustainable development. Over the years, the CCSB has not only achieved outstanding results in technological innovation and quality enhancement but has also demonstrated a strong sense of responsibility and decisive action in corporate governance, environmental protection, employee care, and social engagement.

Corporate Governance and Sustainability Strategy

In corporate governance, CCSB has proactively established a robust governance framework that comprises the Board of Directors, functional committees, and corporate governance officers. We have implemented a self-assessment system for the Board to enhance its effectiveness and transparency of information. Furthermore, our efforts in ethical business conduct and the protection of stakeholder rights have been widely recognized.

In 2024, CCSB conducted material sustainability topic identification, adding "Waste Management" to the 12 existing topics identified in 2023, thereby expanding the total to 13 topics across the environmental, social, and governance (ESG) dimensions. Through its sustainability report, the Company comprehensively reviews established sustainability goals and execution performance, strengthens its organizational resilience, and progressively advances ESG-related initiatives, laying a solid foundation for sustainable operations. This report serves not only as an internal management tool but also as a key communication bridge with all stakeholders, fully demonstrating CCSB's steadfast commitment to sustainable development.

Environmental Sustainability and Energy Conservation & Carbon Reduction

Environmental sustainability has always been one of CCSB's core missions. We actively implement measures for energy conservation, carbon reduction, pollution prevention, and resource recycling. From replacing heavy-oil boilers with natural gas systems to launching a vacuum pump water recycling project and conducting greenhouse gas (GHG) inventories, CCSB takes concrete actions to address global climate change challenges.

In 2024

- The Company's total environmental protection expenditure reached NT$40.66 million.
- Electricity savings totaled 231,167 kWh, equivalent to a reduction of 109.573 tCO_2e in GHG emissions.
- The reuse rate of industrial waste reached 22.84%.
- The vacuum pump water recycling project is expected to save 42,000 metric tons of water annually.

To assess the overall GHG emissions status and formulate effective reduction strategies, CCSB completed a GHG inventory and third-party verification in 2023 in accordance with the ISO 14064-1:2018 standard. In 2024, the scope of the inventory was expanded to include subsidiaries under the consolidated financial statements, further strengthening environmental management.

These achievements underscore CCSB's commitment and responsibility to the planet.

Employee Care and Workplace Safety

Employees are CCSB's most valuable asset. We provide fair recruitment practices, performance management, and diverse training programs to create an inclusive, safe, and growth-oriented work environment. An employee stock ownership trust (ESOP) program has been established to encourage employees to become long-term shareholders and to share in the Company's success. In terms of workplace safety and health protection, CCSB regularly conducts emergency response drills and engages professional physicians for on-site services to safeguard employee health and ensure operational stability.

Social Engagement and Community Care

In social engagement, CCSB adheres to the philosophy of "what is taken from society is given back to society," actively participating in local community activities, donating epidemic prevention supplies, and promoting social care initiatives. Under the banner of "Embrace Life," we focus on supporting the elderly living alone, families with skipped-generation caregiving burdens, and disadvantaged groups in remote areas.

Product R&D and Global Competitiveness

In terms of products and technology, CCSB continues to advance research and development, ensuring that its products meet international standards such as those of the U.S. FDA, the European Union, and Japan. This underscores the Company's competitiveness in the global API market. CCSB has not only passed multiple official plant inspection certifications but has also showcased innovative technologies at international exhibitions, expanding its brand influence and moving towards becoming "one of the most trusted API suppliers worldwide."

Conclusions and Future Outlook

Looking back, CCSB has leveraged its CSR Report to annually review and enhance its sustainability performance, demonstrating a strong and ongoing commitment to corporate governance, environmental protection, employee care, and social engagement. Looking ahead, CCSB will continue to implement ESG integration strategies with integrity and pragmatism, coexisting harmoniously with the global environment and ecology while striving to be a model corporate citizen of the global village. In doing so, it aims to help create a better living environment for future generations.

Chairman

Chapter 1

About the Report

1.1 Report Overview

About the Report

The Report, the 12th ESG Report of Chunghwa Chemical Synthesis & Biotech Co., Ltd. (stock code 1762; hereinafter referred to as “CCSB,” “the Company,” “We”), has been prepared in accordance with the GRI Sustainability Reporting Guidelines 2021 released by the Global Reporting Initiative (GRI), and the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” of Taiwan Stock Exchange. In light of the increasing responsibility and mission with respect to sustainability of shareholders, employees, and relevant stakeholders, CCSB upholds the principle of honesty, transparency, openness and sustainable progress, and explains to our stakeholders its 2024 economic, environmental and social performances in the Report.

The Report covers company overview and detailed disclosure of our efforts in terms of corporate governance, climate action, environmental sustainability, product responsibility, employee care and public welfare in order to fulfill our commitment to implementing sustainable development.

For information on financial analysis and operation overview, please refer to the 2024 annual report. All financial information is based on the financial report attested by the CPA. For relevant information, please visit the “Investors” section on CCSB’s website.

Reporting Period

This report discloses economic, environmental, and social performance data for 2024 (January 1 to December 31, 2024). For the integrity and comparability of information, some performance data are traced back to December 31, 2022 and earlier periods.

Scope and Boundaries of the Report

The boundary of the Report is Chunghwa Chemical Synthesis & Biotech Co., Ltd., with the scope of disclosure accounting for 98.35% of the consolidated net income of CCSB. Unless otherwise indicated, disclosures in the Report are parent company only information.

Preparation Principle

The Report has been prepared with reference to the GRI Sustainability Reporting Guidelines 2021 released by the Global Reporting Initiative (GRI) and the industry standards of the Sustainability Accounting Standards Board (SASB), disclosing the operations strategy, investment and performance of CCSB in sustainable development to stakeholders.

Information Calculation Basis

The information and statistics in the Report are from the results of surveys and compilations. Some financial figures in Business Performance are based on the financial statements attested by the CPA. All financial figures in the report are expressed in New Taiwan dollars. The collection, measurement and calculation of data and information are mainly based on compliance with international or local regulatory requirements. Unless otherwise specified by law, international standards shall prevail; if no international standards are applicable, industrial standards or industrial practices shall be referred to.

Report Management

The head of each unit reviews and confirms the accuracy of the content and information in each chapter and the chairperson of the Sustainable Development Committee before submitting to the Board of Directors for approval and publication.

Information Released	Standards Followed	Verification/Assurance Organization
Financial data	Annual financial report	PricewaterhouseCoopers, Taiwan (PwC Taiwan)
Sustainability data	Independent limited assurance was conducted on selected information in accordance with the TWSAE3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information."	PricewaterhouseCoopers, Taiwan (PwC Taiwan)

Issuance

An ESG report is released annually. With the paperless operations adopted to protect the environment, the whole report is presented in an electronic manner and available on CCSB's website for all stakeholders.

The Report was released in August 2025

Next report is scheduled to be released in August 2026

Contact for the Report

Please contact us via the following means if you have any questions regarding the Report.

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1.2 Analysis of Material Issues

Identification Process of Material Topics

CCSB follows the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, the 2021 edition of the Chinese version of the Guidelines for Sustainability Reporting, corporate sustainability trends, and important domestic and international regulatory developments, in collecting domestic and international issues of concern to the industry. After identifying common topics through an intersection method, we then incorporate the firm business philosophy of CCSB to systematically identify major stakeholders and major sustainability topics, and use them as the basis for preparing the Sustainability Report and responding to stakeholders' responsibilities.

First, CCSB completed the identification of major stakeholders and invited them to conduct questionnaire surveys. Then, the internal ESG Group assessed the degree of impact and likelihood of occurrence of the topics based on the results of the survey for 2024. Based on the AA1000 SES (Stakeholder Engagement Standard), we precisely grasped the material environmental, social and corporate governance issues of concern to stakeholders. We also developed corresponding management policies and actions to respond to the demands and expectations of stakeholders.

Identifying stakeholders
7 major stakeholders

Ensuring material topics
13 material topics

Collection of sustainable issues
17 topics

Responding to sustainability topics
13 management policies

Surveying and Analyzing the Degree of Concern and Impact of Material Sustainability Topics
111 online questionnaires

Continuous review
12 ESG Report Released

Step 1 Identification of Stakeholders

We followed the five major aspects of the AA1000 SES namely dependency, responsibility, level of concern, influence, and diverse perspectives and sent out stakeholder identification questionnaires to the colleagues of the task forces. According to the importance, seven types of stakeholder groups were categorized: investors, employees, suppliers, customers, government agencies, banks, and neighboring communities and social welfare organizations.

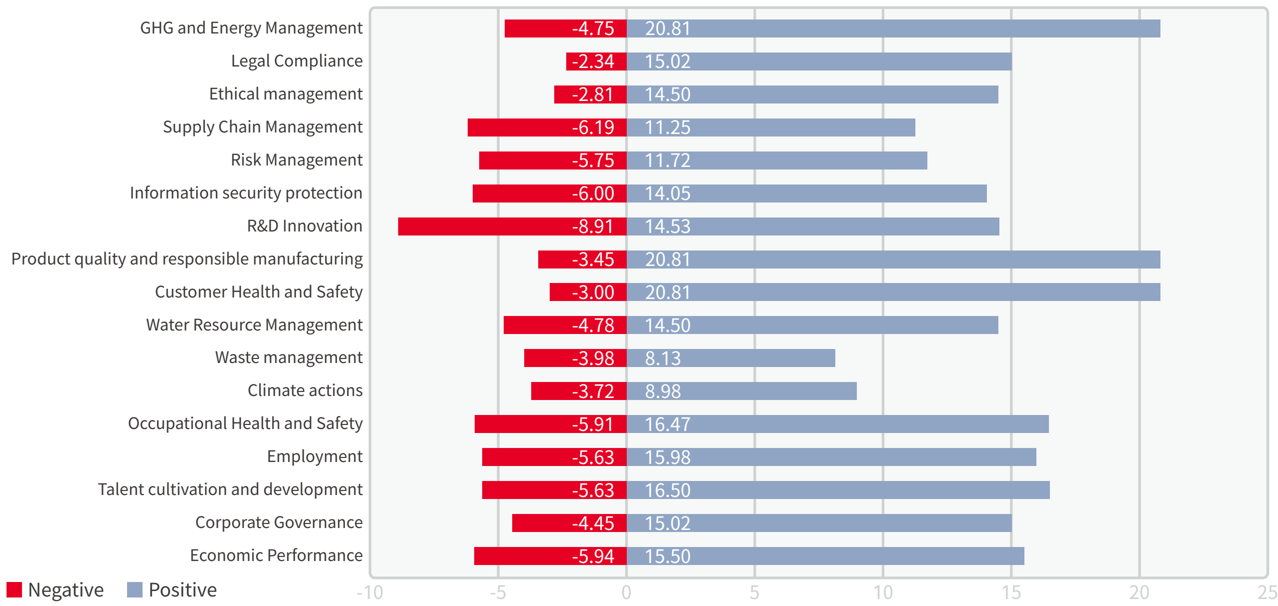
Step 2 Collection of Sustainability Topics

In order to practice sustainability and respond to international development trends, the Company referred to the GRI Standards and the corporate culture and management philosophy of CCSB to identify topics of concern to companies in the same industry, and a total of 17 sustainability issues were identified.

Aspects	Sustainability Issues			
Governance/ Economy	▪ Economic Performance	▪ Corporate Governance	▪ Ethical management	▪ Legal Compliance
	▪ Supply Chain Management	▪ Risk Management		
Environment	▪ Climate actions	▪ GHG and Energy Management	▪ Water Resource Management	▪ Waste management
	▪ Customer Health and Safety	▪ Product quality and responsible manufacturing	▪ R&D Innovation	▪ Information security protection
Society/ Employee	▪ Employment	▪ Talent cultivation and development	▪ Occupational Health and Hygiene	

Step 3 Surveying and Analyzing the Degree of Concern and Impact of Material Sustainability Topics

Among the seven types of stakeholders, CCSB selected representative stakeholders and conducted the questionnaire of “Identifying the Level of Concern and Impact on the 17 Sustainability Topics.” In 2024, a total of 120 online questionnaires were sent, and 111 (including 8 internal stakeholder questionnaires) were recovered, with a recovery rate of 93%. Impacts are measured by the probability of positive or negative occurrence and the scale of impact.



Step 4 Determining Material Topics

The working group compiles the quantitative results of the impact assessment and discusses and makes adjustments through the internal ESG Group meeting. Considering the overall sustainable development promotion strategy, topics that have a significant positive and negative impact on the economy, environment, society, and CCSB are defined as material topics. In the future, the performance results and effectiveness will be examined each year to evaluate the management objectives and indicators of each material topic. The following are the material topics selected by CCSB in 2024:

Aspects	Material Topics		
Governance/ Economy	▪ Legal Compliance	▪ Economic Performance	▪ Ethical management
	▪ Corporate Governance		
Environment	▪ GHG and Energy Management	▪ Water Resource Management	▪ Waste management
	▪ Customer Health and Safety	▪ R&D Innovation	▪ Product quality and responsible manufacturing
Society/ Employee	▪ Employment	▪ Talent cultivation and development	▪ Occupational Health and Hygiene

Step 5 Responding to Sustainability Topics

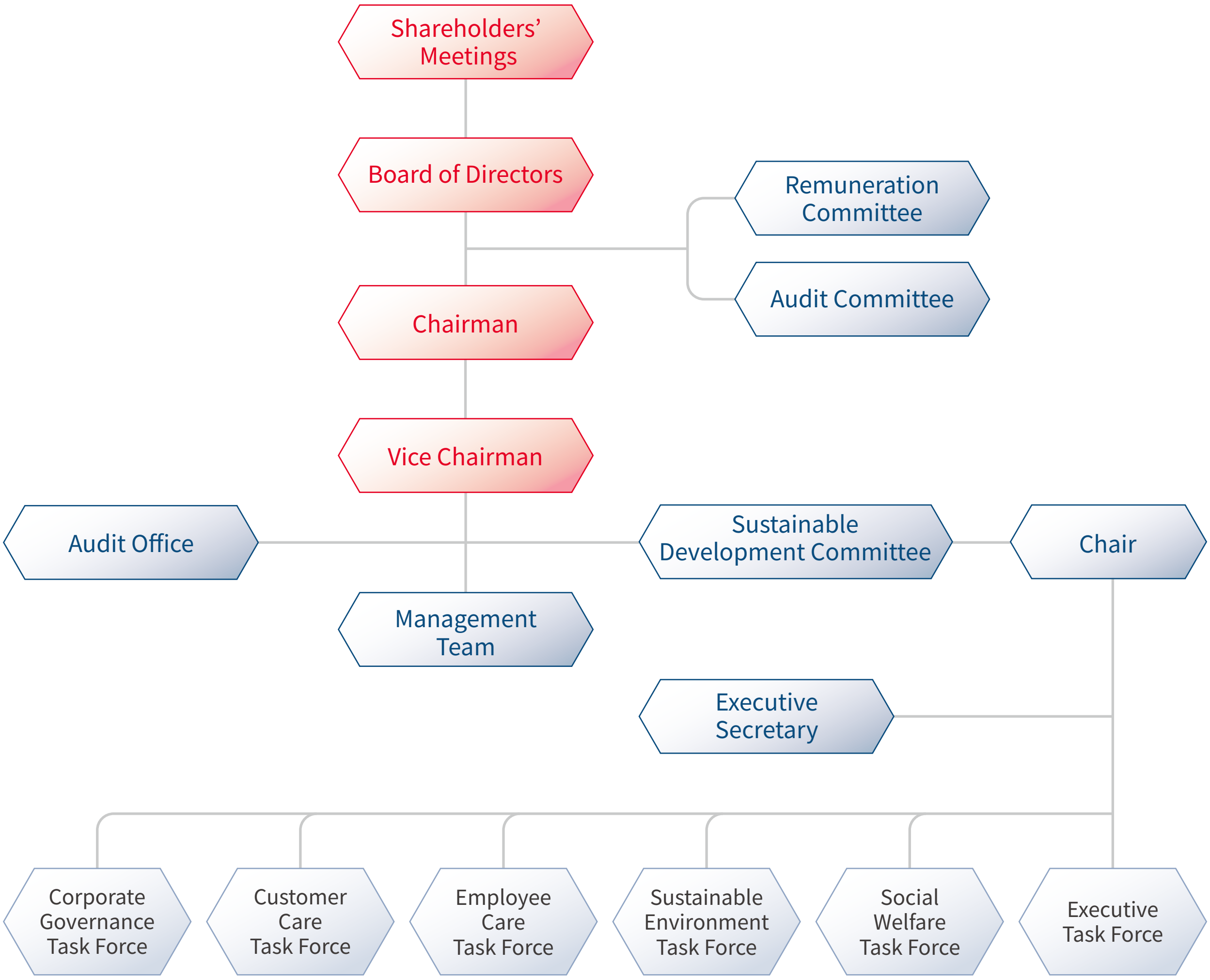
Pursuant to the definition of GRI 2021, CCSB analyzed the 13 sustainability topics from the perspective of positive and negative impacts, taking into account external economy, environment, society, and CCSB's internal suggestions. The potential impacts we face under the approach to each material topic and our response strategies are explained below.

Aspects	2023 Material Topics	Corresponding GRI Standard	Materiality to the Company and Countermeasures	Economic, Environmental and Social Impact Boundaries		Corresponding Chapter
				Within the Organization	Outside the Organization	
Governance/ Economy	Economic Performance	GRI 201-1 GRI 201-4	The Company's financial information on revenues, expenses and profits, including measures to manage the risks and opportunities arising from climate change.	CCSB	Investors, banks	2.2 Economic Performance
	Corporate Governance	GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-15 GRI 2-16 GRI 2-17 GRI 2-18 GRI 2-19 GRI 2-20 GRI 2-21	Information transparency of the Company's internal governance, composition and operation of the Board of Directors, operation of the functional committee, and corporate governance.	CCSB	Investors, government agencies, banks	3.1 Corporate Governance
	Ethical management	GRI 205-1 GRI 205-2 GRI 205-3 GRI 206-1	The Company's compliance with the Ethical Corporate Management Best Practice Principles, Code of Conduct, assessments of corruption risks, including communication training on anti-corruption policies and procedures.	CCSB	Investors, employees, supplier, customers, government agencies	3.2 Ethical Corporate Management
	Legal Compliance	GRI 2-27	The laws and regulations for the Company's violations of social and economic areas cover significant fines and non-monetary sanctions for violating laws and regulations in social and economic areas and significant fines and non-monetary sanctions.	CCSB	Investors, employees, customers, government agencies, banks	3.3 Legal Compliance
Environment	GHG and Energy Management	GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4	GHG management covers inventories and reduction of the organization; energy management covers internal/ external energy consumption, energy intensity, energy-saving measures and the use of renewable of the organization. Effective management of GHG and energy by the Company can mitigate the impact of climate change. Given this, the Company's focus for issues is the decrease of GHG, inventory and reduction, energy consumption and reduction of energy demand for products and services, and management measures.	CCSB	Employees, suppliers, customers, government Agencies, nearby communities and social welfare groups	5.2 GHG and Energy Management
	Water Resource Management	GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-4 GRI 303-5	CCSB's annual water resource usage data and management measures include water-saving plans, water intake sources, discharge locations, and wastewater quality inspections. The Company's effective management of water consumption and its wastewater treatment measures can reduce the impact on the local water ecosystem.	CCSB	Government Agencies, nearby communities and social welfare groups	5.3 Water Resource Management

Aspects	2023 Material Topics	Corresponding GRI Standard	Materiality to the Company and Countermeasures	Economic, Environmental and Social Impact Boundaries		Corresponding Chapter
				Within the Organization	Outside the Organization	
Environment	Waste management	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Waste management is critical to the Company's sustainable development, enhancing economic benefits and fostering a positive social image, ultimately creating a win-win situation for both environmental protection and corporate growth. CCSB ensures that the generation, processing, storage, transportation, and disposal of all industrial waste comply with local laws and regulations. At the same time, the Company is doing its utmost to reduce waste generation and promote waste reduction, recycling, and reuse to maximize resource circulation.	CCSB	Customer, Government Agencies	5.4 Waste Management
Environment	Customer Health and Safety	GRI 416-1 GRI 416-2	The Company assessed the impact of its products and services on customer health and safety; whether there were non-compliance incidents concerning the health and safety of products and services	CCSB	Customer, Government Agencies	6.1 Customer Health Safety
Environment	Product quality and responsible manufacturing	Self-established Topics	The Company's top criterion is "pursuit of excellent quality." As pharmaceutical products are directly related to the health and safety of users, they are subject to strict reviews and supervision by health authorities of all governments worldwide. Pharmaceutical products can only be sold in the market and continuously supplied to after they have been verified and certified.	CCSB	Customer, Government Agencies	6.2 Product Quality and Responsible Manufacturing
Environment	R&D Innovation	Self-established Topics	CCSB believes that R&D and innovation capability is one of the keys to its sustainability. CCSB accumulates capital for sustainable operations through the continuous promotion and listing of new products and exploring new markets.	CCSB	Investors, banks, government agencies	6.4 R&D Innovation
Society/Employee	Employment	GRI 2-7 GRI 2-8 GRI 2-30 GRI 401-1 GRI 401-2 GRI 401-3 GRI 201-3	The Company discloses employee ratio and benefits, including ratio of new and departed employees, employee benefit policy, parental leave policy, and payroll benefits.	CCSB	Employee, Government Agencies	7.1 Employment
Society/Employee	Talent cultivation and development	GRI 404-1 GRI 404-2 GRI 404-3	At CCSB, we have programs to help with the employee's career development. These include programs for education and training courses, average number of training hours received by employees each year and enhancing employee function, and transition assistance programs. Information on the ratio of the periodic receipt of performance and career development reviews is also available.	CCSB	Employees	7.2 Talent Cultivation and Development
Society/Employee	Occupational Health and Hygiene	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10	The Company's internal and contractors' occupational safety management policies, as well as the operation of the Safety and Health Committee jointly assembled by labor and management, such as statistics on the rate of work-related injuries, occupational diseases and occupational injuries, disaster prevention advocacy and management measures for employee health.	CCSB	Employees, nearby communities and social welfare groups	7.3 Occupational Health and Hygiene

1.3 Stakeholder engagement

Sustainable Development Committee



In order to promote sustainable development more systematically and efficiently, CCSB established the "CSR Committee" in 2014, which has been further renamed "Sustainable Development Committee" in December 2021 to conform with the amended laws and regulations. The committee serves as the top sustainable development decision-making center in the Company, implementing the matters related to sustainable development and fully disclosing the Company's major considerations, management approach, performance indicators and measurement methods of the indicators in the "economic," "social" and "environmental" aspects. The Sustainable Development Committee is composed of members from the General Manager's Office, Finance and Accounting Department, Human Resources Department, Management Department, Sales Department, Procurement Department, Quality Assurance Department, Manufacturing Department, and Safety and Health Department. We review the compliance and implementation effectiveness of sustainability laws and regulations from other aspects, and report the implementation progress of sustainable development and future work plans to the Board of Directors twice a year. The report content includes sustainable development issues and strategies at all levels, action plans, and implementation effectiveness. The Board of Directors listens to the report, evaluates the progress and implementation of strategies, makes recommendations, and urges the management team to make strategic adjustments if necessary. An ESG report is continuously issued through discussions with stakeholders such as investors, employees, suppliers, customers, governmental agencies, banks, and neighboring communities and social welfare organizations.

Stakeholder	Issue of Concern	Communication Channel/ Format	Communication Frequency	Responding Chapters
Investors	▪ Employment ▪ Corporate Governance ▪ Customer Health and Safety	▪ Annual Shareholders' Meeting ▪ Company Website and Market Observation Post System ▪ Investor Hotline ▪ Investor conference and meeting	▪ Once a Year ▪ Unscheduled, at any time ▪ Unscheduled, at any time ▪ Twice a Year	Chapter 2 Corporate Overview 3.1 Corporate Governance 6.1 Customer Health Safety 7.1 Employment
Employees	▪ Customer Health and Safety ▪ Occupational Health and Hygiene ▪ Employment	▪ Labor Conference ▪ Employee Welfare Committee ▪ President Mailbox ▪ Company Bulletin Board ▪ Company Website	▪ Four Times a Year ▪ At Least Once a Quarter ▪ Unscheduled ▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 6.1 Customer Health Safety 7.1 Employment 7.3 Occupational Health and Hygiene
Suppliers	▪ Occupational Health and Hygiene ▪ Employment ▪ Legal Compliance ▪ Customer Health and Safety ▪ Product quality and responsible manufacturing	▪ Supplier Visit and Certification Audit ▪ Supplier Satisfaction Survey ▪ Telephone or Email Communication	▪ Unscheduled ▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 3.3 Legal Compliance 6.1 Customer Health Safety 6.2 Product Quality and Responsible Manufacturing 6.3 Supply Chain Management 7.1 Employment 7.3 Occupational Health and Hygiene
Customers	▪ Legal Compliance ▪ Ethical management ▪ Waste management ▪ Customer Health and Safety ▪ Product quality and responsible manufacturing	▪ Customer Visit and Certification Audit ▪ Corporate Website, Telephone, and Email Communication	▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 3.2 Ethical Corporate Management 3.3 Legal Compliance 5.4 Waste Management 6.1 Customer Health Safety 6.2 Product Quality and Responsible Manufacturing
Government Agencies	▪ GHG and Energy Management ▪ Water Resource Management ▪ Waste management ▪ Occupational Health and Hygiene	▪ Participation in the Various Policy and Regulation Related Seminars, Forums, Briefings, and Training Courses ▪ Market Observation Post System ▪ On-site Plant Audit ▪ Official Document and Telephone Communications	▪ Unscheduled ▪ Released According to Regulations ▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 5.2 GHG and Energy Management 5.3 Water Resource Management 5.4 Waste Management 7.3 Occupational Health and Hygiene
Banks	▪ Legal Compliance ▪ Ethical management	▪ Document Exchanges and Telephone Communications ▪ Personal Visits ▪ Company Website	▪ Unscheduled ▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 3.2 Ethical Corporate Management 3.3 Legal Compliance
Nearby Communities and Social Welfare Groups	▪ Legal Compliance ▪ Ethical management ▪ Occupational Health and Hygiene ▪ Water Resource Management ▪ Employment ▪ Product quality and responsible manufacturing	▪ Visit the neighborhood or township chief nearby the plant, care for the community residents, and implement the community affinity work ▪ Charitable Event	▪ Unscheduled ▪ Unscheduled	Chapter 2 Corporate Overview 3.2 Ethical Corporate Management 3.3 Legal Compliance 5.3 Water Resource Management 6.2 Product Quality and Responsible Manufacturing 7.1 Employment 7.3 Occupational Health and Hygiene

Investors Section

At CCSB, we are keen on fulfilling our responsibility for sustainable development. To understand the expectations and needs of stakeholders, in addition to the proactive interaction with relevant stakeholders in our daily business, we have also set up an open communication channel on the company website. The communication issues of stakeholders are distributed to each responsible unit for response.

We will continue to work hard towards the goal of creating sustainable environmental, social and governance value.

1.4 Sustainable Performance

CCSB is committed to corporate sustainable development, focusing on promoting corporate governance, developing a sustainable environment, and committing itself to social welfare. Furthermore, we take a proactive approach to promote UN's SDGs, which are incorporated in the Company's objectives. In addition to reinforcing its core business, we hope to help solve global problems and create a better future.

Aspects	United Nations Sustainable Development Goals	Company Actions and Annual Results
Governance/ Economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	▪ The attendance of the functional committees in 2024 was 91.67% ▪ There are two female directors on the Board, accounting for 29% of all directors. ▪ CCSB holds 26 pharmaceutical product licenses issued by the Taiwan TFDA and 24 Pharmaceutical Product Master Files (DMFs) approved by the U.S. FDA. ▪ The percentage of local suppliers in 2024 was 76%.
Environment	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	▪ In 2024, the GHG inventory of CCSB and its subsidiaries in the consolidated financial statements was completed in accordance with the ISO 14064-1 standard. The GHG inventory was verified by a third party, and certification was obtained. ▪ In 2024, one energy efficiency actions were completed, saving 231,167 kWh of electricity per year, equivalent to reduction of 109.573 metric tons of CO_2e. ▪ In 2024, based on the water risk identification of the World Resources Institute (WRI) Aqueduct Water Risk Atlas, Taipei and Taoyuan, where CCSB is located, are considered "low-medium" risks. ▪ Wastewater discharge in 2024 met the regulatory standards. ▪ Recycling and reuse of waste accounted for 22.84% of the total waste. ▪ There were no major violations of laws or regulations related to products and services or health and safety in 2024.
Society/ Employee	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	▪ In 2024, the percentage of general and special health checkups was 100%. ▪ A total of 243 employees participated in employee share ownership trust (ESOT), with a total incentive payment of NTD 4,045,000 distributed. ▪ In 2024, employees received a total of 398 hours of training by a professional training organization.

Chapter 2

Corporate Overview

CCSB adheres to the business philosophy of " Integrity, Unselfishness, Friendship and Mutual Aid " and integrates operations strategies to contribute to the health of the world.

2.1 About CCSB

Company Profile

Chunghwa Chemical Synthesis & Biotech Co. Ltd. (CCSB) was founded in 1964, with its headquarters located in New Taipei City. It is one of the largest manufacturers of active pharmaceutical ingredients (API) in Taiwan. Currently, the Company has 10 plants for synthetic products and 2 plants for biotechnology products that are in accordance with the cGMP regulations.

CCSB has developed more than 30 APIs. In the future, the Company will focus on the development of unique techniques and special products, such as anti-cancer, immunosuppressive drugs or high potency products and peptide APIs with high gross profit, and develop new customers through product segmentation.

Chunghwa Chemical Synthesis & Biotech Co., Ltd.

Chairman: Wang Hsieh, I-Chen

Date of foundation: May 19, 1964

Number of employees: 299 employees

Share capital: NTD 775,600,000 (as of December 31, 2024)

Location: New Taipei City, Taiwan

In 1984, we were the first API manufacturer in Taiwan that passed the U.S. FDA inspection. Later on, the Company has also been certified by the drug certification units of Germany, France and Japan through their official plant inspections, and has been inspected and recognized by many drug companies in Europe, the U.S., Japan and India. As of the end of 2024, we have had 24 pharmaceutical products registered under FDA. With a view to actively expanding the business in North America and providing better services for the locals, we established the sales office, Pharmaports LLC, in the U.S. in 1999.

CCSB Important Milestones and Awards

1964	Established China Chemical Synthesis & Biotech Co., Ltd.
1984	Approved by FDA as the first GMP API plant in Southeast Asia.
1990	Establish an R&D center to produce synthetic, biotechnology and pharmaceutical products.
1995	Received the 3rd Biotech Award.
1997	Received the 5th Excellent Biotech Award.
1998	Built 2 cGMP biotech plants.
	Received the Silver Award for National Pharmaceutical Quality.
1999	Completed 4 new cGMP plants and established an office in the U.S.
2003	Company renamed as Chunghwa Chemical Synthesis & Biotech Co., Ltd.
2009	OTC stock.
2010	Listed on TPEx
2015	Received the certificate of appreciation given by the New Taipei City Government for the “Clean Energy Conservation and Carbon Reduction Plan.”
2016	Obtained the “ISO 50001 certification.”
	Awarded the Gold Medal Prize for “Manufacturing Technology Award” by the Ministry of Economic Affairs and the Ministry of Economics.
2018	Once again awarded the Gold Medal Prize for the “Manufacturing Technology Award” by the Ministry of Economic Affairs and the Ministry of Economics.
2020	Ranked top 20% among the listed companies in the 6th “corporate governance evaluation for TWSE/TPEx listed companies of Taiwan Stock Exchange.”
	Received the honor of being selected as a constituent stock of Taiwan Stock Exchange’s “Corporate Governance 100 Index.”
2021	Ranked top 20% among the listed companies in the 7th “corporate governance evaluation” for TWSE/TPEx listed companies of Taiwan Stock Exchange.
	Received the honor of being selected as a constituent stock of Taiwan Stock Exchange’s “Corporate Governance 100 Index” again.
2022	Received the Golden Quality Award for Outstanding Biotechnology Industry from Taiwan Bio Industry Organization.
2024	2024 Net Zero Industry Competitiveness Award

Product Services

Since established in 1964, CCSB has successfully launched products in the pharmacological categories of lipid-lowering, immunosuppression, muscle relaxation and ACE-Inhibitor antihypertensive agents, which have been certified by the health authorities of the United States and Germany.

Biotech (including under development) products	Non-biotech (including under development) products
▪ Caspofungin Acetate (CAS; antifungal medication) ▪ Dalbavancin Hydrochloride (DA; Bacterial Skin Infection Drug) ▪ Everolimus (EVE; immunosuppressive drug, anti-cancer drug) ▪ Midostaurin (MID); the drug for treating acute myeloid leukemia ▪ Mycophenolate Mofetil (MMF; immunosuppressive drug) ▪ Mycophenolate Mofetil HCl (MMF-HCl; immunosuppressive drug) ▪ Mycophenolate Sodium (MPA-NA; immunosuppressive drug) ▪ Pneumocandin B0 (PNB0; antifungal intermediate) ▪ Rapamycin (Sirolimus) (RAPA; immunosuppressive drug) ▪ Semaglutide (SG; weight loss medication, type 2 diabetes medication), ▪ Tacrolimus (FK506; immunosuppressive drug)	▪ Abaloparatide (ABA; osteoporosis medication) ▪ Baricitinib (BA; rheumatoid arthritis medication) ▪ Brivaracetam (BCT; anti-epileptic drug) ▪ Difelikefalin Acetate (DFK; hemodialysis-induced scratching) ▪ Edoxaban Tosylate Monohydrate (ETH; anticoagulant) ▪ Eltrombopag Olamine (ELT; for thrombocytopenia) ▪ Ethyl Icosapentate: (EPAE; Lower triglyceride) ▪ Lanreotide Acetate (LAN; acromegaly) ▪ Ozanimod HCl (OZH; medicine for multiple sclerosis) ▪ Ribociclib (RI; breast cancer medication) ▪ Plecanatide (PLE; chronic idiopathic constipation medication) ▪ Ribociclib (RIB; breast cancer medication) ▪ Selumetinib Sulfate (SEL; for neurofibromatosis) ▪ Setmelanotide Acetate (SET; genetic obesity drug) ▪ Sugammadex Sodium (SGM; anesthesia recovery medication) ▪ Tofacitinib Citrate (TOF; rheumatoid arthritis medication) ▪ Trandolapril (TDP; antihypertensive medication) ▪ Trilaciclib Dihydrochloride (TRC; bone marrow protectant)

Commercial shipment of immunosuppressive drugs and fish oil API EPAE

Currently, the main immunosuppressive drug in the market are Tacrolimus, Mycophenolate Mofetil and Rapamycin(Sirolimus) derivatives. The Company has successfully developed and commercialized the APIs for the three products. In particular, Everolimus is the Company's product of the year. The Company is also a major supplier of such product in the U.S. market.

For Everolimus developed by Novartis and Sirolimus developed by Pfizer, the generic drugs have entered commercial supply. The Company has obtained Everolimus ANDA with 180-day market exclusive sales rights. With the successive launch of existing Paragraph IV customers in the U.S. market, the demand for this product will continue to grow.

In the Company, the very competitive edge lies upon immunosuppressive drug which has been mass-produced and shipped. Amidst strain optimization, process improvement, improved purity, reduced and lowered amount in residuals and impurities, the quality already significantly excels equivalents available from other international suppliers. Where the Company puts forth maximum possible efforts to continually cut its costs, this is the very flagship product highly competitive in the markets.

Fish oil API EPAE was launched in the U.S. as early as 2020 due to market factors. The Company is one of the major suppliers in the U.S. market. However, in 2024, clients faced challenges competing with late-entering generic drug manufacturers, resulting in a temporary decrease in demand for EPAE. However, the client has continued to work hard to expand its market share, which is expected to increase again in the future. Our company has also continued to explore other markets and potential customers.

The Company has passed the U.S. FDA and European PIC/S regulations and their requirements for plant inspection

After passing the European-French Methocarbamol plant inspection certification in June 2019, CCSB once again passed the follow-up plant inspection of the Company's products by the Taiwan Regulatory Agency (TFDA) in May 2024.

The U.S. Food and Drug Administration (FDA) and the German official agency Bezirksregierung Münster conducted cGMP system certification in April 2024, and the Japanese official agency also conducted a supervisory factory inspection of Tacrolimus after launch in July 2024.

The above official factory inspections by the United States, Germany and Japan all passed in 2024. The company has undergone several factory inspections and certifications from the U.S. FDA, Japan's PMDA, and the most stringent drug certification agency in Europe, the German Federal Institute for Drugs and Medical Devices.

We have met the cGMP standards of various global pharmaceutical companies. Being listed on the certification platforms will encourage global drug companies from Europe, the U.S. and Japan to work with us.

Competitive foreign sales

The Drug Master File (DMF) mainly contains an introduction of the manufacturer's company and organizational chart, production and quality management and quality assurance process CMC (Chemistry, Manufacturing, and Control), product stability experiments, product specifications and product impurity profile. In general, an application for DMF registration with the FDA is required for the marketing of an API. When a downstream preparation plant is producing a drug and applies for a drug license with the FDA, the FDA will examine the information on the DMF used by the API manufacturer to confirm the DMF used by the downstream manufacturer meets the standards of the country concerned. Since a DMF requires approval from the FDA, registering more DMF with the FDA can demonstrate the R&D, production and foreign sales capabilities of a company. Up to December 31, 2024, we completed the DMF registration with the U.S. FDA for 24 products and received many orders for foreign sales. We will continue to develop new products, obtain their DMF registrations and improve our competitiveness in foreign sales.

An API manufacturer that is equipped with bio-fermentation and chemical synthesis technologies and equipment.

Currently, most API manufacturers still use the chemical synthesis approach as it offers steady manufacturing processes, short product time and relatively simple equipment requirements. However, as the barriers to entry are lower for this type of manufacturing process, there are more competitors in the market. The concept of bio-fermentation is similar to the production of yogurt in which cell strains, animal and plant tissues, enzymes and bacterial species used in biotransformation, fermentation and purification are used to manufacture API. Since fermentation requires longer processing time, as well as the consideration of humidity, temperature and strain quality, product prices tend to be higher. The process involves many conditions and complex factors, so there are fewer capable manufacturers which offer API based on fermentation.

We are one of the few companies in Asia which possesses both bio-fermentation and chemical synthesis technologies and equipment. To improve our market competitiveness, we develop API medicine using bio-fermentation or a mixture of bio-fermentation and chemical synthesis in anticipation of the future growth in biotechnology medicines.

Enters the part of market in which small batches of API are used for R&D.

Smaller pharmaceutical companies tend to use smaller batches of API for clinical trials when developing new drugs. These short-term and small-batch orders may not contribute greatly to the revenue, but the collaboration can provide future business opportunities. In other words, once their products enter large-scale clinical trials or obtain commercialization approval, they become an important source of orders for API manufacturers.

We have worked with drug companies to provide them with APIs and they are in the third stage of clinical trials. Once they successfully obtain marketing authorization, we will benefit from the increased sales and improve our competitiveness.

Participation in Associations and External Organizations

CCSB actively participates in relevant industry associations, associations, and academic institutions. During the meeting and related activities, the Company's senior executives spoke as important opinion leaders in the industry, establishing CCSB's professional leading position in R&D, manufacturing, and sales. In 2024, associations and organizations CCSB participated in are as follows:

Name of Association	Region (Taiwan/other countries)	Role
Taiwan Pharmaceutical Manufacturer's Association	Taiwan	Member
Taiwan Pharmaceutical Manufacture and Development Association	Taiwan	Member
Taiwan Parenteral Drug Association	U.S.	Member
Institute of Internal Auditors – Taiwan	Taiwan	Member
Taiwan Bio Industry Organization	Taiwan	Member

2.2 Economic Performance

Management Policy for Material Topic – Economic Performance

GRI201-1, 201-4

Material Topics	Economic Performance
Materiality	CCSB aims to achieve sustainable operations and steady profits. Continuous and stable profitability consolidates stakeholders' trust in the Company and is also the cornerstone of the Company's sustainable management.
Policy and Commitment	▪ The Company complies with the Sustainable Development Best Practice Principles. ▪ The Company has passed the U.S. FDA and European PIC/S regulations and their requirements for plant inspection. ▪ Many products have been certified for DMF and proven competitive in foreign sales. ▪ An API manufacturer that is equipped with bio-fermentation and chemical synthesis technologies and equipment. ▪ Enters the part of market in which small batches of API are used for R&D.
Goals	Short-term business development plan: ▪ In order to increase the variety of new product development options and enhance competitiveness, we will continue to improve our unique fermentation and chemical synthesis technologies, and distinguish clearly between peers that develop chemical synthesis or fermentation technologies in one direction. ▪ Increase the production capacity and reduce costs through process optimization; strengthen the competitiveness of CCSB's niche products, Everolimus, Tacrolimus, Ethyl Icosapentate (EPAE), and Caspofungin, and increase market share in the global market. Long-term business development plan: ▪ Continue to expand R&D capacity. ▪ Adjust R&D strategy: Focus on developing high-priced, high-tech, high-margin products with few competitors. ▪ Improve production efficiency and revenue efficiency.
Responsible Unit	The "Sustainable Development Committee," chairman and each senior manager
Invest in Resources	▪ Continue to invest in the scale-up and optimization of the main products, Caspofungin and Everolimus, and increase market share through increasing production capacity and reducing costs. ▪ Invest in R&D to develop high potency and high-margin products such as Peptide.
Complaint Mechanism	The Company shall establish a spokesperson system, website, etc., and a channel of communication for the stakeholders.
Action Plan	▪ Establish a biotech and non-biotech mass production base and accumulate experience to help develop markets in Europe, the U.S., and Japan for emerging biotech and non-biotech products, such as Ozanimod HCl and Difelikefalin acetate Peptide series. ▪ Report the implementation of sustainable development to the Board of Directors twice a year. The Board of Directors listens to the report, evaluates the progress and implementation of strategies, provides recommendations, and urges the management team to make strategic adjustments if necessary.
Effectiveness Evaluation	▪ Up to December 31, 2024, we completed the DMF registration with the U.S. FDA for 24 products. We will continue to develop new products, obtain their DMF registrations and improve our competitiveness in foreign sales. ▪ In 2024, the Company successfully completed plant inspections with 11 clients from the US, Turkey, Jordan, Japan, India, China, and other countries, as well as official inspections conducted by the Taiwan TFDA, US FDA, Germany's Müster, and Japan's PMDA. ▪ The Company will develop unique key technologies to develop special products, such as high-growth products such as anti-cancer, high potency and peptide drugs.

Operations strategy

With our incessant efforts, we shall continuously enhance the Company's unique fermentation and chemical synthesis technology to distinguish ourselves from other peers that have only chemical synthesis or fermentation technology-related products, to boost our multiple choices of new product development items, and to enhance our competitive edge in the global market. We shall also strengthen our niche products including notably Everolimus, Tacrolimus, Ethyl Icosapentate (EPAE) and Caspofungin. Through process optimization to surge production capacity amidst our advantageous position to minimize costs, we shall significantly increase our market share in the entire world market.

The Company will ensure the compliance with regulations, strengthen the inspection of raw materials and API intermediate suppliers, ensure the legal compliance of the upstream suppliers, and make sure that the raw materials correspond with the latest requirements of the official drug regulatory authorities of all countries and the supply is intact, thereby ensuring that the quality of the products of the Company and the domestic validation of the cGMP plant continuously pass the inspection of the US FDA, Japan PMDA and EU EMA.

To develop CDMO/CMO business, the Company will rally to the participation in domestic and foreign major drug companies' new drug R&D plans, through which to enter into early-stage joint R&D relations, such as pre-clinical and various clinical stages' intermediary, products' trial, manufacturing process development and related work, in anticipation to form a strategic alliance with major pharmaceutical plants for joint growth.

For purchase of major raw materials, we have duly established a second supplier mechanism and tried hard to promote the outsourcing of fermented intermediates, releasing the production capacity of fermented intermediates to increase the production of fermented APIs and, in turn, reduce unit costs and enhance market share.

Short-term business development plan

The Company will develop solvent recovery technology and continuously introduce various management systems and mechanisms in response to the increasingly strict environmental protection requirements. We will also implement waste and discharge reduction practices to reduce the operating cost and fulfill our green social responsibility.

Long-term business development plan

We will develop key technologies such as hydrogenation, optical splitting, asymmetric synthesis and organometallic reactions.

The Company will integrate chemical synthesis and microbial fermentation technology to develop biotechnology and semi-synthetic products in the fields of cancer, immunosuppression and antifungals, and strengthen product features to facilitate market competition.

We shall continually boost our R&D momentum and adjust R&D strategies to further develop products at high prices, with high technical threshold, with few competitors but high profitability. Through such efforts, we could successfully enhance the productivity and operating benefits at the current business premises.

By increasing our long-term investment into China Chemical and Pharmaceutical Co., Ltd., we shall constantly strengthen the strategic alliance between the business undertakings of both parties. Taking Tacrolimus SD20 as the very blueprint, we shall expand the scope to cover other new products on the existing grounds to lay out the market over the entire world.

The Company will develop unique key technologies to develop special products, such as high gross margin products like anti-cancer drugs, high potency drugs and peptide APIs, to support the development of new customers and enhance the niche and appeal of product differentiation.

Business Performance

Sustained and stable profit growth is an indicator of a company's business performance, the cornerstone of its sustainable development, and a major topic that investors pay attention to.

In the face of the many challenges in the global industrial environment, CCSB adheres to the business philosophy of "Integrity, Unselfishness, Friendship and Mutual Aid" to create competitive advantages, improve operational efficiency, and drive profit growth. In order to provide stakeholders with a detailed understanding of the operations of CCSB, we hold a shareholders' meeting annually, and update the financial information audited by a third party in the investors section of the Company's website regularly; such financial information includes the consolidated financial statements which have the disclosed boundaries that include all the subsidiaries under CCSB. In addition, we communicate with the stakeholders through investor conferences as well to ensure that the investors clearly know our operation policies.

In 2024, the Company's turnover was NTD 1,347,375 thousand and the net profit after tax was NTD 53,032 thousand. Please refer to the Company's annual financial statements on the Market Observation Post System and the Company's official website for the details of our operational and financial performances.

Unit: NTD thousand

Item	2022	2023	2024
Generation of direct economic value A	2,216,366	2,165,582	1,422,655
Operating revenues Note 1	2,216,366	2,165,582	1,347,375
Distribution of direct economic value B	1,886,520	1,990,113	1,414,937
Operating costs Note 2	966,720	1,152,598	826,832
Business expenses Note 2	245,132	257,545	216,927
Staff salaries and benefits Note 3	441,760	395,489	297,274
Payments to providers of capital Note 4	110,540	81,487	36,021
Payments government Note 5	119,948	101,321	36,249
Community Investment Note 6	2,420	1,673	1,634
Economic value retained A-B	329,846	175,469	7,718

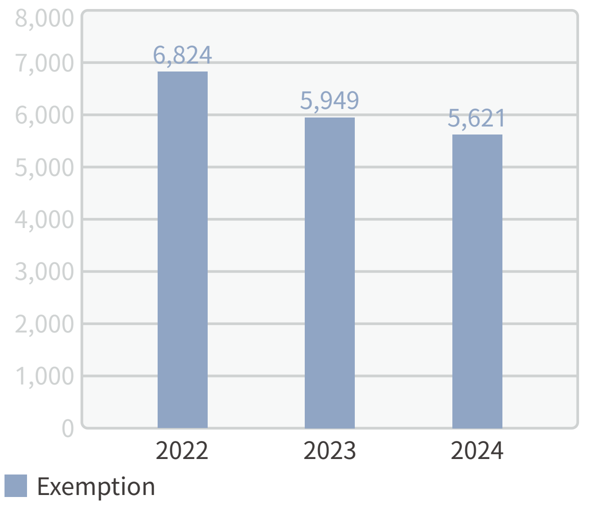
Note: The above financial information is consolidated and was prepared in accordance with the IFRS.
Note 1: Including consolidated net operating revenues and non-operating revenues for each year.
Note 2: Including consolidated operating costs, operating expenses and non-operating expenses, excluding employee benefit expenses for each year.
Note 3: Including bonuses, pensions, labor and health insurance, and other employment expenses.
Note 4: Including cash dividends and financial costs distributed in the year.
Note 5: Including profit-seeking enterprise income tax, stamp duty and other taxes.
Note 6: Public welfare expenditures of donations to government agencies and public welfare organizations.

The subsidies from the government received by the Company are as follows

Tax exemption Note 1

- Law: Article 10 of the Statute for Industrial Innovation
- Items offset: R&D expenditures offset

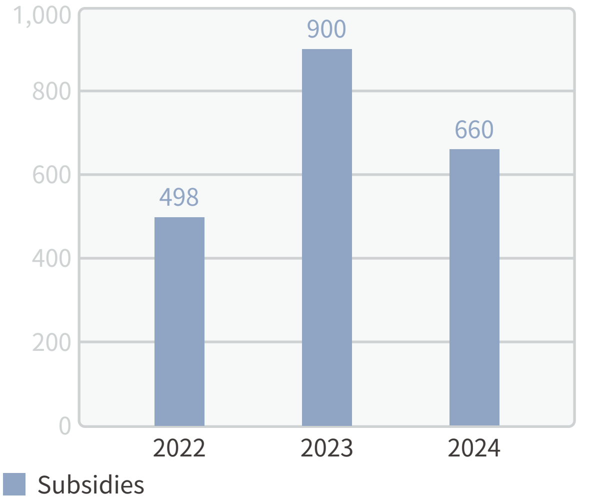
Unit: NTD thousand



Government subsidies Note 2

- Items offset: Restructuring and upgrade programs of the pharmaceutical industry, equipment subsidies by MOEA, subsidies for overseas exhibitions, and subsidies for domestic travels

Unit: NTD thousand



Note 1: Tax exemptions for 2024 have not yet been approved by the National Taxation Bureau.
Note 2: Subsidies received in the year.
Note 3: The above financial information is consolidated information.

Percentage of operating revenue (number on the consolidated financial report)

The sales and export amount of CCSB in 2024 decreased compared to the same period last year, and the domestic sales amount increased compared to the same period last year. Amidst the expanded generic pharmaceutical market scale, we shall, continually as always, develop more new products with utmost effort to boost productivity so as to boost market shares step-by-step.

Operating revenues

- The amount of product sales in 2024 amounted to NTD 1,347,375 thousand.
- The amount of product sales in 2023 amounted to NTD 2,086,441 thousand.

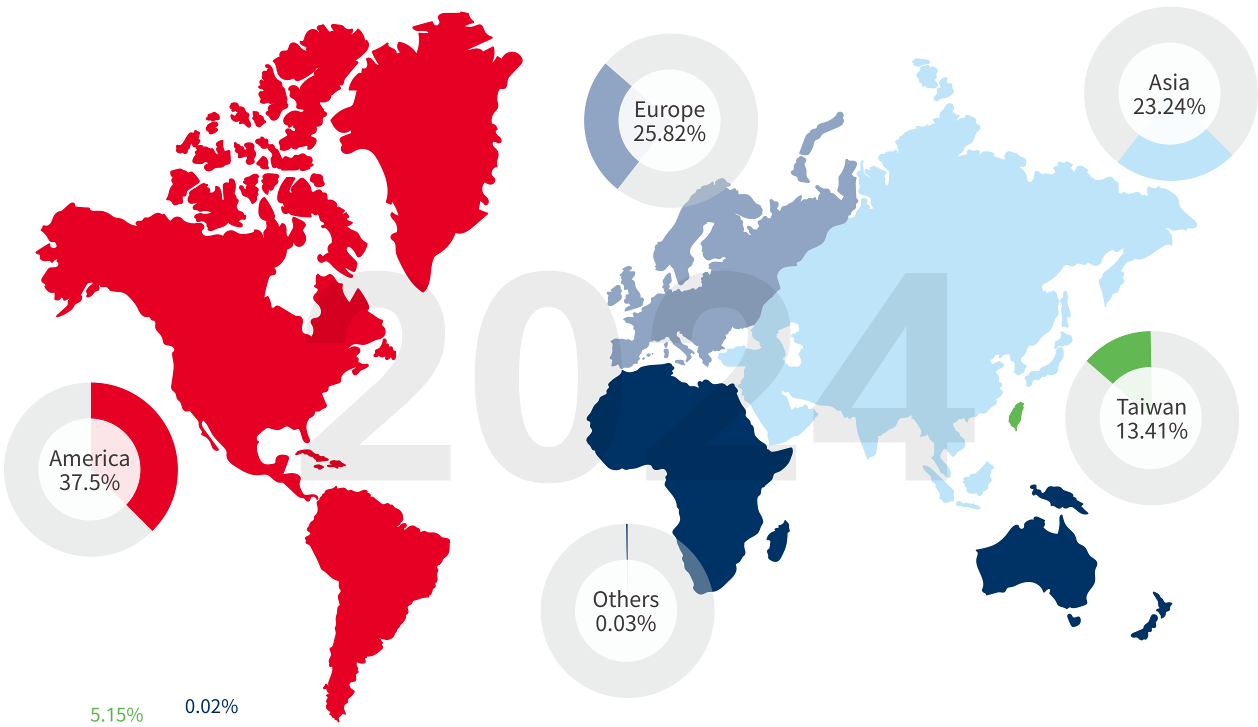
Percentage of domestic and foreign sales

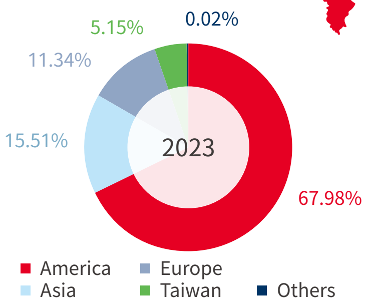
- 2024: Domestic sales totaled NTD 180,671 thousand; foreign sales totaled NTD 1,166,704 thousand
- 2023: Domestic sales totaled NTD 107,471 thousand; foreign sales totaled NTD 1,978,970 thousand

Percentage of by product

- 2024: Biotech products NTD 825,348 thousand; non-biotech products NTD 493,999 thousand; labor income NTD 28,028 thousand
- 2023: Biotech products NTD 764,923 thousand; non-biotech products NTD 1,320,324 thousand; labor income NTD 1,194 thousand

Percentage of sales area





Percentage of top three customers

Percentage of sales revenue	Customers in the U.S.	Customers in Greece	Customers in Croatia
2024	31%	10%	9 %
2023	41%	4%	4 %

Chapter 3

Corporate Governance

- Compliance with the Company Act, Securities and Exchange Act, and other relevant laws and regulations
- Formulation of corporate governance framework and guidelines based on ethical corporate management
- Actively promote operational transparency
- Protect the rights and interests of stakeholders.

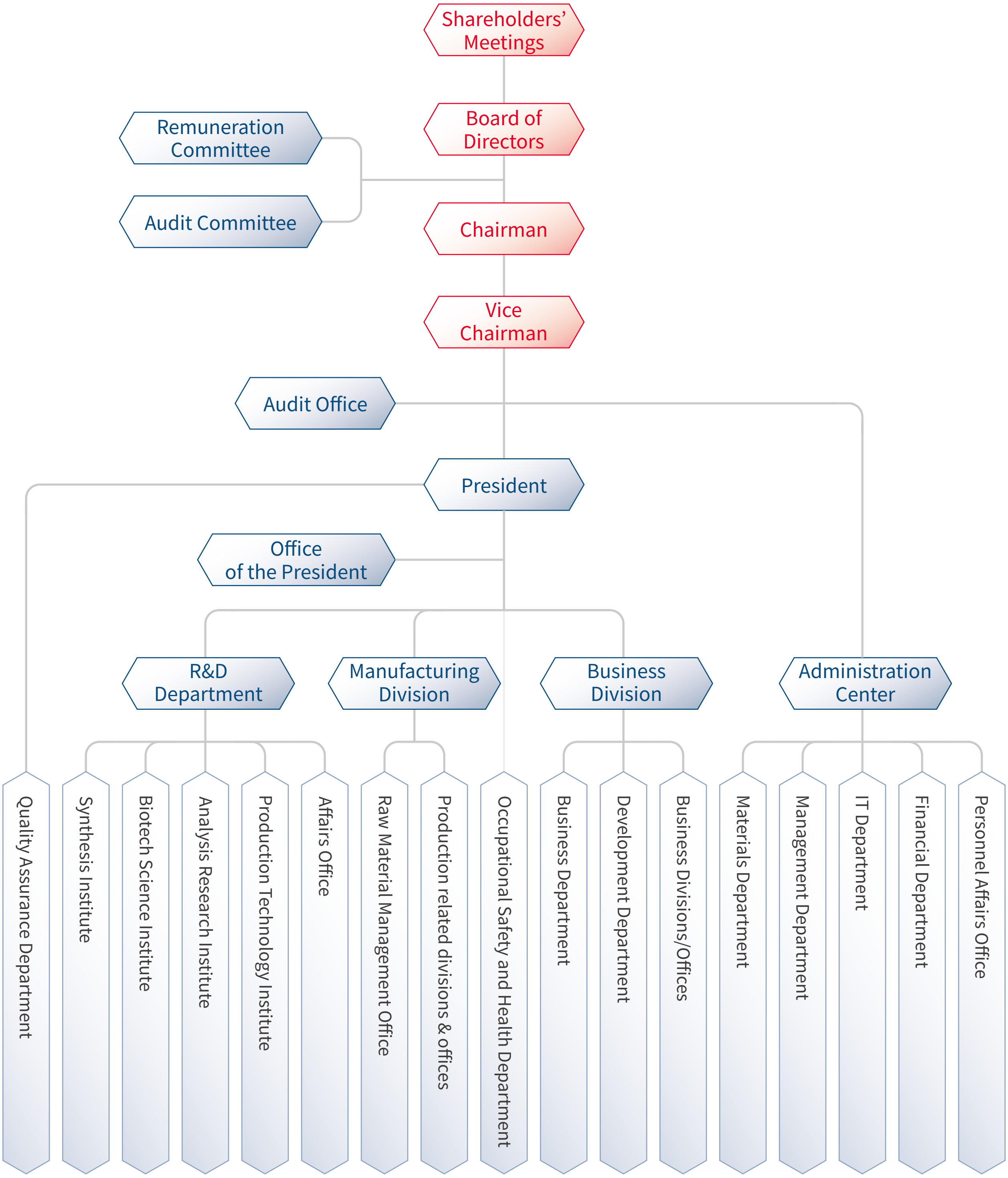
3.1 Corporate Governance

Management Policy for Material Topic – Corporate Governance

GRI2-9~2-21

Material Topics	Corporate Governance
Materiality	CCSB complies with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. We uphold the concept of ethical corporate management to formulate our corporate governance framework and standards, actively promote operational transparency, and protect the rights and interests of stakeholders.
Policy and Commitment	▪ CCSB attaches great importance to corporate governance, insists on ethical management, strengthens the governance structure, pursues sustainable development, values transparency of information, and combines with an effective internal control system to protect the rights and interests of stakeholders. ▪ CCSB has formulated and implemented Procedures for Establishment of Internal Control Systems by considering the Company's overall operating activities. Continuously collect internal and external reports and review them in a timely manner after environmental changes to ensure that the internal control system continues to be effective. ▪ CCSB's "Corporate Governance Best Practice Principles," approved by the Board of Directors, are implemented. The operating performance is enhanced through a comprehensive management mechanism, achieving the goal of sustainability.
Goals	Short-term goal: Enhancing corporate governance and continuing to improve information transparency. Medium- and long-term goals: Improve the corporate governance structure, implement ESG indicators, and improve the cornerstone of corporate sustainability.
Responsible Unit	Board of Directors, Audit Committee, Remuneration Committee, corporate governance unit
Invest in Resources	▪ In 2024, a total of five Audit Committee meetings were held. ▪ In 2024, a total of three Remuneration Committee meetings were held. ▪ In 2024, a total of seven Board meetings were held.
Complaint Mechanism	▪ Inside the Company: Employees can provide opinions through various channels such as regular labor–management meetings, the employee suggestion box, and the Company's website. CCSB has dedicated personnel to handle related matters. ▪ External: CCSB uses the spokesperson system and website to establish communication channels with stakeholders.
Action Plan	▪ CCSB provides shareholders with real-time information on the Market Observation Post System or the company website, and reports the Company's operations and financial status through the investor conference. ▪ CCSB examines the independence and suitability of the CPAs on an annual basis. Starting in 2023, we further participated in the AQI disclosure structure information released by the Financial Supervisory Commission on August 19, 2021 as a reference for evaluation. The content includes 13 indicators from five major aspects, including professionalism, independence, quality control, supervision, and innovation capability. We have also formulated procedures for assessing the CPA's independence and suitability.
Effectiveness Evaluation	▪ In 2024, the Company was invited to participate in two investor conferences. ▪ Internal evaluation: CCSB's agenda working group completed the 2024 internal evaluation of the performance of the Board of Directors. The scores of the evaluation ranged between 98.22 and 100. The results of the 2024 evaluation of the performance of the Board of Directors indicate good operation of the Board of Directors, Audit Committee, and Remuneration Committee. The results of the performance evaluation were submitted to the meeting of the Board of Directors held on March 6, 2025.

Corporate Governance Structure



In terms of corporate governance, CCSB upholds the concept of ethical corporate management to formulate the corporate governance framework and guidelines, while actively promoting operational transparency, and protecting the rights and interests of stakeholders. As the Company considers adequate information disclosure an essential element of corporate governance, material information is disclosed in compliance with the Guidelines for Online Filing of Public Information by Public Companies to fully achieve the information transparency. Furthermore, the Company also discloses related information through CCSB website, investor conferences, shareholder service hotline and spokesperson, so that all the stakeholders can receive the information for reference. In April 2025, TWSE announced the results of the 2024 (11th) Corporate Governance Evaluation and CCSB was ranked 21-35% among listed companies. We will continue to strengthen corporate governance and implement sustainable corporate development.

Board Structure and Operation

"The Board of Directors of CCSB is the Company's highest decision-making body."

The Board of Directors adheres to the principles of compliance with laws, the Company's Articles of Incorporation, various operations and arrangements of corporate governance, and accountability to the Company and shareholders. The Board of Directors guides the Company's strategies, supervises management, and oversee the economic, social, and environmental sustainable development strategic planning and progress.

Nomination and Selection of the Highest Governance Body

In order to implement board diversification, CCSB has specified in the "Procedures for Election of Directors and Supervisors" and "Corporate Governance Best Practice Principles" that the professionalism and dedication of board members in different aspects are considered for composition. As expressly provided for in Article 20 of the Company's "Corporate Governance Best Practice Principles" (The overall capabilities required for the Board of Directors): The Board of Directors shall be organized in a diversified, comprehensive and multifaceted manner. The directors concurrently serving as the Company's managerial officers shall not exceed one-third of the total number of director seats. Besides this, toward the Board of Directors' operations, operating style and requirements in development, the Company should work out diversified, comprehensive and multifaceted policies which should include standards/criteria of the two major aspects below:

- Basic conditions and values: Gender, age, nationality, and culture.
- Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

The members of the Board are disciplined with the kinds of knowledge, skills, and education necessary for their performance of professed duties. The Board shall be capable of performing the following for achieving the goal of corporate governance:

Operating judgment	Accounting and financial analysis	Management capability	Crisis management capabilities
Industry knowledge	International market viewpoint	Leadership capability	Decision-making ability

Rules for Elections of Directors

CCSB follows Article 17 of the Articles of Incorporation and the Rules for Elections of Directors.

Composition of Directors with Diverse Backgrounds

Pursuant to the Articles of Incorporation, the Company has appointed seven directors, three of whom are independent directors, accounting for more than one-third of the total seats on the Board. This is on par with the requirements in the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." The members of the Board have a diverse range of backgrounds covering biotechnology and finance, etc. Two of the seven members are female directors, accounting for 29% of the Board. The composition of the Board of Directors is mainly based on each director's professional background, experience, participation and contribution to the future development of the Company. There is no specific limit on the gender ratio. However, the Company will continue to emphasize and implement gender equality among board members in the future, and set a long-term goal of having more than one-third of the seats held by either gender, in order to increase the participation of women in the decision-making and achieve the goal of gender diversity among board members. The Board of Directors has formulated the "Rules for Board Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," and we abide by the principle of recusal, fulfill its supervisory responsibilities, and improved its governance functions. All other business functions are equipped with complete handling procedures and control mechanisms.

The Chairperson of CCSB supervises the management team in the Board of Directors and does not concurrently serve as a member of the management team. In addition, internal auditors are subordinate to the Board of Directors. They attend Board meetings and report directly to the Board of Directors to ensure the consistency of company operations with the resolutions of the Board of Directors. For the detailed background information about our Board members, please refer to our 2024 Annual Report, which can be accessed on the website (http://www.ccsb.com.tw).

List of Board Members

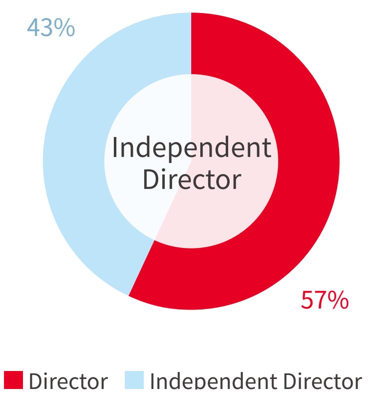
Title/Name	Gender	Primary academic background	Professional skills
Chairman			
China Chemical & Pharmaceutical Co., Ltd. Representative: Wang Hsieh, I-Chen	Female	Department of Philosophy and Department of Business Management, Fu Jen Catholic University Current Chairman of Cenra Inc., Chairman of China Chemical & Pharmaceutical Co., Ltd., Chairman of Chunghwa Yuming Healthcare Co., Ltd., Chairman of Chunghwa Senior Care Co., Ltd., Chairman and President of Tairung Development Co., Ltd., Chairman of HU-YU Co., Ltd, Chairman of Majiade Enterprises Co., Ltd., Supervisor of Sela Holdings Inc., Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd., Director of Wang Ming-Ning Memorial Foundation.	Business management
Vice Chairman			
China Chemical & Pharmaceutical Co., Ltd. Representative: Wang, Hou-Kai	Male	Bachelor of Science, Leonard N. Stern School of Business, New York University Current Chairman of Sela Holdings Inc., Chairman, CEO of Cenra Inc. Director of Sino-Japan Chemical Co., Ltd., Director of China Chemical & Pharmaceutical Co., Ltd.,Director of Chunghwa Yuming Healthcare Co., Ltd., Director of Chunghwa Senior Care Co., Ltd., Director of Tairung Development Co., Ltd., Supervisor of Majiade Enterprises Co., Ltd., Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd., Director of Wang Ming-Ning Memorial Foundation. Having served with KKR & Co. as the Investment Manager for Private Placement Equity; served with Baring Private Equity Asia as the Investment Manager for Private Placement Equity and served with Lazard Frères & Co., as the analytical specialist of merger/acquisition (M&A) for medical healthcare businesses.	Finance, investment, business management
Director			
The Mr. Wang Min-ning Memorial Foundation representative: Huang, Chung-hsin	Male	Chemical Engineering Department of Chung Yuan University Current General director of Sino-Japan Chemical Co., Ltd. Current President of China Shaoguan Pharmaceutical, Vice President of Business Department, CCSB Biotech Administrative Center President of CCSB.	Chemical, sales, business management
Wang Ming-Ning Memorial Foundation representative: Wang, Hou-Jie	Male	Department of Psychology, University of Southern California Current Chairman of Cenra Inc., Director of Tairung Development Co., Ltd., Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd., Executive Director of Shanghai Yuhou Trading Co., Ltd. (formerly known as Beifu (Shanghai) Trading Co., Ltd.).	Business management
Independent Director			
Wang, Kuo-Chiang	Male	Master's Degree from the NCTU Executive Master of Business Administration Bachelor of Accounting, National Chung Tsing University (Now National Taipei University) Current Chairman of Lien Chieh Management and Consultation Co., Ltd., Independent Director of Partner Tech Corporation, Convener of Remuneration Committee, Convener of Audit Committee. Independent Director of Hill Source Holdings Limited (KY Company), Convener of Remuneration Committee, Convener of Audit Committee,. Independent Director of Otobrite Electronics Inc., Convener of Remuneration Committee, Convener of Audit Committee,. Assistant Professor of National Yang Ming Chiao Tung Universit. Current Acting President of Dafeng Cable Co., Ltd., Chief Internal Auditor. President of Taiwan Digital Broadband Cable Television Co., Ltd. and Assistant Professor of National Taipei University of Technology.	Finance and accounting, business management, securities

Title/Name	Gender	Primary academic background	Professional skills
Chang, Chih-Hsien	Female	Master of Statistics, Stanford University, U.S.A. Department of Agricultural Economics, National Taiwan University Current CEO of Vision Think Tank. Prior Vice President of Chia Hsin Asset Management Development Co., Ltd. (subsidiary of Chia Hsin Cement Corporation), Vice President of Marketing for the Greater China Area, Asia Investment Management Center (Hong Kong) of Robeco Investment Management Group, Manager at the Investment and Wealth Management Department of Fuh Hwa Securities Investment Trust Co., Ltd., Supervisor of ADLINK Technology Inc.	Finance, business management, securities, banking and insurance
Kuan, Arthur	Male	M.S. in Biotechnology, Johns Hopkins University University of Pennsylvania Biology B.A. Current Chairman and Chief Executive Officer, CG Oncology (Eternal Facial Biotechnology Co., Ltd.)	Biotechnology, investment, business management

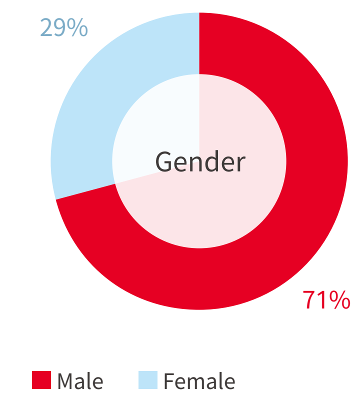
The Board members (including independent directors) are nominated in accordance with the CCSB's Articles of Incorporation, the Company Act, and the Securities and Exchange Act. After reviewing the nomination list, the directors are elected by the shareholders. According to the election results, the directors elected shall elect the chairman of the Board from among themselves.

Seven directors including three independent directors were elected at the annual general meeting held in May 2022. The number of independent directors accounts for 43% of the total directors, which exceeds the statutory requirement. The diverse policy was also taken into account, so that the current Board of Directors younger and more diverse.

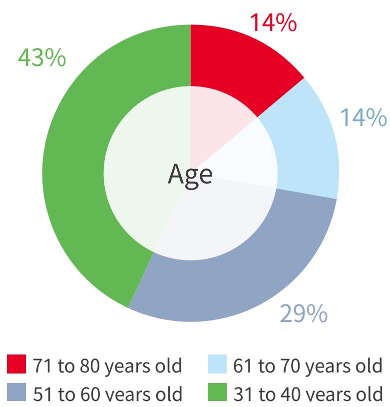
Independent director ratio in 2024



Director gender ratio in 2024



Director age ratio in 2024



Functional Committees

Audit Committee

In May 2016, the Company established the Audit Committee to take over the responsibilities of supervisors. The committee aims to support the Board to exercise its functions and powers to supervise the Company's compliance with the Company Act, Securities and Exchange Act and other pertinent laws and regulations. Meanwhile, the Company's internal audit reports are also provided to the Audit Committee to strengthen the internal supervising function. The Company's current Audit Committee consists of three independent directors. The Audit Committee's main responsibilities are overseeing the fair presentation of the Company's financial statements, the appointment (dismissal), independence, and appropriateness of the CPAs, the effective implementation of the Company's internal control system, the Company's compliance with applicable laws and regulations, and the control and management of the Company's existing or potential risks. An Audit Committee meeting must be held once every quarter. In 2024, a total of five meetings were held, and the actual attendance rate of the independent directors was 93.33%. No independent directors expressed dissenting opinions on the internal audit report.

Remuneration Committee

In 2011, the Company established the Remuneration Committee responsible for the suggestion, assessment and supervision of the Company's remuneration for the directors, and managers and related policies, to assist the Board in managing the remuneration. The Remuneration Committee will, based on its professionalism, evaluate the top governance personnel and high-level managers' remuneration according to the Company's operating performances. The Company's current Remuneration Committee consists of three independent directors. In 2024, a total of three meetings were held, and the actual attendance rate of the convener and members was 88.89%.

Internal Audit

The Company has set up an internal audit unit subordinate to the Board of Directors to be in charge of the internal audits. A dedicated internal audit supervisor and a dedicated internal audit person have been appointed based on the Company's scale, operations, management requirements and relevant regulations. The internal audit person acts independently and performs the duties properly from an objective and fair position, while the audit supervisor needs to be present in the Board meetings to deliver reports.

The internal audit unit draws up an annual audit plan according to the risk assessment results, determines the items that should be audited on a monthly/quarterly basis, and checks the effectiveness of the Company's internal control system, and then submits the working paper and related materials to prepare an audit report. In addition to regular audits, the audit unit is also necessary to supervise the Company's internal units and subsidiaries to regularly self-assess the effectiveness of the internal control system every year. After reviewing the evaluation reports of each unit and subsidiary, the committee provides improvement suggestions in a timely manner to assist the Board of Directors and managers in determining the effectiveness of the internal control system, thereby predicting possible risks and ensuring reasonable and stable operating results.

Name of Governance Unit	Composition	State of Operation in 2024
Board of Directors	7 directors, including 3 independent directors	93.88% actual attendance
Audit Committee	All three independent directors are members	93.33% actual attendance
Remuneration Committee	All three independent directors are members	88.89% actual attendance

Board Performance Evaluation and Remuneration Policy

Board Performance Evaluation

To implement corporate governance and enhance the competence of the Company's Board of Directors and functional committees, CCSB has established a performance evaluation system designed to strengthen the operational efficiency of each organization. On June 24, 2019, the "Rules and Procedures for Self-evaluation by the Board of Directors or Peers" were approved, which were renamed as the "Rules and Procedures for Performance Evaluation of the Board of Directors" approved by the meeting of the Board of Directors on November 9, 2020. These Rules and Procedures explicitly outline that the performance evaluation of the Board of Directors as a whole, individual board members, and functional committees shall be conducted at least every three years by an external professional independent organization or a team of external professional experts or scholars. In April 2022, the Company engaged Taiwan Investor Relations Institute, an external independent corporate governance evaluation organization, to carry out the evaluation of the performance of the Board of Directors. The performance evaluation report have been submitted to the Board of Directors, which will serve as a basis for future improvement. (For details of the report content, please refer to the Company's 2022 Sustainability Report.) The 2024 internal evaluation report of the Board of Directors and each functional committee was submitted to the 20th meeting of the 22nd Board of Directors on March 6, 2025, and the evaluation results were all "good."

Evaluation methods

Internal evaluation: Performed once a year

External evaluation: An evaluation shall be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years

Performance Evaluation Items of the Board of Directors

- Level of their participation in the Company's business operation
- Performance in upgrading the Board of Directors' quality in policymaking process
- Composition and structure of the Board of Directors
- Election and refresher and higher education program for directors
- Internal control

Performance Evaluation Items of the Board Members

- Mastery of the Company's targets and missions
- Awareness of the directors' responsibilities and powers
- Level of their participation in the Company's business operation
- Management and communications of internal relationship
- The directors' expertise and continued refresher and higher education programs
- Internal control

Performance Evaluation Items of the Functional Committees

- Level of their participation in the Company's business operation
- Awareness of the responsibilities and powers of the functional committees
- Performance in upgrading the policymaking quality of the functional committees
- Composition of the functional committees and selection of the members
- Internal control

2024 Evaluation Results

Internal evaluations of the Board of Directors and each functional committee – results – "Good"

Remuneration Policy of the Directors

For the remuneration of directors, the Remuneration Committee regularly assesses the level of participation and contribution value of individual directors according to the “Regulations Governing Salary Remuneration to Directors and Functional Committee Members” and the “Rules and Procedures for Performance Evaluation of the Board of Directors” and submits the recommended amount of remuneration and remuneration policy to the Board of Directors for discussion. After comprehensive consideration, the Company’s operating performance, and the general level of pay in the same industry, the Board of Directors reached a consensus and ad determined that no more than 3% of the profits shall be set aside as the remuneration to directors according to the Company’s Articles of Incorporation and based on the profit of the current year.

Continuous Education of the Directors

Directors of CCSB receive continuous education each year in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.” In 2024, the directors actively participated in external educational training courses and seminars, accumulating 54 hours of training, which is higher than the legal recommendation. The external training courses included “Corporate Governance Forum,” “Corporate Trade Secret Protection Act and Case Study,” “202410 Fubon Insurance Corporate Governance and ESG Seminar,” “Stakeholder Analysis and Integration Project Management of Corporate Governance,” “Corporate Governance 3.0 Sustainability Report Practice Analysis,” “New Development of Sustainability Governance Issues and Director Responsibilities,” “Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Measures,” “Preparation of Financial Information and Internal Control Regulations,” and “Practical Problems of Irregular Transactions that Directors and Supervisors Should Pay Attention to.” In the future, the Company will continue to arrange professional courses related to environmental protection, social responsibility and corporate governance for directors based on the overall continuing education status. Continuous education of directors in 2024 is disclosed in CCSB’s 2024 annual report.

Independence and Management of Conflicts of Interest of Directors

The Rules for Board Meetings of the Company explicitly outline provisions on recusal. Where a motion involves interests of a director or legal entity he/she represents at a board meeting, he/she shall explain the important contents of his/her interests. If the interests of the director may be harmful to the interests of the Company, the director or the proxy shall not participate in discussion or voting, and shall recuse himself/herself from the meeting at the time of discussion and voting. The director may not exercise voting rights on behalf of another director.

“Currently, the Company has three independent directors, accounting for 43% of all directors. All external directors are independent with no conflicts of interest.“

3.2 Ethical Corporate Management

Management Policy for Material Topic – Ethical Corporate Management

GRI205-1~3, 206-1

Material Topics	Ethical management
Materiality	The regulations specifying the conduct norms for directors and employees, as well as the penalties for violating such procedures and principles, which are implemented accordingly; supplemented by relevant education, training, and promotion efforts to enable directors and employees to fully understand the Company's commitment to ethical corporate management.
Policy and Commitment	▪ The Board of Directors and management of the Company shall actively implement the integrity management policy and ensure actual execution during internal management and external business activities. ▪ The Company has published the integrity management policy on its website and annual reports to enable the suppliers, customers, or other business-related organizations and personnel to clearly understand the Company's business integrity philosophy and to regulate matters that should be observed by the Company's personnel when performing businesses. ▪ When signing external contracts, the Company and its subsidiaries shall observe the principle of honesty and mutual benefit to negotiate reasonable contract contents, and actively fulfill the contractual commitments.
Goals	Short-term goal: Promoting and implementing the Company's rules for conduct. Medium to long-term goal: Internalizing the concept of ethical management and building an enterprise with business ethics and integrity.
Responsible Unit	Based on the ethical corporate management philosophy, the General Manager's Office and the HR Office have formulated the "Procedures for Ethical Management and Guidelines for Conduct" to be implemented by the General Manager's Office and the Human Resources Office. Report the implementation results to the Board of Directors on a yearly basis and assist the Board of Directors in evaluating whether the preventive measures for ethical corporate management established by the Company are effectively implemented.
Invest in Resources	▪ CCSB implements ethical corporate management and incorporates the "Code of Conduct for Employees" and the "Procedures for Ethical Management and Guidelines for Conduct" in the pre-employment education and training courses for new recruits to promote the Company's corporate culture that values integrity. In 2024, there were 2 sessions of pre-service education and training for new recruits, with 2 people participating, for a total of 6 hours, and the completion rate was 100%. ▪ To implement ethical value and corporate sustainable development, the Quality Assurance Department, the Company arranged for the R&D Department and other related departments to participate in cGMP (current Good Manufacturing Practice) education and training courses in 2024, with 6,901 people participated, totaling 5,007 hours.
Complaint Mechanism	The Company has established a reporting and complaint channel in the "Rules for Handling Complaints of Illegal and Unethical or Dishonest Conduct" and established a dedicated unit to take charge. All business integrity violation related matters shall be handled according to the relevant regulations.
Action Plan	▪ The "Rules for Board Meetings" established by CCSB specifically stipulate that directors with conflicts of interest shall abstain from participating in the discussion or voting during the discussion and voting of various Board of Directors meetings. ▪ CCSB has incorporated the "Employee Code of Conduct" and "Ethical Corporate Management Operating Procedures and Code of Conduct" into the pre-employment education and training courses for new recruits, and promotes the Company's corporate culture of integrity and integrity to new employees. ▪ CCSB has listed integrity and ethics as an item in its year-end performance evaluation. ▪ CCSB has formulated its "Employee Code of Conduct" on its policy to prevent conflicts of interest. Employees can fully express their opinions through the employee suggestion box and the Company's website; a spokesperson system is set up to take charge of communication with the outside world.
Effectiveness Evaluation	▪ The implementation status of ethical corporate management in 2024 was reported to the 18th meeting of the 22nd Board of Directors on December 26, 2024: No employee violated ethical corporate management in 2024. ▪ In 2024, no fines were imposed due to anti-corruption or anti-competitive business. ▪ In 2024, there was no grievance incident related to anti-corruption matters.

Deepen Anti-corruption and Ethical Conduct

“Integrity and ethics are the core values and attitudes that we must possess as employees of CCSB.”

In order to implement the concept of ethical management, CCSB has implemented the following policies to uphold ethical management, and has announced the promotion of ethical management, so that relevant personnel can fully understand the importance of ethical behavior to the Company:

- Promulgated the “Employee Code of Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Code of Ethical Conduct,” explicitly providing guidelines needing attention in the course of performing duties for the directors, managers and employees of CCSB, its subsidiaries and their related organizations;
- Strictly prohibit any bribery or corruption such as kickbacks, commissions, facilitating payments;
- All relevant conduct must be in compliance with commercial norms and be approved by the Company’s internal superiors in advance; we must not have undue influence on customers, distributors, and suppliers or conflict with the laws and regulations accepted by the Company;
- Establish an evaluation mechanism for current customers and suppliers;
- All business activities are conducted in accordance with the principles of fairness, impartiality, openness, and transparency, and fair and reasonable benefits and remuneration are paid to each customer and supplier.

In order to uphold the principle of ethical corporate management, CCSB promotes and reminds current directors and managers to prevent accidental violations of laws and regulations:

- On May 9, 2023, we amended the “Operating Procedures in Management of Major Internal Information and Prevention of Insider Trading,” adding regulations related to prevention of insider trading.
- The Company has sent emails on February 6, April 22, July 18, and October 24, 2024 to remind insiders that they are prohibited from trading the Company’s shares during the financial report close period. In addition, the directors were reminded again when notified of the dates of all 2025 board meetings on December 3, 2024. 2024 Insider Trading Prevention Education and Training Course and the status of official document publicity are disclosed in CCSB’s 2024 Annual Report.
- On December 26, 2024, a 30-minute education and promotion course was held for a total of 15 current directors, managers, and employees. The course was called “2024 Insider Trading Prevention Promotion Course”, which included “Analysis of Insider Trading Regulations; Common Questions About Insider Trading Supervision and Practice; and Discussion on Internal Control and Insider Trading Prevention and Common Deficiencies”. The course also reminded insiders that they should not trade their stocks during the closed period before the announcement of the financial report.

In order to implement ethical management and promote the Company’s corporate culture of emphasizing integrity, the “pre-employment education and training” courses for new recruits include:

- “Employee Code of Conduct”
- “Procedures for Ethical Management and Guidelines for Conduct”
- Confidentiality of Material Information
- Prohibition and prevention of insider trading and basic concepts of insider trading, laws and regulations, constitutive elements, legal effects, identification process, illustrative examples of trading and violation of regulations.

Number of people receiving ethical management-related courses and the total number of people in 2024:

Courses related to ethical management				
Course type	Number of people trained	Total	Training percentage	Total number of training hours
Pre-employment education and training	2	2	100%	6

Ethical Management Risk Assessment

Based on the ethical corporate management philosophy, the General Manager's Office and the HR Office have formulated the "Procedures for Ethical Management and Guidelines for Conduct" to be implemented by the General Manager's Office and the Human Resources Office. Report the implementation results to the Board of Directors on a yearly basis and assist the Board of Directors in evaluating whether the preventive measures for ethical corporate management established by the Company are effectively implemented. The implementation status of ethical corporate management in 2024 was reported to the 18th meeting of the 22nd Board of Directors on December 26, 2024: No employee violated ethical corporate management in 2024.

Management of Ethical Management

Relevant Regulations

Enactment of the "Procedures for Ethical Management and Guidelines for Conduct"

At CCSB, we emphasize the importance of ethics and integrity. We explain the importance of adhering to the Principles of Ethics of the Company to gain the public's trust, ensuring the Company's sustainable growth and development.

Enactment of the "Rules for Handling Complaints of Illegal and Unethical or Dishonest Conduct"

For more details, please refer to the Complaint Mechanism and Reporting of Unethical Conduct.

Education and Training

Employee Education and Training

Ethics and integrity are included in the performance evaluation items of employees at the end of the year. This conveys the importance of ethics to the entire company.

In 2024, no fines were imposed due to anti-corruption or anti-competitive business.

- Procedures for Ethical Management and Guidelines for Conduct
- Rules for Handling Complaints of Illegal and Unethical or Dishonest Conduct

Complaint Mechanism and Reporting of Unethical Conduct.

CCSB upholds the principle of ethical corporate management and conducts business activities in accordance with the principles of fairness, impartiality, openness, and transparency. We have also formulated the "Rules for Handling Complaints of Illegal and Unethical or Dishonest Conduct" which are disclosed on the website for employees and stakeholders to refer to at any time. The specific implementation process is described as follows:

Setting up whistleblowing email and hotline

We have disclosed the whistleblowing email on the Company's website for internal and external personnel.

Email: report@ccsb.com.tw

Dedicated unit for control

We have set up a dedicated unit for control. Where a grievance raised involves a director or a senior manager, the independent directors shall be made aware. Standard operating procedures shall be established for investigating such a grievance.

Whistleblower protection measures

Personnel handling grievances raised keep the identity of the whistleblower and the content of the grievance confidential. These personnel are committed to protecting the whistleblower so he/she is not mistreated as a result of the report.

Retaining investigation results and relevant documents

Written documents for grievance acceptance, investigation process, and investigation results should be retained. if any litigation arises before the end of the retention period, the relevant documents shall be retained until the conclusion of the litigation.

Through the implementation of the above policies, we aim to prevent incidents of corruption. In 2024, there was no grievance incident related to anti-corruption matters.

3.3 Legal Compliance

Management Policy for Material Topic – Legal Compliance

GRI2-27

Material Topics	Legal Compliance
Materiality	The API industry is characterized by a high degree of legal compliance. In addition to complying with existing laws and regulations related to corporate governance, environmental protection, labor rights, etc., the Company must also pay attention to the latest changes in the amendments and take timely response measures to protect the rights and interests of stakeholders.
Policy and Commitment	Legal compliance is an indispensable cornerstone of building a sustainable enterprise. CCSB adheres to the beliefs of rigor and transparency, and continues to strengthen the implementation of corporate governance philosophy and internal management system in all aspects of legal compliance.
Goals	Short-term goal: Comply with relevant laws and regulations such as corporate governance, environmental protection, and the Labor Standards Act. Medium to long-term goal: Establishing a process mechanism that proactively identifies, completely reviews, and responds to changes according to the laws and regulations on each department's responsibilities.
Responsible Unit	Board of Directors, Quality Assurance Department, Occupational Safety and Health Department
Invest in Resources	▪ The Company has provided the relevant legal information to the directors and managers as well as the professional knowledge training course information to the relevant units on an irregular basis. ▪ The Company's directors have completed the advance study hours as required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in 2024 and the information is disclosed in the Market Observation Post System. ▪ In an effort to protect the rights and interests of our shareholders, we have taken out liability insurance for all directors since August 2016. Insurance renewal for 2024 has been submitted to the meeting of the Board of Directors on August 6, 2024.
Complaint Mechanism	The Stakeholders and Investors sections of the Company's website have disclosed the contact points for various business operations to handle related questions and suggestions. These include the spokesperson, the acting spokesperson, the stock affairs unit, and the contact points for stakeholders. To protect the rights and interests of stakeholders, the Company engages lawyers to handle legal issues.
Action Plan	▪ All new employees must sign a confidentiality contract when joining the Company. The contents of the contract shall include the protection of the Company's business secrets and information security. This prevents the leakage of business secrets causing damage to the Company. ▪ Auditors audit various systems and important operations. This ensure the implementation situation of colleagues, effectively reducing the risk of violating the laws. ▪ A stakeholder contact channel has been set up on the official website of CCSB. Stakeholders can report any illegal activities through the contact channel.
Effectiveness Evaluation	▪ The Company regularly hold labor–management meetings to facilitate harmonious labor relations. ▪ An Employee Welfare Committee has been set up to proactively promote various employee welfare plans. ▪ We enhance communication with investors through shareholders' meetings, investor conferences, the spokespersons mechanism. ▪ In 2024, CCSB committed no major violations of corporate governance, biotech and pharmaceuticals, environmental, and labor laws and regulations. No major non-conformances were found during internal audits, and no dispute resolution mechanisms were passed.

"Strictly complying with the laws and regulations is the practice of corporate social responsibility and one of the keys to the sustainable operation of enterprises."

In order to ensure compliance with relevant laws and regulations, CCSB organizes relevant education and training on a regular basis. All departments are required to keep abreast of the trend of regulatory amendments that may affect the Company while keeping paying close attention to existing regulations and maintaining economic performance. The Company has designed an internal control system in accordance with existing government decrees, policies, and regulations, and supervises all units to comply with various laws and regulations.

In 2024, there were no major violations of corporate governance, biotech and pharmaceutical, environmental, and labor laws and regulations. No major non-conformities were found during internal audits, and no disputes were reported through the dispute resolution mechanism.

Course name	Total training hours	Total number of people trained
cGMP Training	5,007	6,901
SOP Training	592.5	407
Specialized training	405.5	37
Instrument Training	222	216
New-hire Training	6	2
Industrial Safety	92	56
Others	628.5	856

Chapter 4

Climate Action

- Fulfilling the Responsibilities of Global Citizens for “2050 Net Zero” and “Biodiversity”
- Continue to pay attention to domestic and foreign regulatory changes, sustainability issue trends, and management indicators.
- Anticipate the risks and opportunities of climate change on business operations, and formulate response strategies.

4.1 Climate-Related Risks

GRI201-2

"CCSB keeps track of global trends related to climate action."

Under the increasingly severe backdrop of global climate change, enterprises are no longer merely production and profit-making units, but also bear the responsibility of environmental protection and sustainability. Therefore, how to adapt to climate change and prepare for climate risks has become an issue that governments, businesses, and society around the world attach great importance to. From 2022, by following the Task Force on Climate Related Financial Disclosure (TCFD), we assessed and identified all climate risks and opportunities related to our own operation, with corresponding measures disclosed. This chapter provides an overview of climate-related governance, strategy, risk management, indicators, and targets of the Company. The responsibilities and strategies that CCSB should have in the face of climate risks are presented in this chapter, reinforcing the communication with stakeholders. Actively respond to climate risks and seize sustainable opportunities to achieve net-zero emissions by 2050.

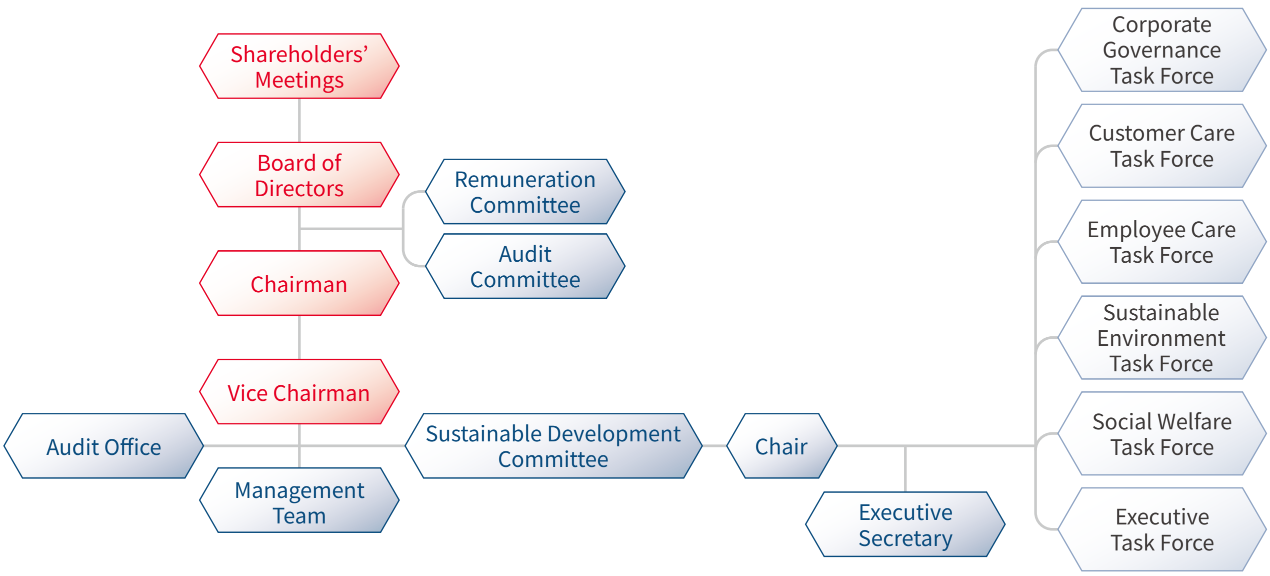
Climate Governance

The Company has established the Sustainable Development Committee as the highest-level decision making center. The Committee is responsible for the proposal and implementation of the policy, system or relevant management policies as well as concrete promotion plans for sustainable development. Aside from this, the Committee also reports the performance results to the Board of Directors twice a year, so that the Board of Directors is able to keep abreast of sustainability-related trends, implementation progress, and response situations regarding climate governance issues in a timely manner.

The Chairman of the board serves as the chairperson of the Sustainable Development Committee. The committee is composed of cross-functional members, including the corporate governance team, customer care team, employee care team, sustainable environment team, social welfare team and implementation team. Each team assesses the likelihood and impact of climate-related risks and opportunities based on their scope of responsibility, actively manages various risks and opportunities, formulates and implements necessary action plans to improve the Company's climate governance performance and reduce the risk of business interruption.

With reference to climate-related financial disclosure (TCFD), the Company also identifies those major risks and opportunities likely to impact upon the Company's business operations through four core elements as "governance," "strategies," "risk management," and "indicators & targets." In turn, we implement a variety of climate change mitigation and adaptation to continually minimize potential risks and enhance resilience to create opportunities for sustainable development.

Organizational Chart of the Sustainable Development Committee



Climate Change Response Strategies

"At CCSB, we regard climate actions as our priority. We integrate climate actions with the Company's operations and take proactive approaches to address climate change issues while also reducing GHG emissions."

In order to identify climate-related issues related to operations, CCSB convenes units including the General Manager's Office, finance and accounting, human resources, management, sales, procurement, quality assurance, manufacturing, safety and health, and auditing units to collect and compile climate-related topics. By analyzing the industry overview and international sustainability trends as the main assessment method, as well as following the TCFD guidelines and divided the issues into physical risks, transition risks, and opportunities, with the short-term risks occurring within one to three years, medium term occurring within three to five years, and long term occurring after five years. Colleagues of each department were engaged to conduct an evaluation on the degree of impact (5 levels) and the probability of occurrence (5 levels) of the proposed climate issues. Through the quantitative scoring results, the assessment opinions of each department are plotted as growth bar charts, and eventually one transition risk, four physical risks, and one opportunity are confirmed, and relevant countermeasures and management methods are formulated accordingly to reduce or avoid potential impacts.

Identification Process of the Climate-related Risks and Opportunities

Collection of climate issues

With reference to the characteristics of the industry, CCSB integrates domestic and foreign sustainability trends, climate-related issues of industry concern, and the latest laws and regulations to screen out eight climate risks and opportunities, including two transition risks and four physical risks, and two opportunities.

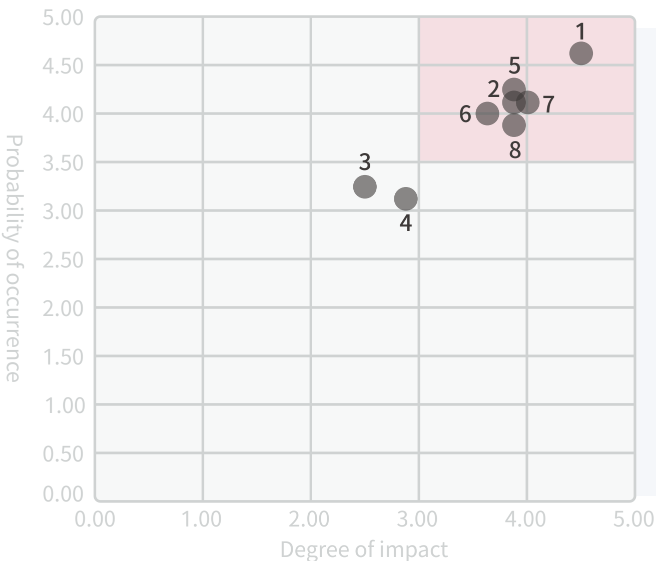
Impact assessment of climate issues

The Sustainable Development Committee of CCSB convened relevant units to score the impact timeline, probability of occurrence, and level of impact on the eight issues, with a growth bar chart drawn.

Confirmation of material climate issues

With reference to the materiality bar chart, the Company's current status of operation, and future sustainable development planning, six material climate issues were finally identified, including two transition risk, two physical risks and two opportunity.

Climate Risk and Opportunity Materiality Bar Chart of CCSB



1. Countries around the world have introduced carbon tax
2. Changes in precipitation types, and extreme changes in climate models
3. Uncertainty over infrastructure supply resilience
4. The rise in global average temperature has led to a shortage in the market for fish oil raw materials.
5. The average temperature rises, and the electricity bill rises year by year.
6. Utilization of low-carbon energy
7. Application of the production and distribution process with higher efficiency
8. Increase in raw material cost

Identification Results of the Climate-related Risks and Opportunities

CCSB identified six material issues from climate risks and opportunities, including two transitional risks, two physical risks and two opportunity. Future response strategies have been formulated accordingly.

Aspects	Issue	Impact Period	Risk/Opportunity Impact on CCSB	Countermeasures	Potential Financial Impact
Transition risk – policy and regulatory risk	Countries around the world have introduced carbon tax	Long-term	▪ The main energy source of CCSB comes from the electricity generated by Taipower. If Taipower increases the pricing of electricity in the future in response to GHG emissions, operating costs will be increased. ▪ If laws and regulations related to carbon tax collection come into effect in the future, the operating costs of CCSB will be affected.	▪ Conducted independent GHG investigation, and formulate emission reduction strategies according to the investigation report. ▪ Inventoried the energy-consuming equipment at the CCSB plant, and prioritized the replacement of energy-saving equipment with high energy conversion efficiency. ▪ Promoted in-house energy-saving programs and established management objectives and raise energy-saving awareness among colleagues.	▪ Higher operating cost
Transition risk – market risk	Increase in raw material cost	Long-term	▪ It is likely that frequent occurrence of extreme climate events such as typhoons and heavy rainfall due to climate change in recent years may result in an increase in imported raw materials, transportation costs, affecting product delivery schedules and leading to increased operating costs.	▪ Two or more raw material suppliers are maintained while giving priority to domestic procurement in order to reduce procurement risk. ▪ Centralized procurement will reduce transportation cost as shipment frequency is reduced. Actively develop new suppliers to not only increase the bargaining advantage, but also avoid stock-out risk.	▪ Higher operating cost
Physical – long-term risk	Changes in precipitation types, and extreme changes in climate models	Long-term	▪ The number of days with rainfall decreased but the number of days with heavy rainfall increased. Due to climate change, typhoon's path shifts northward, affecting the chance of rainfall. The number of days with high temperatures has also increased compared to previous years, the overall water consumption strategy will be affected. Although the impact of the drought will be relatively small as CCSB plants are located in northern Taiwan; however CCSB must cope with the increase in operating costs arising from future droughts.	▪ Completed the construction of six vacuum pump water recovery systems in 2023 (seven in the entire plant) ▪ Regularly inspected the operating status of cooling water towers and scrubbers to avoid wasting water resources due to equipment abnormalities.	▪ Higher operating costs ▪ Higher electricity and maintenance costs for equipment operation. ▪ Decrease in wastewater treatment expenses
	The average temperature rises, and the electricity bill rises year by year.	Long-term	▪ There is a global trend for the average temperature to rise in recent years, resulting in an increase in electricity bills for frequent use of internal cooling and refrigeration facilities, such as air-conditioning, central air-conditioning, chilled water dispensers, and increase in Taipower expenses.	▪ When replacing obsolete equipment, prioritize the replacement of energy-saving equipment with high energy conversion efficiency, such as inverter air compressors, air-conditioning, and air-conditioning systems.	▪ Higher operating cost
Opportunity – resource efficiency	Application of the production and distribution process with higher efficiency	Long-term	▪ It was assessed that as the production and distribution of raw materials and products had a higher degree of impact on CCSB, this was also an opportunity for corporate sustainability transformation.	▪ Inventory the energy-consuming equipment in the plant. When replacing old equipment, prioritize the adoption of energy-saving equipment and introduce high-efficiency equipment to improve energy efficiency.	▪ Lower operating cost ▪ Higher revenue
Opportunity – energy sources	Utilization of low-carbon energy	Long-term	▪ In response to the milestone of global net zero emissions, countries around the world have begun to set net zero goals, and customers have also selected suppliers for cooperation with the issue of "sustainability." If we can take action to achieve the goal of sustainability, the increase in the competitiveness of our products will be anticipated.	▪ Changing CCSB's energy ratio has always been our long-term goal. We must gradually plan to use renewable energy sources, such as wind power and solar power when purchasing electricity.	▪ Higher revenue ▪ Higher operating cost

Indicator and Goal

In response to the issue of climate change, CCSB continues to monitor changes in domestic and international regulations and sustainability issue trends in order to respond in advance and continue to track climate-related management indicators. Starting from the publication of the 2013 CSR Report, CCSB has been referring to the "Guidance Manual for Greenhouse Gas Inventory" announced by the Environmental Protection Administration, Executive Yuan, for the scope 1 and scope 2 voluntary GHG inventory for the previous year. Starting from 2023, the Company has been following the ISO 14064-1 2018 standard to voluntarily conduct GHG inventory, and commissioned third-party verification with certification obtained. In 2024, the Company included its subsidiaries in the consolidated financial statements for GHG inventory which was verified by a third party with certification obtained. Through theGHG inventory report, we were able to understand thecurrent GHG emission structure and carbon reduction performance. We thenset carbon reduction management indicators and action plans for implementation.

2024 Achievement of the Annual Climate Targets

Total electricity consumption decreased by 1% from the previous year

2024 target achieved

Chapter 5

Environmental Sustainability

- CCSB believes that environmental sustainability and industrial development are equally important.
- Energy efficiency and carbon reduction, resource recycling, environmental management and climate action.
- CCSB continues to actively promote various environmental protection measures and contributes to environmental sustainability. Only by coexisting with the environment and ecology can we achieve sustainable economic and social development.

5.1 Environment Policies

At CCSB, environmental protection and industrial development are equally important. Only by coexisting with the environment and ecology can we achieve sustainable economic and social development. Given this, CCSB continues to actively promote various environmental protection measures and contributes to environmental sustainability.

As required by the competent authorities, CCSB regularly reports its environmental data, such as reporting and payment of air pollution emissions, waste removal disposal volume, registration of toxic chemicals and new chemicals, and reporting of effluent monitoring. We also continue to invest in water recycling equipment. The total expenditures for air pollution, waste treatment, water pollution prevention, toxic chemical management, and environmental investment equipment-related expenses totaled NTD 40.66 million in 2024.

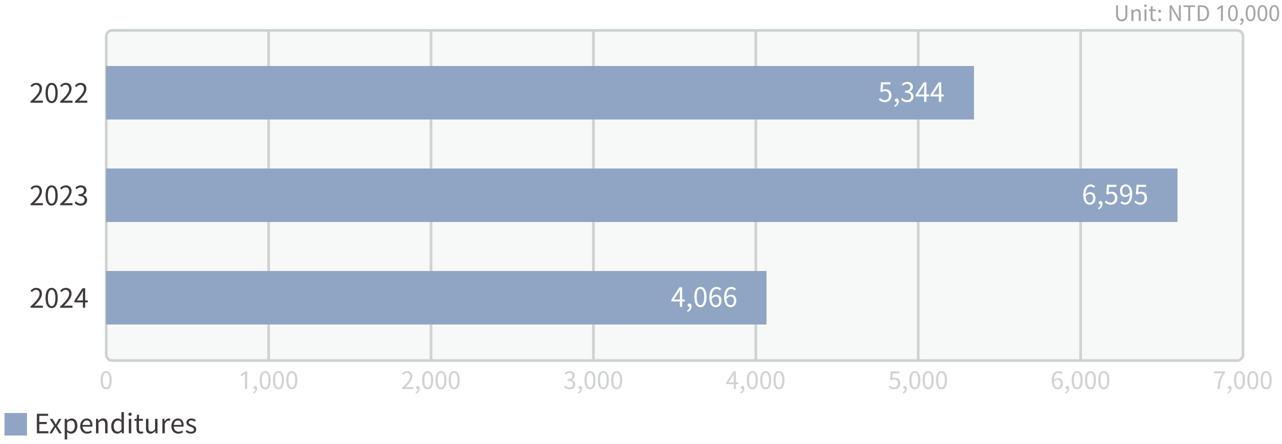
2024 Environmental Pollution Control Measures and Equipment Expenditures

Unit: NTD 10,000

Investment Category	Description	Content	Amount
Waste Disposal	Cost of waste treatment outsourced	Outsourcing waste included domestic waste	2,979
Water Pollution Prevention	Water pollution control fees, investment in wastewater treatment chemicals, wastewater detection agent	Water pollution control fees, investment in wastewater treatment chemicals, wastewater detection agent	1,049
Air	Air pollution control fees	Air pollution-related expenses	28
Toxic Chemicals	Toxic release testing fees	Toxic release testing and review fees	10
Total Environmental Expenditure			4,066

Environmental Pollution Control Measures and Equipment Expenditures for the Most Recent Three Years

Unit: NTD 10,000



CCSB

5.2 GHG and Energy Management

Management Policy for Material Topic – GHG and Energy Management

GRI302-1~5, 305-1~5

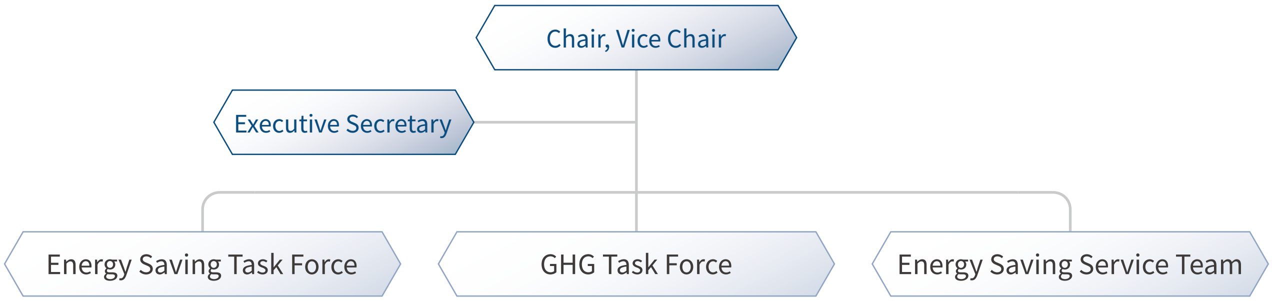
Material Topics	GHG and Energy Management
Materiality	▪ In the face of global warming, the accumulation of GHGs has seriously threatened the environment for all living things. Therefore, issues related to GHG emission reduction and energy management have attracted the attention of various countries and international organizations. ▪ At present, many countries around the world have announced a net zero emissions phase, and the European Union and the United States have also planned to levy carbon tariffs on imported products. GHG emissions have not only become an environmental issue, but have also expanded into an economic issue. Governments around the world have enacted relevant laws and regulations to control the carbon emissions of enterprises under their jurisdiction according to their net zero emission plans, including limiting the annual carbon emissions of enterprises, levying air pollution fees or energy taxes, etc. The industry must pay attention to the long-term risks arising from laws and regulations that may have an impact on the operation of their enterprises. Only by proactively facing the issues of GHG emission reduction and energy management and taking more proactive actions can we find a new path for sustainable business operations in a business environment restricted by increasingly stringent energy-saving and carbon reduction regulations.
Policy and Commitment	CCSB pays ongoing attention to international climate change trends and GHG reduction. Through GHG inventory, we focus on the direction of reduction. At the same time, we introduce measures such as the energy use management system, innovative technology and equipment. We are dedicated to improving equipment efficiency to promote an assortment of energy-saving and carbon reduction measures to achieve the goal of "GHG reduction" and reduce the possible impacts caused by climate change.
Goals	▪ Electricity saving rate: More than 1% per year from 2023 to 2030 ▪ GHG emission intensity: Based on the turnover of 15.53Note metric tons CO_2e/NTD million in 2023 – decrease by 4% in 2025, and decrease by 10% in 2030. ▪ Energy intensity: Based on the turnover of 75.45GJ/NTD million in 2022 – decrease by 4% in 2025, and decrease by 9% in 2030. ▪ ISO 14064-1:2018 GHG inventory was introduced in 2023. The "2023 GHG Inventory Report (ISO 14064-1:2018)" was certified by a third-party with a certificate obtained in Q2 2024. ▪ Starting from 2024, the Company has been including subsidiaries in the consolidated financial statements for GHG inventory and has commissioned a third-party company to compile the "2024 GHG Inventory Report (ISO 14064-1:2018)" in Q2 2025 with certification obtained.
Responsible Unit	▪ "Energy Management System Committee": Promotion of in-plant energy-saving plans ▪ "GHG Inventory Committee": Enforcement of in-plant GHG inventories
Invest in Resources	▪ Joint management by the "Energy Management System Committee" and the "GHG Inventory Committee" ▪ Use energy-saving equipment ▪ Systemize energy management ▪ Invest in renewable energy ▪ Enhance product energy efficiency ▪ Implement ISO 14064-1:2018 GHG inventory
Complaint Mechanism	GHG Inventory Committee Tel: 02-8684-3318 ext. 404 Email: rdh@ccsb.com.tw
Action Plan	The following approaches have been taken to control and reduce GHG emissions. ▪ Optimization of processes and equipment ▪ Introduction of innovative carbon reduction management methods ▪ Execution of GHG inventories in compliance with ISO 14064-1:2018 and competent authority standards ▪ Continue to promote GHG reduction measures ▪ Continue to implement various energy-saving and carbon reduction measures
Effectiveness Evaluation	Tracking and evaluation mechanism: ▪ The GHG inventory report is verified by a third-party external certification body every year. ▪ Hold a regular Energy Task Force meeting at least once a month Achievement of targets for 2024 (compared to 2022 and 2023): ▪ Annual electricity saving rate of 1.41% ▪ Energy intensity (GJ/million dollars of turnover) of 73.17, a decrease of 3.02% (compared to 75.45 in 2022). ▪ GHG emission intensity (CO_2e/million dollars of turnover) was 14.18, a decrease of 8.69% (compared to 15.53 in 2023).

Note: The original benchmark was 7.72 from the five regulated items (Scopes 1 & 2) reported to government agencies in 2022, to 15.53 from the 38 independent GHG inventory items (Scopes 1, 2 & 3) in 2023.

Energy Management

In order to effectively implement energy management, reduce energy costs, and implement environmental friendliness, CCSB established the “Energy Management System Committee” in 2016 to promote in-plant energy conservation and carbon reduction. We achieve energy saving, carbon reduction and continuous improvement through the implementation of the Energy Management System Committee.

Energy Management System Promotion Committee



Energy Structure

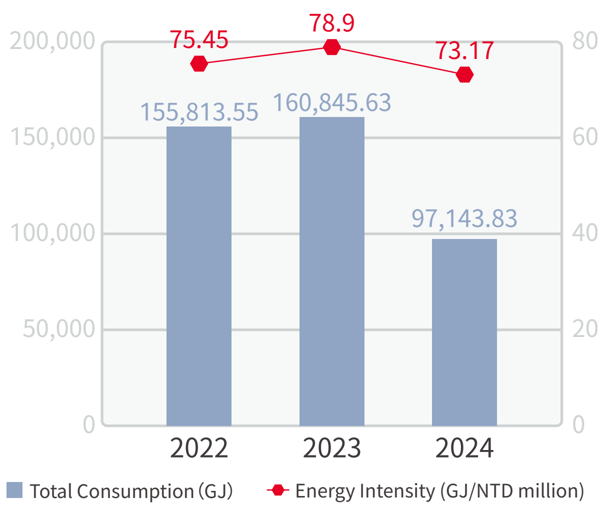
All energy consumed by CCSB is non-renewable:

- Purchased electricity account for approximately 59.9% of the total consumption of CCSB.
- Natural gas accounts for about 39.8%, which is used for boiler combustion to generate steam for use in the production process;
- Diesel accounted for about 0.3% of the total fuel used, for emergency generator start-ups, regular maintenance, and forklift operation.

In 2024, CCSB’s production of synthetic resin decreased, resulting in reduced energy use and energy intensity compared to the previous two years. Total energy consumption was 97,143.83 GJ, with an energy intensity of 73.17 GJ/million dollars.

Types of Non-renewable Energy	2022	2023	2024
Purchased power (GJ)	84,029.46	83,378.80	58,201.49
Liquefied Natural Gas (GJ)	70,974.44	77,052.52	38,639.18
Diesel Fuel (GJ)	561.92	414.30	303.16
Total Energy Consumption (GJ)	155,565.82	160,845.63	97,143.83
Turnover (NTD million)	2,065.20	2,038.63	1,327.61
Energy Intensity (GJ/ NTD million)	75.33	78.90	73.17

Total consumption and intensity of biotech resources



Note 1: Calorific value of liquefied natural gas = 8,000kcal/L, calorific value of diesel fuel = 8,400kcal/L, calorific value of electricity = 860kcal/kWh. source of coefficients: Table of calorific values of product units by the Energy Administration, Ministry of Economic Affairs.
Note 2: Energy Intensity (GJ/NTD million) = Total Energy Consumption (GJ) ÷ Turnover (NTD million)

GHG Emissions

GHG emissions are accumulating year by year, and the global warming phenomenon caused by the greenhouse effect is becoming more and more apparent, jeopardizing the survival of mankind and the ecological environment in the future. Therefore, governments, environmental groups, and business organizations around the world are paying more and more attention to the GHG emission control issues and regulations, and have set the long-term goal of "2050 Net Zero."

Although CCSB has not yet been included in the GHG emission regulation industry, the Company still regularly discloses relevant information in accordance with government regulations, continues to monitor the updates of domestic and foreign regulations, understands carbon reduction issue trends, and plans carbon reduction actions in advance. Therefore, in 2023, CCSB implemented an ISO 14064-1:2018 GHG voluntary inventory, which covers Categories 1 to 6. Subsequently, based on the analysis of the inventory data, we will formulate specific carbon reduction plans to fulfill our responsibilities as a global citizen, to make concrete contributions to the goal of "Net Zero by 2050."

Starting from 2024, the Company has been including subsidiaries in the consolidated financial statements for GHG inventory and has commissioned a third-party company to compile the "2024 GHG Inventory Report (ISO 14064-1:2018)" in Q2 2025 with certification obtained.

The total GHG emissions of CCSB (and all subsidiaries included in the consolidated financial statements) in 2024 were 19,101.98 metric tons of CO_2e, and the GHG emission intensity was 14.18 metric tons of CO_2e/ million dollars).

The increase in the total amount and intensity of GHG emissions in 2023 was due to the increase of the "inventory facilities / activities" items from the five items of Scope 1 to Scope 2 reported to the government in 2021 and 2022 to 38 items of GHG self-inventory categories 1 to 6 in 2023. The total GHG emissions and intensity in 2024 decreased compared to the previous year due to the decrease in CCSB's output.

Structure of GHG emissions of CCSB(and all subsidiaries included in the consolidated financial statements) in 2024

Unit: Metric tons of CO_2e

Scope of Data Coverage / Item	CCSB	All subsidiaries in the consolidated financial statements	Total
Scope 1: Direct GHG emissions	3,283.10	0	3,283.10
Scope 2: GHG emissions between energies	7,661.45	6.55	7,668.00
Scope 3	8,150.79	0.08	8,150.87
Total emissions	19,095.35	6.63	19,101.98
Emission intensity (metric tons of CO_2e/NTD million)	14.38	0.34	14.18

Note 1: Pharmaports LLC, is a 100% owned subsidiary of CCSB, established in Pennsylvania, USA in 1999.
Note 2: Emission intensity (metric tons of CO_2e/NTD million) = Scope 1 + Scope 2 + Scope 3 emissions (metric tons of CO_2e) ÷ Turnover (NTD million)

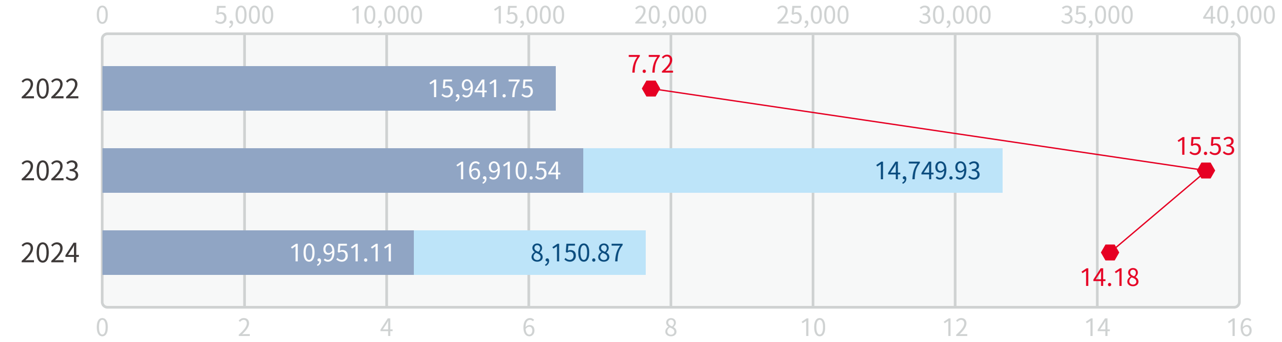
Statistics and Intensity of GHG Emissions in the Past Three Years

Unit: Metric tons of CO_2e

Year / Item	2022	2023	2024
Scope 1: Direct GHG emissions	4,028.60	5,471.72	3,283.10
Scope 2: GHG emissions between energies	11,913.15	11,438.82	7,668.00
Scope 3	Not yet inventoried	14,749.93	8,150.87
Total emissions	15,941.75	31,660.46	19,101.98
Emission intensity (metric tons of CO_2e/NTD million)	7.72	15.53	14.18

Note 1: The types of Scope 1 emissions in 2022 were natural gas, diesel, and septic tanks; the types of Scope 1 emissions in 2023 were natural gas, diesel, and septic tanks, processes, and fugitive sources.
Note 2: Types of GHG inventory in 2022: carbon dioxide, methane, nitrous oxide; types of GHG inventory in 2023: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, nitrogen trifluoride, sulfur hexafluoride.
Note 3: Electricity coefficients from 2022 were based on a coefficient of 0.509kg CO_2e/kWh by the Energy Bureau the Ministry of Economic Affairs published in 2021; electricity coefficients in 2023 were based on the coefficient of 0.494kg CO_2e2e/kWh published by the Energy Bureau of the Ministry of Economic Affairs in 2024; and electricity coefficients in 2024 were based on the coefficient of 0.474kg CO_2e/kWh published by the Energy Bureau of the Ministry of Economic Affairs in 2024.
Note 4: In addition to the Company, subsidiaries were included in the statistics.
Note 5: Emission intensity (metric tons of CO_2e/NTD million) = Scope 1 + Scope 2 + Scope 3 emissions (metric tons of CO_2e) ÷ Turnover (NTD million)

Map of GHG Emissions and Intensity by CCSB



Energy Efficiency Measures and Effectiveness

"CCSB continuously and actively promotes energy-saving measures and fosters the concept of energy-saving."

In compliance with the "Energy Conservation Targets and Execution Plan for Energy Users" established by the Bureau of Energy, Ministry of Economic Affairs, we continue to implement various energy-saving measures and set an energy target to reduce the annual electricity saving rate by more than 1%. In 2024, we replaced old energy-consuming equipment with energy-efficient models, and reduced the operating frequency of exhaust fans to reduce their energy consumption. In 2024, the total electricity saving was 231,167 kWh, the equivalent energy saving was 832.386 GJ, and the GHG emission reduction was 109.573 metric tons CO_2e. Due to equipment adjustments and replacements, energy savings were lower than in 2023, at 510,058 kWh (1,836.627 GJ). However, the annual electricity saving rate was 1.41%, still achieving the target of a 1% or greater annual electricity saving rate from 2023 to 2030.

CCSB's Energy Efficiency Key Measures

- Reduce resource and energy consumption of products and services.
- Enhance the recyclability and reusability of raw materials.
- In response to Earth Day, non-essential lighting is turned off during the lunch break.
- Control AC temperature in summer
- Unplug the appliances or equipment that will not be used for a long while
- Gradually replace high-energy-consuming equipment with water-saving, energy-efficient, and high-energy-conversion equipment.
- Replace inverters in ventilators

For Zone 16, the Company adjusted the 50HP energy saving for the exhaust windmill.

CCSB's 2024 Energy Conservation and Carbon Reduction Actions

Energy Efficiency Actions	Description of Actions	Electricity Saving Volume (Unit: kwh)	Power Saving Power (Unit: GJ)	Carbon Reduction Volume (Unit: Metric tons of CO_2e)
For Zone 16, the Company adjusted the 50HP energy saving for the exhaust windmill.	Reduced the frequency of the 50HP exhaust windmill from 60HZ to 40HZ.	231,167	832.386	109.573
Total		231,167	832.386	109.573

Note: Electricity coefficient was based on the coefficient of 0.474kgCO_2e/kWh published by Energy Administration, Ministry of Economic Affairs in 2025.

5.3 Water Resource Management

Management Policy for Material Topic – Water Resource Management

GRI303

Material Topics	Water Resource Management
Materiality	Water is one of the essential elements in the production process of CCSB. A stable supply of water resources is required for process water, cooling water, vacuum pump water and equipment cleaning. CCSB is committed to promoting rationalization of water use, implementing relevant measures such as water conservation and recycling, and strictly controlling wastewater discharge to meet the requirements of effluent standards.
Policy and Commitment	Although CCSB is located in the northern region where water resources are relatively abundant, the management of water resources is urgent as a result of the frequent occurrence of droughts due to climate change. To cherish water resources, we are committed to rationalizing process water consumption, replacing old equipment with new ones that can recycle water resources. At the same time, we continuously improve wastewater treatment performance to reduce environmental impact.
Goals	Medium-term goal (2023–2025): ▪ Build six vacuum pump water recycling systems, designed to reduce water consumption by about 156 metric tons per day. ▪ Install six non-solvent vacuum pumps to recycle and reuse cooling water. The designed capacity is to save about 130 metric tons of water per day. Long-term goal (2025–): Assess the feasibility of recycling and reusing treated wastewater.
Responsible Unit	Occupational Safety and Health Department
Invest in Resources	Purchase vacuum pump and water recovery systems
Complaint Mechanism	Occupational Safety and Health Department
Action Plan	Drainage: Continue to maintain and invest in wastewater treatment facilities to enhance wastewater treatment efficiency. Water intake: ▪ Perform water use information surveys. ▪ Setup of a water recycling system for high duty vacuum pumps.
Effectiveness Evaluation	Hold a meeting at least once a month to track: ▪ Wastewater treatment efficiency. ▪ New construction progress and improvement results. ▪ Water resource utilization status. Annual targets: ▪ Compliance rate (%) of discharge standard of wastewater treatment = 100%. ▪ After the completion of the vacuum pump water recycling system, the water-saving capacity is estimated to be 42,000 metric tons/year.

Water Resource Structure and Use

CCSB checked the risk assessment tool of the World Resources Institute's Aqueduct Water Risk Atlas, and identified the overall water risk classification of the plant as "Low-Medium (1-2)" [Note]. In 2024, the total water withdrawal was 114.932 million liters, which was used for production and domestic water of our colleagues. Water is withdrawn from areas without water stress, posing no significant impact on water sources.

In order to prevent the change of precipitation patterns caused by climate change and the risk of shortage of available water, CCSB installed water recycling equipment in 2023 and formulated water shortage response measures. During low water seasons, we cooperate with government agencies to make adjustments to achieve the water-saving goals set by the government without affecting the Company's operations.

Note: WATERRISKATLAS: https://reurl.cc/yyjme2

Water Pollution Prevention Management

The production of APIs at CCSB is planned based on the order requirements. The types and quantities of production equipment, unit operations, and input raw materials required for different products vary. Therefore, the content and discharge volume of the wastewater discharged every day are subject to change due to different product production schedules.

In the production process of APIs, in addition to the necessary organic compounds, we also need to add auxiliary materials such as acids, bases, metals, salts, and catalysts. The process wastewater is discharged during the extraction and separation of the aqueous and organic phases. The wastewater contains 20–40% of organic solvents, such as acetone, ethanol, ethyl acetate, methanol, toluene, tetrahydrofuran, etc., as well as different types of organic compound raw materials, intermediates, and finished products.

The plant is equipped with wastewater treatment equipment according to regulatory requirements. Both the process wastewater and domestic sewage are diverted to the wastewater treatment equipment in the plant. The wastewater is treated until it meets the nationally controlled water quality standards before it is discharged outside the plant and eventually into the Dahan River. CCSB monitors the chemical oxygen demand (COD), hydrogen ion concentration index (pH), and suspended solids (SS) of the effluent on a daily basis, which are regularly inspected by a qualified testing company. In 2024, the external testing values in each quarter were lower than the upper limit of the COD and SS testing values (COD<100mg/L; SS<30mg/L), in compliance with the effluent discharge standards.

2024 COD Testing Values by Entrusted Vendor

Testing item	Water quality standards	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
COD (mg/L)	<100mg/L	17.9	10.0	14.0	16.8
SS (mg/L)	<30mg/L	<2.5	2.9	3.2	2.9

Water-saving Measures and Efficiency

Water-saving Measure

Vacuum pump and water recovery system

Approach

Set up six vacuum pump water recycling systems

6

Water-saving Efficiency

After the completion of the vacuum pump water recycling system, the water-saving capacity is estimated to be 42,000 metric tons/year.

42,000

Vacuum pump and water recovery system

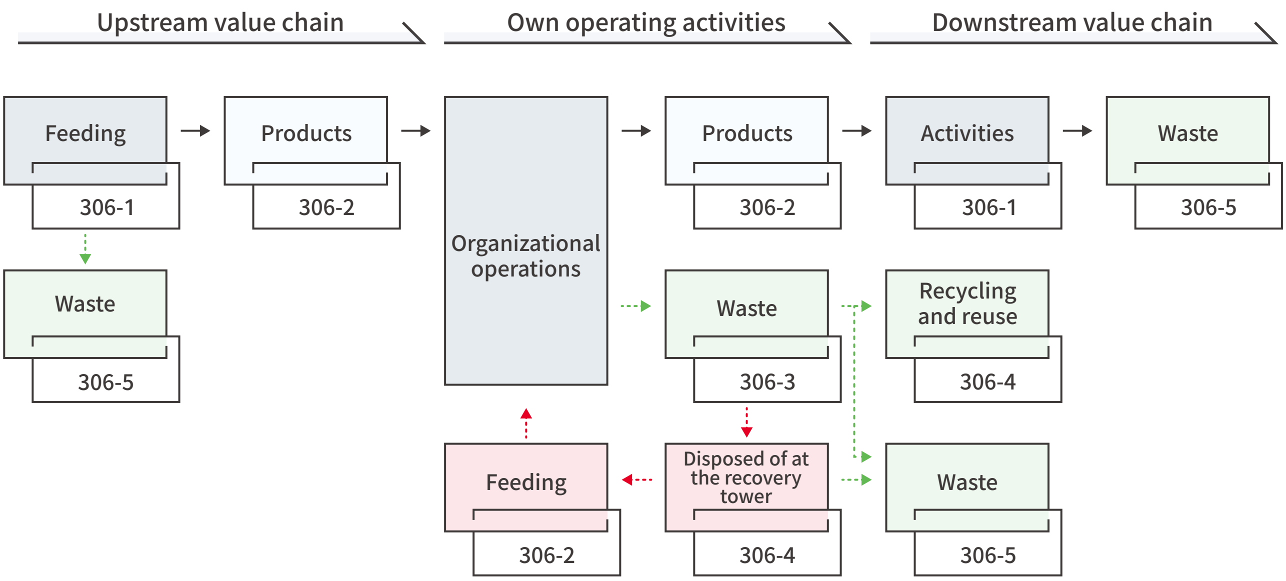
5.4 Waste Management

Management Policy for Material Topic – Waste management

GRI 306-1~5

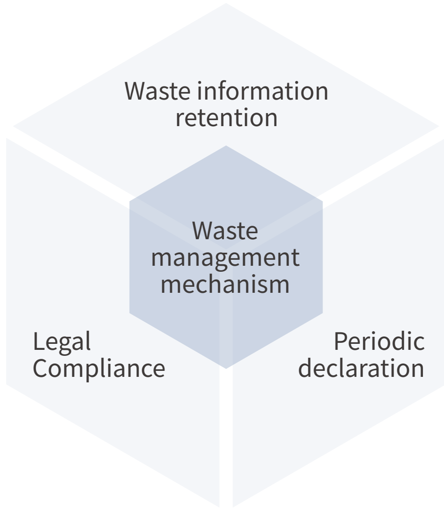
Material Topics	Waste management
Materiality	Waste management is critical to the Company's sustainable development, enhancing economic benefits and fostering a positive social image, ultimately creating a win-win situation for both environmental protection and corporate growth.
Policy and Commitment	▪ Ensure that the generation, processing, storage, transportation, and disposal of all industrial waste comply with local laws and regulations. ▪ Reduce waste generation, promote waste reduction, recycling, and reuse, and maximize resource circulation.
Goals	Short-term goal: Reduce raw material waste to achieve waste reduction and cost control. Mid-term and long-term goals: Recycling and reusing waste to achieve a circular economy.
Responsible Unit	Occupational Safety and Health Department.
Invest in Resources	Reduce waste generation, promote waste reduction, recycling, and reuse, and maximize resource circulation.
Complaint Mechanism	Occupational Safety and Health Department
Action Plan	Negative Impact Management: Regular follow-up inspections of waste removal and disposal are conducted annually to ensure proper tracking of waste flow within the plant premises and to strengthen contractor audits. Positive Impact Management: ▪ Perform a business waste information survey. ▪ Enhance employees' environmental awareness and sense of responsibility through education, training, and promotion.
Effectiveness Evaluation	Tracking management: Regular follow-up inspections of waste removal and disposal are conducted annually to ensure proper tracking of waste flow within the plant premises and to strengthen contractor audits. Annual targets: Waste management complies with relevant laws and regulations.

Flow Chart of CCSB's Value Chain Waste



Management of Waste Contractors

Before engaging an external professional and legal waste disposal company to clear waste, CCSB must perform the following inspection steps to fulfill its responsibility of management at source:



STEP 1

Evaluate the qualifications of waste disposal contractors and confirm their operational status

STEP 2

Confirm that the disposal method complies with the relevant requirements of the Waste Disposal Act

STEP 3

When signing a contract with a waste disposal manufacturer, the manufacturer is required to sample waste and conduct TCLP (Toxicity Characteristic Leaking Procedure) tests

After waste disposal, proper documents must be provided by the waste treatment plant to ensure completion. Pursuant to the Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance, waste regulated will be checked again for confirmation. For the removal, transportation, and disposal of hazardous industrial wastes, CCSB follows the removal truck and visits the treatment plant to audit its operations at least once a year to audit the operation of the waste treatment plant. In 2024, the audit results met the regulatory requirements.

Different solvents used in the production of different APIs are different from the starting materials of APIs. Therefore, the type and quantity of waste chemical solvents generated by the production process vary widely. For the organic waste liquid produced by the production process, CCSB has set up a waste liquid storage area in the plant according to the laws and regulations. The organic waste liquid is transported by a legal disposal service provider to the legal professional waste treatment company for disposal.

Waste Output Structure

In 2024, the total non-hazardous waste generated was 479.71 metric tons, hazardous waste was 1,455.72 metric tons, and waste was 1,935.43 metric tons. All waste is entrusted to qualified waste disposal companies for disposal. The disposal methods include reuse, incineration, landfill and other treatments. No waste is disposed of on site. At CCSB, we are committed to promoting recycling and reuse and we do our utmost to treat recyclable resources as properly as possible. In 2024, the amount of waste reused accounted for 23.2% of the total waste, with a volume of 449 metric tons; the remaining 76.8% was disposed of by incineration or landfill or other means, totaling 1,486.43 metric tons.

Total Waste by Direct/Transfer Disposal

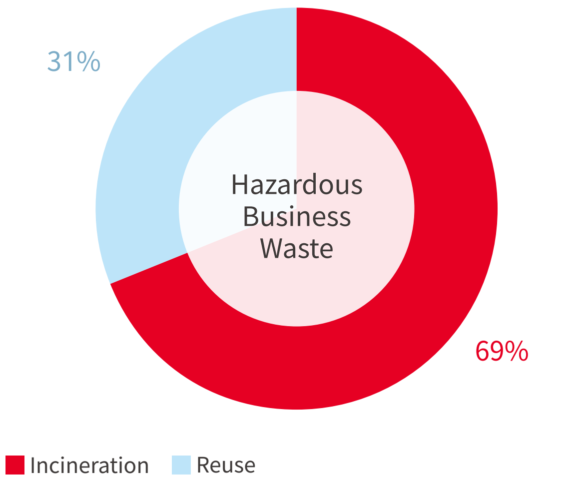
Types of Waste	Breakdown	Total (metric tons)	Disposal by Transfer	Directly Disposed Of		
			Reuse	Incineration	Landfill	Other treatment
Hazardous Industrial Waste	The flash point of the waste liquid is below 60°C (excluding alcoholic waste with ethanol concentration less than 24% by volume)	1,455.72	449	1,006.72	-	-
	Percentage		30.84%	69.16%	0.00%	0.00%
Non-hazardous Industrial Waste	Organic sludge	479.71	-	-	-	464.34
	Other general industrial waste not categorized		-	-	-	15.37
	Waste wood		-		-	-
	Percentage		0.00%	0.00%	0.00%	100.00%
Total weight of waste	Total	1,935.43	449	1,006.72	0	479.71
	Percentage		23.2%	52.02%	0.00%	24.78%

Note: Other treatments include heat treatment and physical treatment.

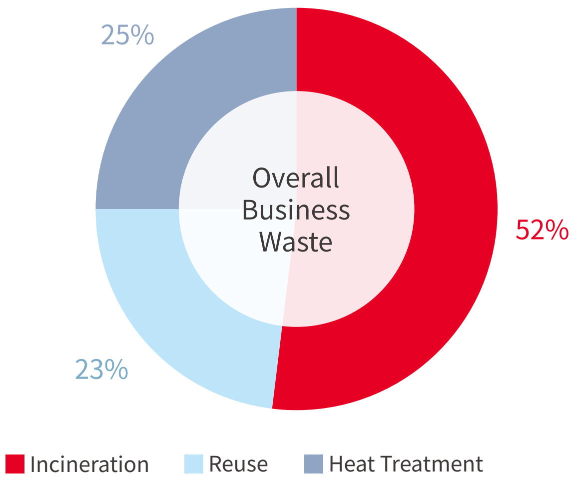
Total Waste Generated by Breakdown of Waste

Disposal Method	Breakdown	Total Weight of Waste (metric tons)	Percentage
Reuse	The flash point of the waste liquid is below 60°C (excluding alcoholic waste with ethanol concentration less than 24% by volume)	449	23.2%
Incineration (non-energy recovery)		1,006.72	52.02%
Physical Treatment		0	0%
Heat Treatment	Organic sludge	464.34	23.99%
Heat Treatment	Other general industrial waste not categorized	15.37	0.79%
Total Weight of Waste Generated		1,935.43	100.00%

Hazardous Business Waste Disposal Methods



Overall Business Waste Disposal Methods



Waste Reduction Project

After preliminary cleaning and classification, scraps with residual value are commissioned to be cleaned and transported by legally licensed manufacturers. 40% of the proceeds are allocated to the Welfare Committee.

Project Name

Resource Classification and Recycling

Project Description

Waste Classification and Recycling Project

Details

After preliminary cleaning and classification, the waste with residual value is commissioned to be cleared, transported and disposed of by contractors with legal licenses.

2024 Performance

5,054 scrap metal drums — 5,054

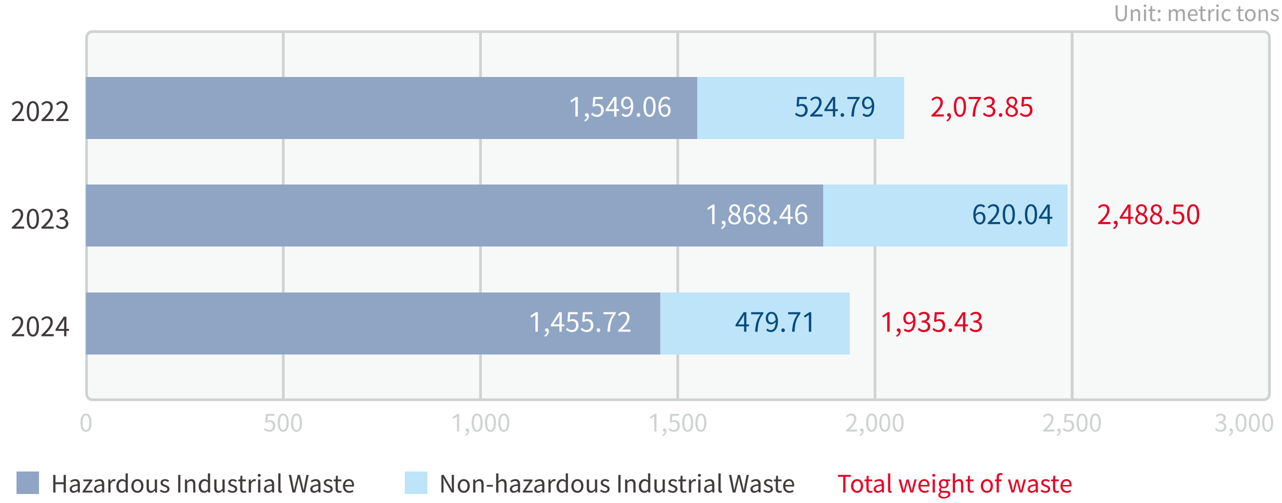
15,730kg of scrap metal parts — 15,730

8,260kg of waste paper — 8,260

125 waste plastic drums — 125

Statistics of Total Waste for the Past Three Years

Unit: metric tons



Chapter 6

Product Responsibility

- CCSB continues to improve its cGMP system and cultivate a professional team to provide customers with the highest quality products and comprehensive services.
- Supply chain risk management ensures quality, information transparency, and consumer health.

6.1 Customer Health Safety

Management Policy for Material Topic – Customer Health Safety

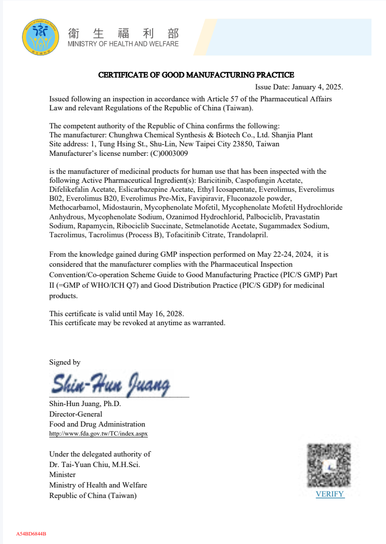
GRI416-1~2

Material Topics	Customer Health and Safety
Materiality	▪ APIs involve the health, efficacy, and safety of users who use them. Governments around the world are highly concerned about the quality regulations, production processes, and logistics systems of APIs. Any serious violation of the drug-related regulations of each country will expose the enterprise to huge operational risks. ▪ Over 90% of the APIs sold by CCSB are exported. As an important international supplier of APIs, it is necessary for us to comply with the regulations of the pharmaceutical authorities in each country.
Policy and Commitment	▪ As a midstream manufacturer in the pharmaceutical product supply chain, CCSB is committed to ensuring the overall pharmaceutical product quality and customer safety In addition to the cautious control during the internal operations, the Company has also received the “pharmaceutical licenses” for all the pharmaceuticals externally sold, making sure that the pharmaceutical products are not incompliant with any regulations or voluntary principles regarding the impacts on health and safety during their life cycle. ▪ At CCSB, we will continue to strive to pursue the goals of excellent quality, services and talent so as to become a competitive and major supplier of high quality Active Pharmaceutical Ingredients (API).
Goals	Short-term goal: Our products meet the “International PIC/S GMP” and “Good Drug Distribution Practices” to ensure that the drug production and distribution process are in compliance with the standards, and to provide safe APIs. Medium to long-term goal: Continue to obtain or renew GMP certificates in various countries.
Responsible Unit	▪ Quality Assurance Department ▪ All employees within the Company
Invest in Resources	CCSB has established a Quality Assurance Affairs Department, consisting of Quality Assurance (QA) section, Quality Control (QC) section, and Regulatory Affairs section, staffed with professional and experienced professionals responsible for supervising and managing product quality and safety, as well as handling domestic and international drug registration matters.
Complaint Mechanism	To ensure the immediate handling of customer complaints to protect the rights and interests of customers while also maintaining company reputation, we have adopted the “Customer Complaint Handling Procedure.” There is also a special line in place for the Business Department and email in place for customer complaints. Hotline: 02-8684-3318 Email: ccsb@ccsb.com.tw
Action Plan	▪ CCSB organizes GMP courses each year to share information on the latest regulations, trends, and plant deficiencies, with corresponding employee evaluation completed. ▪ After receiving a poor quality incident (customer complaint), the Quality Assurance Department will refer the case to the relevant department for investigation and judgment according to the “Customer Complaint Handling Procedure.” For more serious cases (level 1 hazards, that is, those with major quality abnormalities that may endanger the health and safety of consumers), the Company proactively and promptly notifies the relevant customers and pharmaceutical regulatory agency according to the established schedule in the “Drug Recall Standards.”
Effectiveness Evaluation	CCSB adopts the following mechanisms to conduct routine reviews and audits: ▪ In accordance with the “Annual Product Quality Review,” we regularly conduct a product review including relevant quality issues, such as deviations and customer complaints. ▪ A review meeting of management is convened at least twice a year for the discussion of material quality issues. ▪ Regularly track the implementation status and effectiveness of improvement plans for material quality events (including deviations, customer complaints, regulatory/customer inspection results) at least twice a year. Achievement situation of the annual goals of 2024: ▪ There was no occurrence of material quality events in CCSB. ▪ There was no violation of regulations of the authority in charge of pharmaceutical products.

As a member of the midstream of the pharmaceutical industry, CCSB

- No violations of laws or regulations related to products and services or health and safety in 2024.
- All drugs on the market have been licensed with drug permit licenses in compliance with the “Pharmaceutical Affairs Act.” Moreover, CCSB makes sure the health and safety of its drugs do not violate relevant regulations or standards in compliance with Taiwan Food and Drug Administration (TFDA), international PIC/S GMP standard, and Good Distribution Practice (GDP).
- Strict sample retention control procedures are formulated and implemented to ensure the quality of drugs and the health and safety of consumers.

CCSB’s International PIC/S GMP Pharmaceutical Standard Certification



衛 生 福 利 部
MINISTRY OF HEALTH AND WELFARE

CERTIFICATE OF GOOD MANUFACTURING PRACTICE

Issue Date: January 4, 2025.

Issued following an inspection in accordance with Article 57 of the Pharmaceutical Affairs Law and relevant Regulations of the Republic of China (Taiwan).

The competent authority of the Republic of China confirms the following:
The manufacturer: Chunghwa Chemical Synthesis & Biotech Co., Ltd. Shanjia Plant
Site address: 1, Tung Hsing St., Shu-Lin, New Taipei City 23850, Taiwan
Manufacturer’s license number: (C)0003009

is the manufacturer of medicinal products for human use that has been inspected with the following Active Pharmaceutical Ingredient(s): Baricitinib, Caspofungin Acetate, Difelikefalin Acetate, Eslicarbazepine Acetate, Ethyl Icosapentate, Everolimus, Everolimus B02, Everolimus B20, Everolimus Pre-Mix, Favipiravir, Fluconazole powder, Methocarbamol, Midostaurin, Mycophenolate Mofetil, Mycophenolate Mofetil Hydrochloride Anhydrous, Mycophenolate Sodium, Ozanimod Hydrochlorid, Palbociclib, Pravastatin Sodium, Rapamycin, Ribociclib Succinate, Setmelanotide Acetate, Sugammadex Sodium, Tacrolimus, Tacrolimus (Process B), Tofacitinib Citrate, Trandolapril.

From the knowledge gained during GMP inspection performed on May 22-24, 2024, it is considered that the manufacturer complies with the Pharmaceutical Inspection Convention/Co-operation Scheme Guide to Good Manufacturing Practice (PIC/S GMP) Part II (=GMP of WHO/ICH Q7) and Good Distribution Practice (PIC/S GDP) for medicinal products.

This certificate is valid until May 16, 2028.
This certificate may be revoked at anytime as warranted.

Signed by

Shin-Hun Juang

Shin-Hun Juang, Ph.D.
Director-General
Food and Drug Administration
http://www.fda.gov.tw/TC/index.aspx

Under the delegated authority of
Dr. Tai-Yuan Chiu, M.H.Sci.
Minister
Ministry of Health and Welfare
Republic of China (Taiwan)

VERIFY

A54BD6844B

Customer Health

CCSB manufactures and sells APIs in the pharmaceutical industry chain.

The quality of APIs affects the efficacy of drugs, and the impurities contained in them have a significant impact on the safety of drugs and directly affect the health and life safety of users. In order to ensure the effectiveness and safety of drugs, pharmaceutical companies in all aspects of the pharmaceutical industry, including raw material pharmaceutical manufacturers and finished product preparation plants, have strict regulations on the quality of raw materials. For all APIs produced by CCSB, a “drug license” must be obtained to ensure their quality and safety before they can be sold. As of the end of 2024, CCSB holds 26 pharmaceutical product licenses issued by the Taiwan FDA and 24 Pharmaceutical Product Master Files (DMFs) (Note) approved by the U.S. FDA.

Note: The above statistics include those that have been discontinued, but the licenses have not yet expired.

CCSB’s Samples of Finished Products and Important Semi-finished Products Are Retained and Controlled in Batches

Sample Retention and Control

For all the products of CCSB, the samples of finished products and important semi-finished products are retained and controlled in batches according to the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), in order to guarantee drug use safety.

With stringent sample retention and testing procedures in place, we verify the stability of product quality, trace the quality of products and raw materials, and handle quality issues. In doing this, we ensure that our products are in compliance with regulations or voluntary guidelines on health and safety during the product’s life cycle, provide top-class quality products to our customers.

Product Health/Safety Assessment

R&D

Prior to commercial production, relevant assessments are conducted in accordance with the "Procedures for Process Validation," including:

- Assessment of possible sources of contamination (impurities).
- Assessment of specification suitability.
- Assessment of the product quality control strategy.
- Other risk assessment, e.g. cross contamination risk assessment.

Certification

Regularly inspected by regulatory units from different countries, including GMP inspection of APIs by the Ministry of Health and Welfare.

Manufacturing and Production

- A review meeting of management is convened for the discussion of material quality issues.
- Regularly track the implementation status and effectiveness of improvement plans for material quality events (including deviations, customer complaints, regulatory/customer inspection results).
- Conducting an "Annual Product Quality Review" in accordance with the established procedure allows for an annual quality assessment of products to identify potential adverse events or trends.

Storage, Transportation and Supply

- GDP inspection of APIs by the Ministry of Health and Welfare.
- Regularly conduct an assessment on qualified transport companies, and on-site audits when necessary, in accordance with the "Good Distribution Practice."

Product Types Assessed	Life Cycle Stage of Products Assessed	Assessment Standards	Percentage of Products Assessed	Assessment Benefits
Products under development	R&D	API development (ICH Q11)	0.42%	We work on design to develop products that meet customers' needs and regulatory requirements.
Commercial production	Certification	Good Manufacturing Practice for Medical Products (PIC/S GMP, ICH Q7)	99.58%	With quality management meeting international standards, after certification, we are able to supply to the market in a sustainable manner.
	Manufacturing and Production	Good Manufacturing Practice for Medical Products (PIC/S GMP, ICH Q7)		
	Storage, Transportation and Supply	Good Distribution Practice for Medical Products (PIC/S GDP)		

6.2 Product Quality and Responsible Manufacturing

Management Policy for Material Topic – Product Quality and Responsible Manufacturing

Material Topics	Product quality and responsible manufacturing
Materiality	The Company's top criterion is "pursuit of excellent quality." As pharmaceutical products are directly related to the health and safety of users, they are subject to strict reviews and supervision by health authorities of all governments worldwide. Pharmaceutical products can only be sold in the market and continuously supplied to after they have been verified and certified.
Policy and Commitment	Product quality: ▪ Continuously adhere to international pharmaceutical quality standards, including "Good Manufacturing Practice for Medical Products" and "Good Distribution Practice for Medical Products." ▪ Establishing quality management policies and operating procedures that comply with international standards. ▪ Strictly adhere to relevant regulations, such as "Pharmaceutical Affairs Act." Responsible manufacturing: ▪ In terms of the entire manufacturing process, which includes supplier management, raw material management control, procedure management control, finished goods storage, and transportation management, we establish corresponding manufacturing management procedures. ▪ Strictly follow the "Good Manufacturing Practice for Medical Products" and "Good Distribution Practice for Medical Products" standards for production and manufacturing.
Goals	CCSB continuously pursues: ▪ Satisfying customer needs, including meeting quality expectations, while simultaneously adhering to all relevant regulatory requirements. ▪ Enhancing product quality through systematic methods and standardized procedures to meet regulatory requirements in different markets. ▪ Continuously improving the quality system to enhance or maintain the ability to meet customer or regulatory requirements.
Responsible Unit	Quality Assurance Affairs Department, Manufacturing Division
Invest in Resources	Product quality: ▪ Establish a Quality Assurance Affairs Department: consisting of Quality Assurance (QA) section, Quality Control (QC) section, and Regulatory Affairs section, staffed with qualified and experienced professionals responsible for supervising and managing product quality and safety. Responsible manufacturing: ▪ Establish a Manufacturing Division: in addition to the production units, which includes departments for facilities management, public facilities, production management, calibration, and warehousing operations, the Division is staffed with trained and certified professionals. These said departments are in charge of production and manufacturing, maintenance of production equipment and support systems, and warehouse management. Ensure the safety of production operations: ▪ All production areas involving organic solvents are planned as explosion-proof areas and equipped with equipment that meets explosion-proof requirements. ▪ Equipped with ventilation, organic solvent detectors and other devices. ▪ 24-hour (3 shifts) of supervisors with qualified licenses of organic operation and anoxic operation.
Complaint Mechanism	The Company has set up dedicated business department hotline and email inbox to provide customer compliant handling services. Hotline: 02-8684-3318 Email: ccsb@ccsb.com.tw
Action Plan	▪ In accordance with the International Council of Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) Pharmaceutical Quality Systems, especially ICH Q10, the principles of quality management, encompassing the four key elements of process performance and product quality monitoring, correction and prevention systems, change management system, and management review, should be appropriately applied across various stages of the active pharmaceutical ingredient lifecycle. This includes product development, technology transfer, commercial production, and product discontinuation. ▪ In order to incorporate the concepts of product quality and production safety into daily operations, the Company places significant importance on employee training. Apart from the mandatory external training and certification required for key personnel as per regulations, all employees are required to complete job-specific educational training and pass assessments corresponding to their roles. ▪ Conducting an "Annual Product Quality Review" in accordance with the established procedure allows for an annual quality assessment of products to identify potential adverse events or trends. ▪ Based on the risk management principles of ICH Q9 Quality Risk Management, for the production and manufacturing process in CCSB, which includes supplier management, raw material management control, procedure management control, finished goods storage, and transportation management, an overall process review and risk analysis should be conducted using Failure mode and effects analysis (FMEA). This ensures that all risks are effectively managed and controlled throughout the entire process. We determine the appropriate control methods to be adopted to achieve the purpose of quality risk management.

Material Topics	Product quality and responsible manufacturing
Effectiveness Evaluation	CCSB adopts the following mechanisms to conduct routine reviews and audits: ▪ Regular management review meetings are convened to discuss significant quality issues, which may arise from deviations, customer complaints, changes, trends, and regulatory inspection results, etc. These meetings are held at least twice a year. ▪ Regular internal audits are conducted at least four times a year. ▪ Regular significant system reviews are conducted, including deviations, customer complaints, changes, regulatory inspections, and customer inspection results, etc. Achievement situation of the annual goals of 2024: ▪ Passed the Ministry of Health and Welfare's GMP and GDP audits for APIs. ▪ Passed the GMP audit for APIs by the US FDA, Germany, and Japan's PMDA. ▪ No significant violations of relevant pharmaceutical good practice regulations occurred. ▪ No product quality-related issues requiring reporting occurred.

Product production and manufacturing process

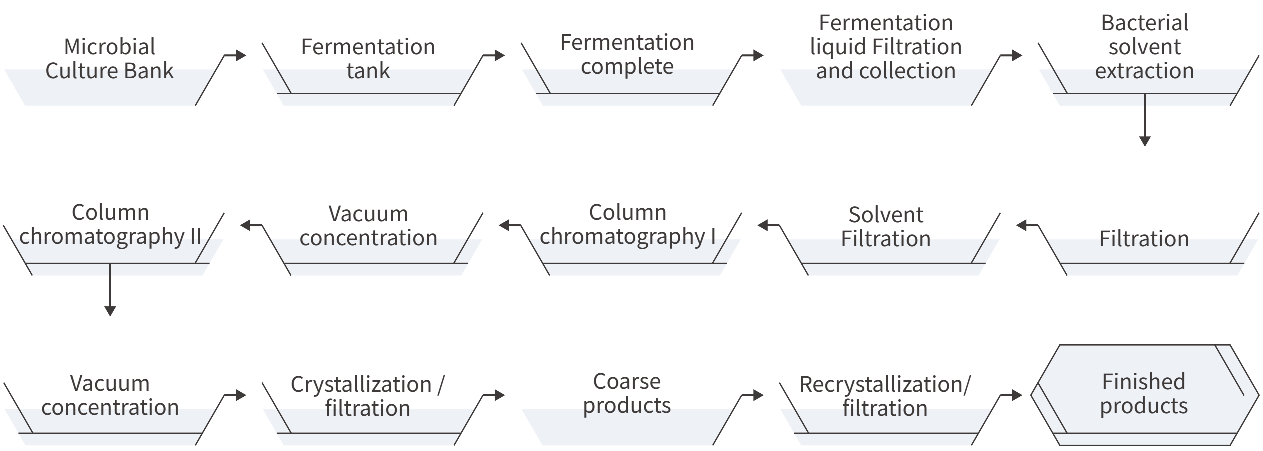
API development

The development of APIs can be categorized into two methods, biotechnology fermentation and chemical synthesis:

Biotechnology fermentation

By utilizing modified microbial strains, a fermentation process is employed to enable the production of APIs with desired metabolites. Subsequently, a series of purification processes are implemented to meet the specifications of drug purity and impurities in accordance with the pharmaceutical standards.

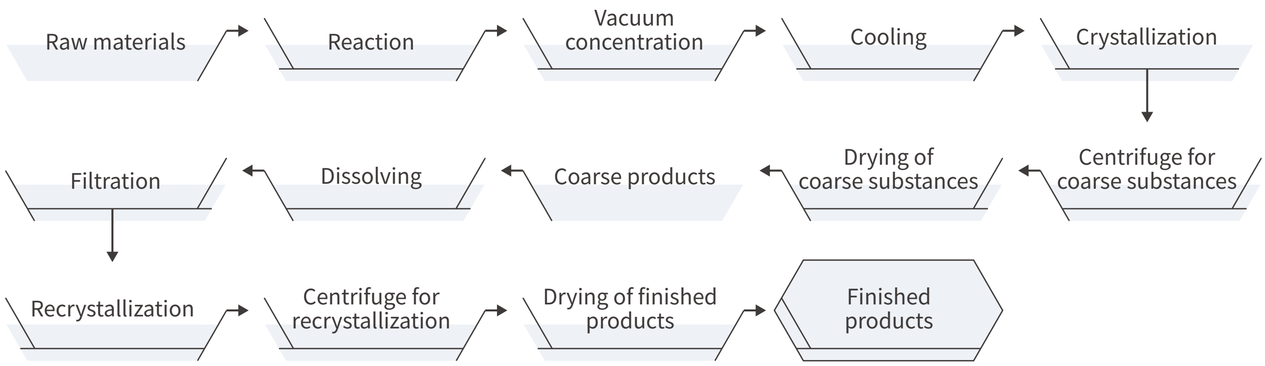
Fermentation Flowchart



Chemical synthesis

With mature and excellent chemical synthesis technology and knowledge, as well as advanced production and purification equipment, we can further optimize the production process and stabilize the quality of APIs.

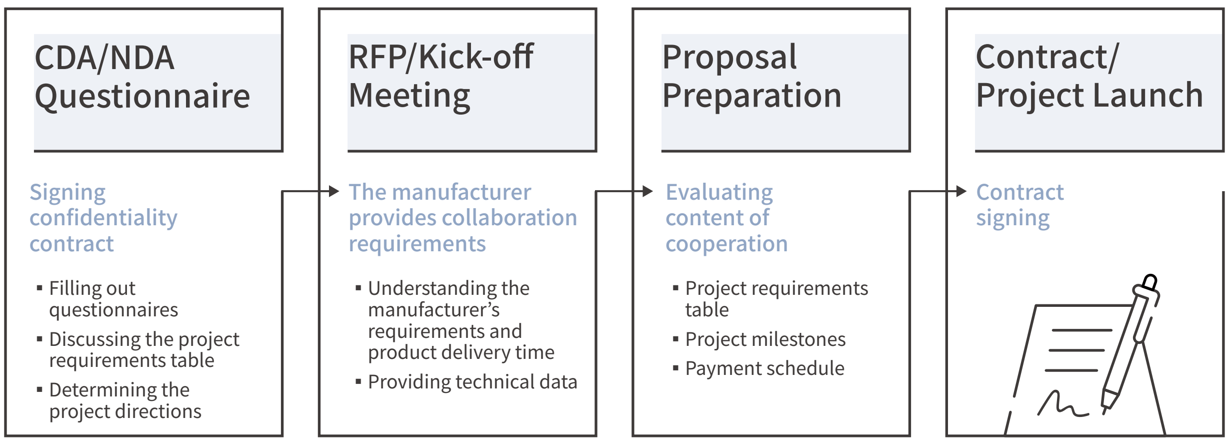
Synthesis Flowchart



API Outsourcing (CMO/CDMO)

Based on the compound structure or synthesis route provided by the customer, we first complete gram to 100-gram production in the laboratory, and then optimize the reaction steps after confirming the design route. Through the verification of several batches of small batches to confirm that the product quality and yield are stable, we will gradually increase the batch size to the kilogram scale to meet customer needs.

API outsourcing flowchart



Product Quality and Safety Management Organization and Operating Procedures

Quality and Safety Organization

CCSB has established a Quality Assurance Affairs Department, consisting of Quality Assurance (QA) section, Quality Control (QC) section, and Regulatory Affairs section, staffed with qualified and experienced professionals responsible for supervising and managing product quality and safety, as well as handling domestic and international drug registration matters. Furthermore, they report directly to the President and are responsible for quality assurance, quality control, and regulatory affairs. They are involved in all matters related to quality, including reviewing and approving quality-related documents.

Quality Safety Operating Procedures

CCSB follows international regulations such as PIC/S GMP to design quality and safety practices. The Company has established over 2,500 documents such as quality manuals, quality-related standard operating procedures, various plans, and reports to ensure product quality and safety.

Product Quality and Safety Education and Training

"CCSB attaches great importance to product quality and safety."

To ensure that employees have knowledge of PIC/S GMP, a series of education and training courses are organized and required for the Company's employees to take relevant courses. New recruits are required to participate in the entire process; relevant employees are also regularly arranged to participate in external training courses. In 2024, the cumulative number of participants in the course was 353 person-times, totaling 509 hours, demonstrating the importance that all employees of the Company place on product quality and safety.

Types of Education and Training	Following regulations/ standards	2024 Course name	2024 Number of participants in the course	2024 The total course hours attended
Good Manufacturing Practice for Medical Products (GMP) course	Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice for Medical Products (PIC/S GMP)	Annual training of Good Manufacturing Practice for Medical Products (GMP) of 2024	321	321
New-hire Training	Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice for Medical Products (PIC/S GMP)	Training on Good Manufacturing Practice for Medical Products (GMP) for new quality-related personnel	1	2
External Training	Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice for Medical Products (PIC/S GMP)	Depending on external training courses	31	186
Total			353	509

CCSB offers courses related to Good Manufacturing Practice for Medical Products (GMP) as per PIC/S standards.

Product Quality and Safety Monitoring and Improvement Tracking

"In recent years, CCSB has successfully passed customer and regulatory authority inspections without significant findings or deficiencies."

CCSB has established a "Product Quality Review" procedure and conducts an annual review of product quality to ensure that existing processes can consistently produce products that meet quality standards. We continue to monitor process performance and product quality through a monitoring systemNote to maintain control status and comply with Good Manufacturing Practice for Medical Products (GMP) for pharmaceuticals, identifying defects for improvement as needed. In 2024, a total of four internal audits were conducted, revealing 39 discrepancies. These discrepancies were categorized as "minor," with no major or critical issues identified. Additionally, all of these discrepancies had corrective plans submitted within the specified timelines, which were successfully implemented.

CCSB has established the "Corrective and Preventive Action (CAPA) Management" procedure book to identify the root cause of errors through systematic reviews and investigations, and take appropriate measures to prevent similar situations from happening again. For corrective and preventive measures derived from the investigation and monitoring of product quality reviews, customer complaints, non-conformance, deviations, audits, etc., the improvement results are tracked through appropriate internal tracking processes and systems. Simultaneously, regular management review meetings are convened to discuss significant quality issues, which may arise from deviations, customer complaints, changes, trends, and regulatory inspection results, etc. These meetings address the corrective and preventive actions related to such issues and aim to continuously improve the pharmaceutical quality system.

Note: The monitoring system includes product quality feedback from both internal and external sources, such as customer complaints, non-conformances, deviations, and various audits.

Statistics on customer and regulatory authority inspection within CCSB

Year	2020	2021	2022	2023	2024
The number of regulatory authority inspections	1	1	3	1	4
Authority	Food and Drug Administration, Ministry of Health and Welfare (Taiwan)	Food and Drug Administration, Ministry of Health and Welfare (Taiwan)	Food and Drug Administration, Ministry of Health and Welfare (Taiwan) – twice	Food and Drug Administration, Ministry of Health and Welfare (Taiwan)	Food and Drug Administration, Ministry of Health and Welfare (Taiwan)
			Food and Drug Administration (U.S.)		Food and Drug Administration (U.S.)
					German official
					Japanese official
Number of Customer Inspections	5	9	16	11	11

Product Storage and Transportation

Warehousing Management

CCSB complies with Good Distribution Practice (GDP) and has established a series of standard operating procedures (WH series) for the storage and management of raw materials, intermediates, and APIs. These procedures ensure that product quality is not affected by environmental factors.

Item	Raw materials	Intermediates	APIs
Storage Management	▪ Storage Management Practices (WH01) ▪ Raw Material Management Practices (WH02) ▪ Good Storage Management Practices (WH19)	▪ Storage Management Practices (WH01) ▪ Finished Product Management Practices(WH03) ▪ Good Storage Management Practices (WH19)	▪ Storage Management Practices (WH01) ▪ Finished Product Management Practices(WH03) ▪ Shipping Management Practices (WH07) ▪ Good Storage Management Practices (WH19) ▪ API Transportation Management Practices (WH21)

Shipping and Transportation Management

- A standard document titled "Good Distribution Practice (GDP)" is established, which outlines the requirement to engage qualified contracted transportation providers for product distribution to ensure that products are maintained under appropriate environmental conditions.
- Before using contracted transportation providers, a validation/assessment (Note) process is carried out to ensure that the services provided meet quality requirements.
- Properly store product distribution records for traceability purposes.

Note: Contracted suppliers, including transportation providers, undergo an annual validation or assessment for the previous year to confirm their compliance with in-house outsourcing requirements to identify any related deviations.

Product Traceability, Anti-Counterfeiting, and Storage Procedures

CCSB assigns a batch number to each batch of products and maintains records of incoming inspection, production, and quality control for at least 8 years to ensure product traceability. In the event of a quality issue, the records serve as reference information to trace the production and quality control status of the product at that time. This information is valuable for investigating deviations, customer complaints, and other abnormal events.

To maintain product traceability in the supply chain and prevent counterfeiting, an inspection is carried out before shipment in accordance with the procedure of the "Shipping Management Practices":

- Confirm that the finished product packaging is intact and free from damage.
- Confirm that anti-counterfeiting labels or seals (bearing the "CCSB" mark) have been affixed of inserted.

"In 2024, CCSB had no incidents related to the discovery, seizure, arrest, or initiation of criminal prosecution involving counterfeit drugs."

According to the "Customer Approval Procedures," all product shipments must be confirmed to be within the legal supply chain. We sell APIs to pharmaceutical companies in the United States, Canada, the European Union, Japan, South Korea, and Taiwan, all of which have been confirmed to be within the legal supply chain.

Upon receiving a quality defect event (customer complaint), the Quality Assurance Department in CCSB follows the "Customer Complaint Handling Procedure" to initiate an investigation into the cause of the issue and conduct an evaluation. For more severe cases (those meeting the criteria for level 1 Hazards, i.e. those with significant quality abnormalities that pose a risk to patient health and safety), relevant customers and pharmaceutical regulatory authorities should be proactively and promptly notified. Based on the frequency and severity of customer complaint events, the handling is classified as follows:

Level	Frequency of Occurrence	Severity of Hazards	Reporting and Processing Deadlines
Level 1 Hazards	No such occurrence	Products that affect product quality and have the potential to harm the end user (patient) after being formulated, or products that have been officially listed as prohibited drugs.	Within 48 hours from the date of recall confirmation, customers are notified by telephone or email as a preliminary step, and formal written notifications, including domestic and foreign pharmaceutical regulatory authorities, are completed within 72 hours.
Level 2 Hazards	No such occurrence	May affect product quality but does not pose a risk to the end user (no patient harm concern).	Customer notifications are completed within two weeks from the date of recall confirmation.

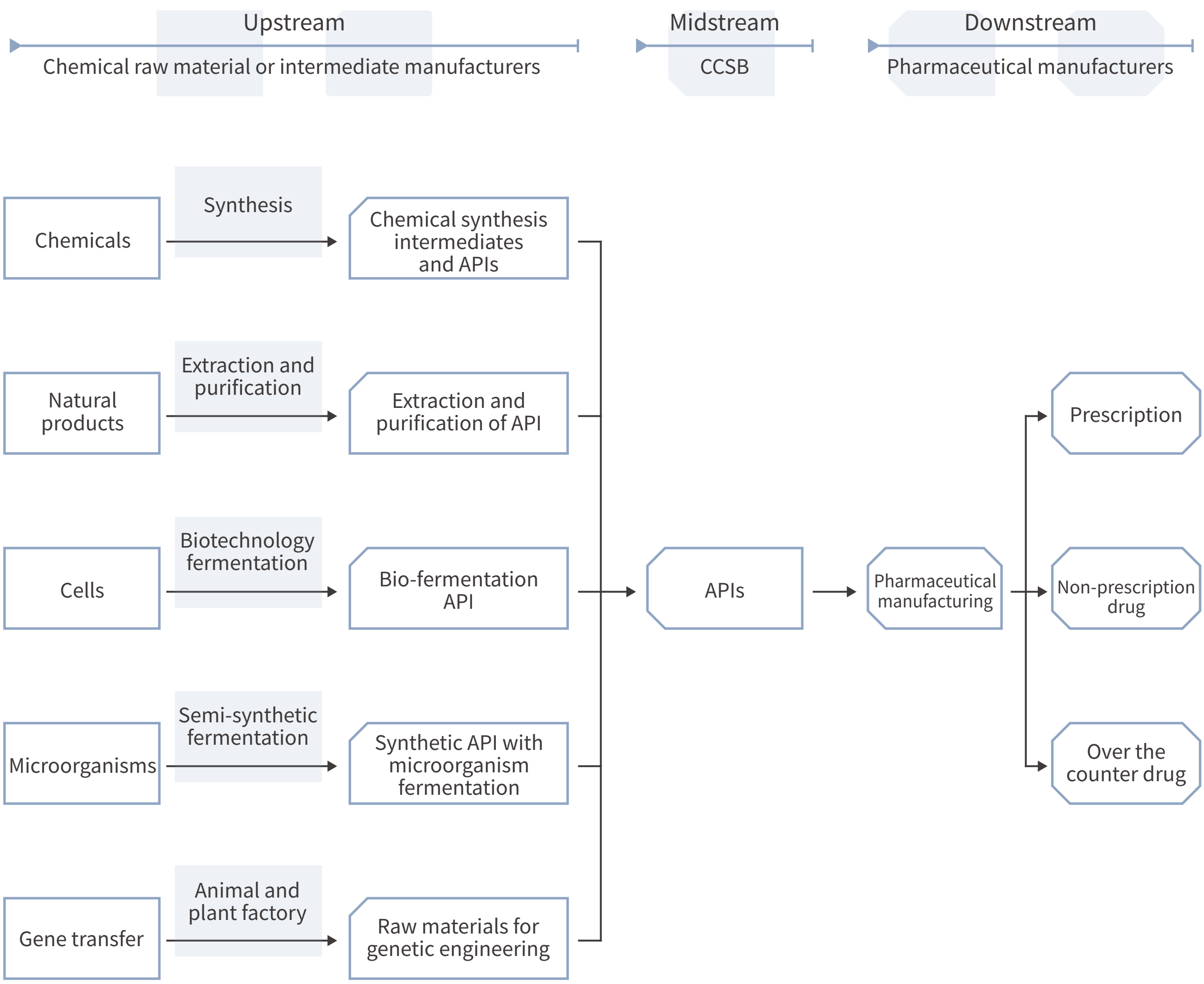
6.3 Supply Chain Management

GRI 2-6, 204-1, 308-1, 308-2, 414-1, 414-2

Industry Supply Chain

CCSB is in midstream API manufacturing segment in the pharmaceutical industry chain. After purchasing relevant raw materials from upstream suppliers according to product needs, CCSB produces APIs for sale to downstream preparation plants, which then invest in relevant excipients according to the formulas to be processed into the commonly used dosage forms in the market. As APIs are the main ingredient in drugs with therapeutic effects, they directly affect the health and safety of users. In order to ensure the efficacy and safety of drugs, the quality of raw materials is regulated very strictly by relevant global organizations and pharmaceutical plants (API plants and finished product preparation plants) in the pharmaceutical industry. Therefore, in order to comply with the FDA's Good Manufacturing Practice for Medical Products (cGMP) regulations and maintain quality stability, most of the upstream and downstream manufacturers are long-term strategic partners.

Upper, middle and downstream supply chain of the pharmaceutical industry



Supplier management and evaluation

Supplier Management Policy

To ensure that the quality of the APIs produced meet product specifications, intended efficacy, and safety, we implement the following supply chain management policies:

- Establish rigorous procurement procedures: There are corresponding management procedures from raw material search, procurement to raw material acceptance.
- Procurement from reliable suppliers, including: integrity, quality, delivery, etc.
- Suppliers of new raw materials must undergo scrutiny and necessary audits, and the provided raw materials must be qualified by the R&D unit and on-site before they can be used in the production process.
- While maintaining the trust of existing suppliers, we actively seek other suppliers to diversify procurement risks and maintain supply chain flexibility.
- Formulate sustainable procurement policies, commit to continuous monitoring of sustainability-related environmental and social issues, and incorporate sustainability principles into the supplier evaluation process.

The suppliers of CCSB can be primarily categorized into raw material suppliers and process auxiliary material suppliers, with a major presence in Taiwan and China. A smaller portion of suppliers comes from Europe and America, and the local procurement ratio exceeds 60 percent. In 2024, there were a total of 79 suppliers with procurement records, including 60 raw material suppliers and 19 process auxiliary material suppliers.

Supplier Management Mechanism

CCSB has made sustainability an integral part of its management philosophy and has conducted due diligence on the risks associated with its suppliers. The Company has actively promoted a friendly workplace environment that protects workers alongside its suppliers and has followed the CCSB “Supplier Code of Conduct.”

Through the three aspects of “supplier evaluation,” “supplier auditing,” and “local procurement,” suppliers are managed according to the supplier management process: Upstream and downstream sustainable value chain is developed and improved through “supplier evaluation” and “supplier auditing”; a highly efficient and competitive local supply chain is established through “local procurement” to shorten the transportation distance of raw materials and reduce GHG emissions.

CCSB conducts supplier evaluations on suppliers every year to ensure their long-term stability in providing raw materials that comply with laws and regulations, as well as safety, health, and quality. When signing contracts with major suppliers, the contract contents are based on CCSB’s “Sustainable Procurement Policy,” including sustainable procurement, labor rights, health and safety, environmental protection, business ethics, and management systems. We hope to share common values with our suppliers, collaborate to implement sustainable procurement policies, ensure the sustainable development of our supply chain, and jointly pursue the goal of mutual benefit for both the enterprise and society.

Supplier management process and related mechanisms

Supplier Evaluation	**Evaluation items:** Written reviews, sample testing, and plant assessment. **Assessment questionnaire:** The degree of focus on environmental, human rights, and ethical issues.
Supplier Auditing	**Audit aspect:** Regularly conduct audits based on five aspects, which include the supplier’s annual performance, material risk, quality systems, incoming batches, and sustainable procurement. **Auditing unit:** The auditing unit is composed of members from different functional departments, including Material, Production, Quality Assurance Departments, and Research Institute, who are responsible for conducting the audit operations. **Auditing guidance:** Categorized based on the characteristics and risk levels of the suppliers, and during the annual supplier auditing, providing guidance based on the audit-generated evaluation results.
Local Procurement	Formulate procurement objectives and continue to promote or maintain the local procurement ratio to achieve long-term objectives.

Supplier Evaluation

In accordance with the "Qualified Manufacturer Evaluation Criteria," CCSB requests raw material samples, relevant data, and manufacturer questionnaire from raw material manufacturers through the Materials Department. The raw materials are then subject to laboratory testing by the Quality Control Department, followed by sample evaluation conducted by the Research Institute. The Quality Assurance Department reviews the manufacturer's questionnaire, relevant data, and conducts plant assessments. Only after a successful review, the on-site trial production can take place. The Research Institute completes the on-site trial production evaluation, and the Quality Assurance Department collects and evaluates the products. After confirming that the eligibility conditions are met, they will be registered on the list of qualified raw material suppliers. After a Tier 1 raw material manufacturer passes the evaluation, the Quality Assurance Department initiates the process of formally signing a quality contract with the manufacturer.

In 2023, the Materials Department formulated the "Supplier Code of Conduct" to require suppliers to understand CCSB's sustainable procurement policy, which must be complied with. At the same time, a "Sustainable Procurement Questionnaire" was formulated to evaluate the level of attention suppliers pay to environmental protection, human rights and ethics, in order to identify the level of risk in sustainable procurement. We expect all suppliers to work with CCSB to protect the environment, care for society, and achieve sustainable growth. According to the 2024 "CCSB Supplier Sustainability Procurement Survey Statistics Report," among the suppliers we have cooperated with in the past two years, 82 responded to the sustainability procurement questionnaire, with a response rate of 40%. Among them, there are 47 low-risk suppliers (57%), 32 medium-risk suppliers (39%), and 3 high-risk suppliers (4%).

New Suppliers → Evaluation System → Three Types of Evaluation → Questionnaire → Department Assessment → Qualified Supplier → Annual Supplier Auditing

Three Types of Evaluation:
- Written Review
- Sample Testing
- Plant Inspection

Questionnaire:
- Environment
- Human Rights
- Ethical Issue

Department Assessment:
- Material Department
- Quality Assurance Department
- Research Institute

New Suppliers

"CCSB selects qualified suppliers according to the Qualified Manufacturer Evaluation Criteria."

When filling in the "Sustainable Procurement Questionnaire," suppliers must tick the level of concern for environmental, human rights and ethical issues. The Materials Department then gives scores according to their level of concern and classifies them into "Good Supplier," "Supplier under Continuous Observation" and "High-Risk Supplier." Procurement from high-risk suppliers is suspended until improvements have been made. In addition, in order for suppliers to fully understand CCSB's sustainable procurement policies, the Supplier Code of Conduct has been implemented since July 2023. All qualified suppliers must read the Code of Conduct and reply that they will comply with the Code of Conduct in order to maintain a good supply chain partnership.

Year	2022	2023	2024
Number of New Suppliers	16	7	14

Topics of "Sustainable Procurement Questionnaire"

Very concerned, concerned, moderately concerned, slightly concerned, not concerned

Environmental Care
- Recycling and Reusing of Raw Materials
- GHG Emission Management
- Energy Management
- Water Resource Management
- Pollution Prevention and Discharge
- Environmental Complaint Mechanism
- Hazardous Chemical Protection Mechanism
- Biodiversity

Social Welfare
- Industrial Safety
- Labor-management Harmony
- Occupational Health and Hygiene
- Employee Training Development and Education
- Diversity and Equal Opportunity
- Prevent Child Labor and Forced Labor
- Labor Complaint Mechanism
- Social Welfare/Fundraising for Social Welfare

Ethical Concern
- To Prevent Corruption, Bribery, Fraud, Money Laundering, Bid Rigging, and Price Fixing
- To Prevent Both Physical and Digital Vulnerabilities

Main Suppliers

On a regular basis every year, we'd visit key suppliers. In 2024, we conducted surveys and visits to 8 suppliers.

Year	2022	2023	2024
Number of Primary Suppliers [Note]	13	11	5

Note: Primary suppliers are defined as those with annual procurement amounts exceeding ten million a year.

Supplier Auditing

Supplier Auditing Rules

The Quality Assurance Department conducts an annual assessment of raw material manufacturers in the first quarter of each year. The risk level of the raw material manufacturers is determined based on the annual assessment results. The risk level results of raw material manufacturers are presented in the raw material qualified supplier assessment report, or may be recorded in the annual qualified manufacturer assessment (QA07-Form04). Evaluation items include annual performance, raw material risk, quality system, and number of purchase batches.

- For qualified manufacturers, the Quality Assurance Department plans plant inspection assessments and the frequency of plant inspections is based on the risk level in the annual assessment and other relevant information;
- Qualified manufacturers of direct packaging materials are only evaluated for the pass rate and the severity of deviation in the annual assessment. When necessary, an actual plant inspection will be arranged or another manufacturer will be considered.
- For manufacturers with a high-risk profile, such as in cases of repeated or serious customer complaints, the Quality Assurance Department may conduct an assessment and promptly arrange for physical plant inspections when necessary.

Supplier Auditing Results

CCSB rates suppliers based on five criteria: annual performance, raw material risks, quality systems, incoming batch assessments, and sustainable procurement over the past year. Suppliers are categorized into different levels based on their evaluation scores. For suppliers with lower scores, plant audits will be arranged or improvement plans provided.

Aspects	Evaluation Items	Evaluation Criteria
Economic governance	Annual performance	Qualified manufacturers are given an annual performance score (out of 100 points), with evaluation items including annual qualification rate and the severity of deviations.
	Raw material risks	The raw materials are classified into three levels based on their material grade: first-grade (primary material), second-grade, and third-grade materials.
	Quality systems	Quality systems are categorized based on whether the manufacturer has GMP/ISO 9001 certification or other quality system certifications.
	Number of incoming batches	Incoming batches are divided into two categories based on the quantity of purchased items for the current year: Numbers less than 10 and numbers greater than or equal to 10.
Environment/ Society	Sustainable Procurement	Scored based on the content provided in the questionnaire response.

Supplier Rating Levels and Handling:

The overall supplier rating is divided into A to C: A is the lowest risk level; C is the highest risk level. If a supplier/ outsourcer receives a C rating for two consecutive years, an assessment will be conducted to determine whether it is necessary to suspend, reduce, or terminate the supply. The annual assessment results also impact the frequency of on-site audits.

In 2024, evaluations were conducted for 297 suppliers, with the following evaluation results for raw material suppliers: grade A accounting for 99.3%, grade B for 0.7%, and grade C for 0.0%. However, for supplier validation procedures, internal review standards are followed, with each relevant department overseeing the process and implementing supplier auditing plans.

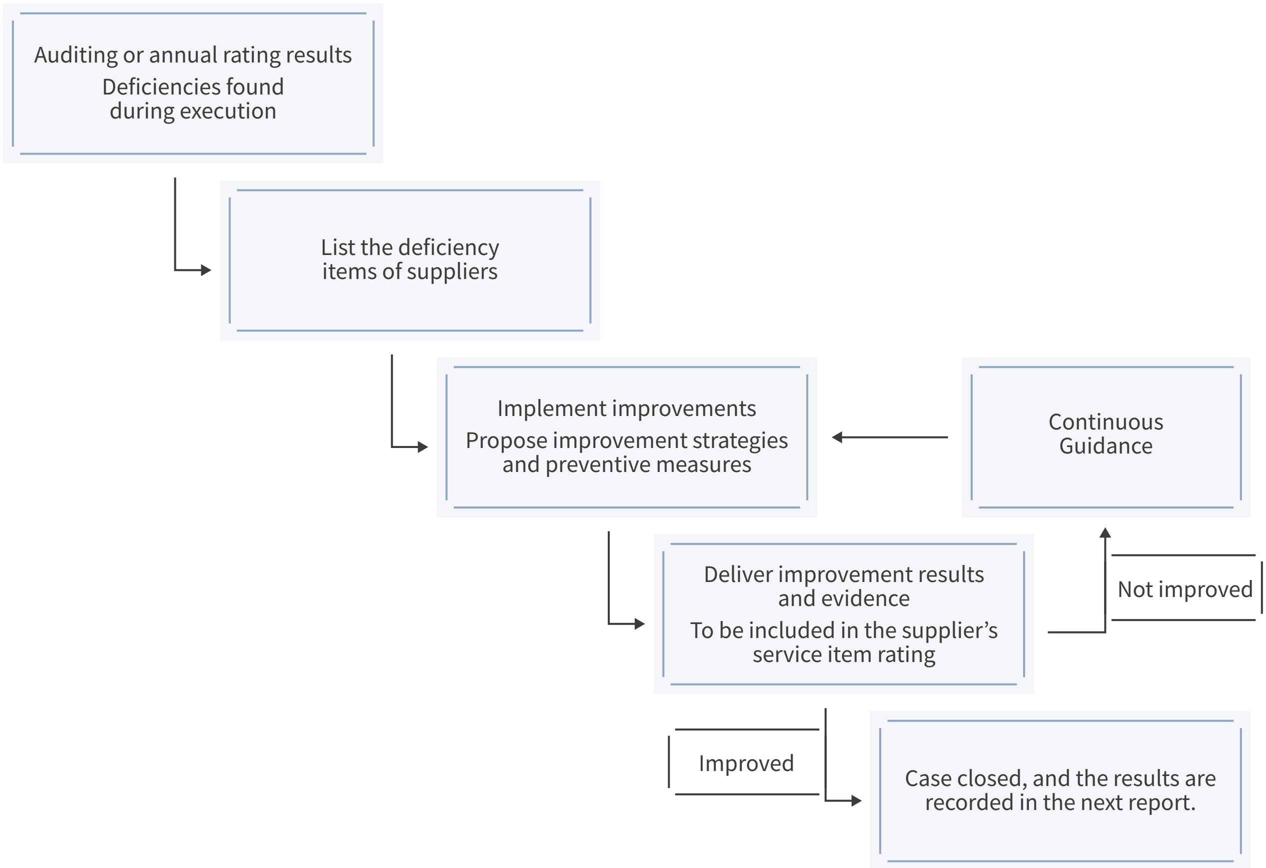
Supplier Overall Rating Results

Unit: number of suppliers

Level	2022	%	2023	%	2024	%
A	277	99.6%	291	99.7%	297	99.3%
B	1	0.4%	1	0.3%	2	0.7%
C	0	0.0%	0	0.0%	0	0.0%
Total	278	100.0%	292	100.0%	299	100.0%

Supplier Auditing Guidance

CCSB will communicate the auditing results to the supplier. In the case of deficiencies that need improvement, the supplier is requested to submit improvement and preventive measures, which will be included in the next supplier service evaluation.



In 2024, a total of eight raw material supplier audits were conducted, with no major deficiencies identified. The plant audit results were acceptable.

We will continue to require suppliers to improve quality and make continual improvements to ensure quality control and stabilize the quality of CCSB products.

Local Procurement

The raw material procurement strategy of CCSB is to “procure locally and supply locally.” Therefore, the Company prefers local enterprises and companies registered in Taiwan, and then extends to neighboring countries in Asia, such as China, Hong Kong, Japan, and South Korea. As the voyage for raw material transportation is shortened, it can reduce GHG emissions and reduce environmental impact. We will work hand in hand with suppliers on the path of environmental sustainability.

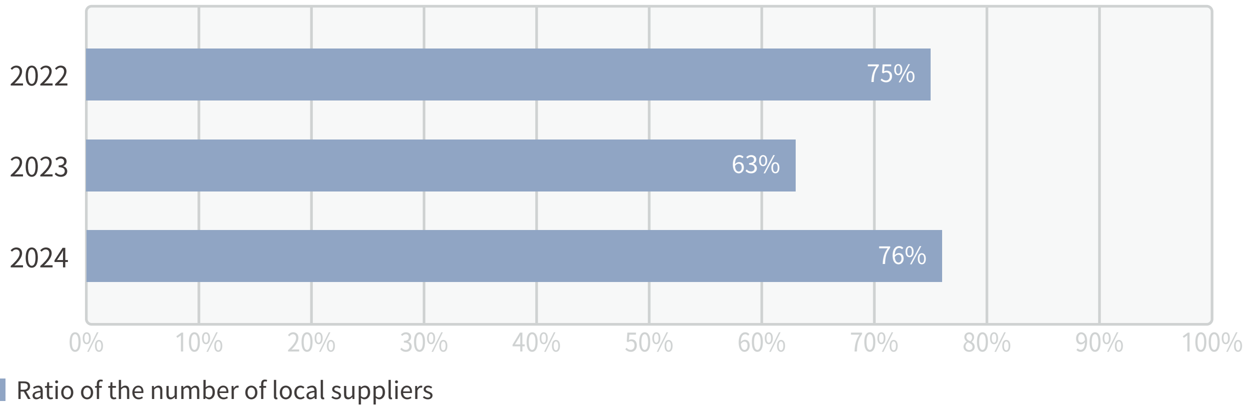
As a result of changes in product type and production volume, the proportion of CCSB’s local suppliers in 2023 decreased to 63%. In addition, due to the skyrocketing international prices of main raw materials for prostitution in Taiwan, the percentage of local procurement in 2023 decreased to 34%, but the amount of purchases still grew by more than 25% compared to 2022. The percentage of local suppliers for procurement in 2024 was increased to 76%, and the percentage of local procurement amounted to 36%. In the future, CCSB will continue to promote the strategy of “local procurement, local supply,” improve logistics operation efficiency, reduce GHG emissions, and establish a high-efficiency and competitive local supply chain.

Number and Amount of Local Suppliers

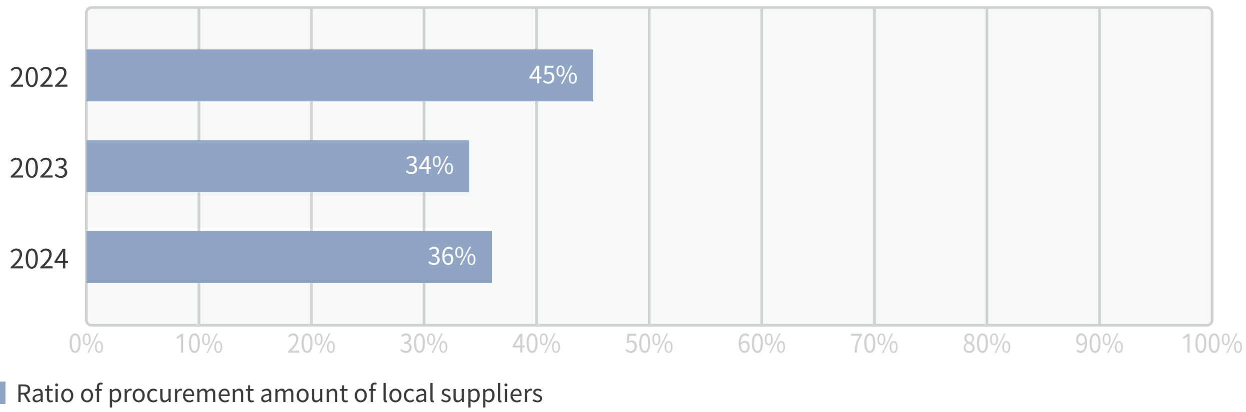
Year	Total Number of Local Suppliers	Total Number of Suppliers	Percentage	The Procurement Amount From Local Suppliers (in NTD thousand)	The Procurement Amount From Suppliers (in NTD thousand)	Percentage
2024	60	79	76%	107,978	297,926	36%
2023	59	94	63%	398,304	1,176,566	34%
2022	76	101	75%	317,071	708,190	45%

Note: The total number of suppliers here refers to those suppliers who were involved in procurement for the current year and does not encompass all qualified suppliers.

Ratio of the number of local suppliers



Ratio of procurement amount of local suppliers



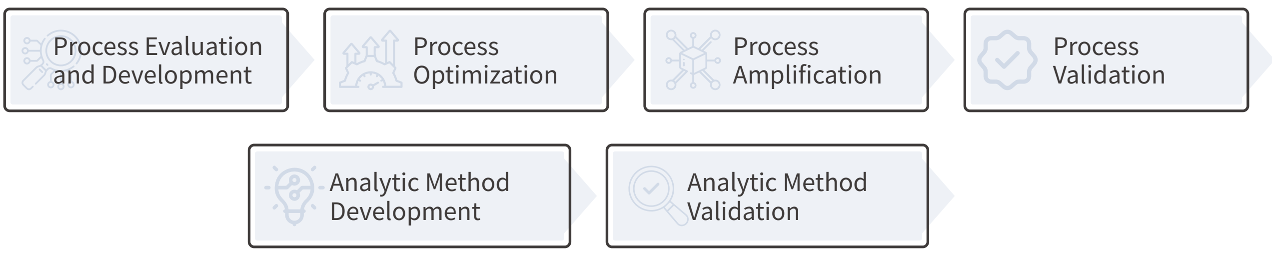
6.4 R&D Innovation

Material Topics	R&D Innovation
Materiality	CCSB believes that R&D and innovation capability is one of the keys to its sustainability. CCSB accumulates capital for sustainable operations through the continuous promotion and listing of new products and exploring new markets.
Policy and Commitment	▪ Comply with various international regulations and develop APIs with high quality standards. ▪ Continue to increase R&D strength to develop new products with unique key technologies at high prices and high technology thresholds. ▪ Continue to integrate microbial fermentation and chemical synthesis technologies to develop new genetic, semi-synthetic, and fully synthetic products. ▪ Continue to invest in R&D and innovation, plan patent applications with innovative technologies, and carry out patent deployment.
Goals	Short-term goal: ▪ Continue to improve biological fermentation and chemical synthesis technologies, plan patent applications, and conduct global market deployment. ▪ Add multiple choices of new product development items to enhance competitiveness in the global market. ▪ CDMO/CMO business development: Participate in the new drug R&D plans of domestic and foreign major pharmaceutical companies, enter into early R&D cooperation relationships, in anticipation to form a strategic alliance with major pharmaceutical plants for joint growth. ▪ Develop solvent recycling technology in response to increasingly stringent environmental requirements. ▪ Introduce the concept of waste reduction and emission reduction from the product process development/improvement stage to fulfill the social responsibility of being friendly to the environment. Medium to long-term goal: ▪ We shall continually boost our R&D momentum and adjust R&D strategies to further develop products at high prices, with high technical threshold, with few competitors but high profitability. Through such efforts, we could successfully enhance the productivity and operating benefits at the business premises.
Responsible Unit	R&D Department
Invest in Resources	▪ Continue to update the information on relevant laws and regulations and professional knowledge training courses required by R&D personnel. ▪ Encourage and support R&D personnel to participate in various internal and external education courses to enhance their professional knowledge.
Complaint Mechanism	R&D Department
Action Plan	▪ Regularly hold new product R&D meetings to report the progress and results of each R&D project. ▪ Implement feasibility assessment, propose quotation, confirm deliverables and schedules, and report R&D results of CDMO-entrusted R&D projects.
Effectiveness Evaluation	▪ One new patent was approved, and a total of 17 patents were valid. ▪ Three small molecule process developments were completed. 1 API master files were submitted.

With a strong R&D team equipped with bio-fermentation and chemical synthesis technologies, we have ventured into the market of high-volume medical and low-volume R&D APIs.

In response to the needs of different fields, the R&D innovation process of CCSB includes:

R&D Process for New Products of Enzymes, Small Molecules and Peptides



CDMO Process

CDMO Assessment and Quotation

Laboratory Process and Amplification

Amplification Process and GMP Production or Process Validation

Analytic Method Development or Transfer

Analytic Method Validation

Existing process optimization and amplification

Process Optimization and Amplification

Process Validation

Stable Process

R&D Resource Investment

"CCSB is one of the few companies in Taiwan equipped with both synthesis and biological fermentation technologies."

To support the Company's continuous research and development of new products, CCSB has established a strong R&D team for synthetic and biological fermentation technologies:

- In 2024, the number of R&D personnel was 68;
- In 2024, R&D expenses reached NTD 205,841 thousand, accounting for 15.28% of operating revenue.
- Cumulative investment in R&D in the past three years has exceeded NTD 693,326 thousand;

R&D personnel and expenditure statistics for 2024

Unit: number of people

Year	2022	2023	2024
R&D manpower	69	72	68

Unit: NTD thousand

Year	2022	2023	2024
R&D funds	244,789	242,969	205,841
Annual operating revenues	2,117,144	2,086,441	1,347,375
R&D percentage	11.56%	11.63%	15.28%

R&D achievements in 2024

Synthesis Institute

- Completed the development of new process for producing Plecanatide, a drug for the treatment of chronic idiopathic constipation.
- Completed of validation of three batches of the process for inherited obesity API Setmelanotide.
- Completed the effectiveness confirmation of the process for Eltrombopag olamine, an API for treating thrombocytopenia purpura.
- Completed the manufacturing process optimization for Selumetinib Sulfate, an API for treating neurofibromatosis, reaching a purity of over 99%.
- Completed the development of manufacturing process for Semaglutide, an API for treating diabetes and weight management, reaching a purity of over 99%.

Biotech Science Institute

- Completed the on-site manufacturing process enlargement for the fermented intermediate of Dalbavancin, an API used for antibiotic treatment in dermatology, and the quality met the specifications.
- Completed the lab scale-up process development for Dalbavancin, an API used in antibiotic treatment for dermatology, and both quality and efficiency met the specifications.
- Completed the technology transfer of the fermentation intermediate of the weight loss drug Semaglutide. The yield and purity of the lab scale-up process both met the standards.
- Completed lab process development for the side chain of the weight loss drug Semaglutide, with the quality meeting standards.
- Completed the manufacturing process validation of the anti-epileptic API Brivaracetam, and the quality met the standards.
- Completed the evaluation of the second supplier of the key intermediate for the cancer drug Trilaciclib, and the quality of the Trilaciclib API produced by the supplier met the standards.

Production Technology Department

- CAS process optimization and improvement.
- EVE process amplification.
- PNB process optimization.
- The production process of EPAE, FK-506, Rapa and EVE is stable.

Future R&D plans

CCSB Biotech builds strong R&D capabilities, adjusts R&D strategies, and leverages our core strengths in chemical synthesis and microbial fermentation technologies to continuously develop new products that challenge patents, and pharmaceutical companies with pharmaceutical companies whose patents are about to expire or have expired, and the high quality required by the pharmaceutical manufacturers. These include new APIs, such as immune preparations, anticancer drugs, cardiovascular, rheumatoid arthritis, diabetes, and anti-infective drugs.

Synthesis Institute

Name of research project	Projected R&D expenses in 2025
Plecanatide	Excluding the commercialization programs, the Company estimates to additionally invest about NTD 33,900 thousand.
Selumetinib Sulfate	
Semaglutide	

Biotech Science Institute

Name of research project	Projected R&D expenses in 2025
Dalbavancin	Excluding the commercialization programs, the Company estimates to additionally invest about NTD 25,000 thousand.
Semaglutide	
Ozanimod	
Trilaciclib	

Chapter 7

Employee Care

- Employees are the Company's most valued and important asset
- Establish a work environment featuring equality, inclusiveness, diversity, innovation, and safety
- Provide a channel for employees' career development and self-realization.
- Establishment of employee share ownership trust
- We respect human rights and protect employee safety, health, and fair treatment.

7.1 Employment

Management Policy for Material Topic – Employment

GRI2-7, 2-8, 2-30, 401-1~3, 201-3, 402-1

Material Topics	Employment
Materiality	CCSB is committed to providing our employees with a high-quality, safe, and healthy working environment, and is dedicated to enabling all employees to maximize their potential and grow in sync with the Company.
Policy and Commitment	CCSB adheres to UN human rights policies, implements workplace diversity in employment, ensures equal opportunities, training, benefits, performance evaluations, and promotions. Through diverse and effective channels for negotiation, we strive to foster positive and constructive employment relationship.
Goals	Short-term Objective: Zero cases of recruitment violations, harassment, discrimination, or employee human rights-related complaints have been reported. Mid- and Long-term Objective: Zero cases of recruitment violations, harassment, discrimination, or employee human rights-related complaints have been reported.
Responsible Unit	Personnel Affairs Office
Invest in Resources	▪ Labor Conference: Providing a communication channel for employees ▪ Employee complaints mailbox: Providing a channel for employee complaints ▪ Employee Welfare Committee: Providing a friendly workplace and benefits for employees
Complaint Mechanism	Chun Chieh, Liao of the Personnel Office Email: hr@ccsb.com.tw Hotline: 02-86845311#600
Action Plan	▪ Establishing and implementing human rights management guidelines that prohibit forced labor, child labor, discrimination, promote diversity in employment, respect privacy, prioritize employee health, safety and working balance. ▪ The Company has an "Employee Complaint Mailbox" for dedicated units to publicize and handle employee complaints. Regular labor–management meetings are also held. Employees can raise any opinions to the labor representatives in the department and make proposals in labor–management meetings. ▪ The Company conducts performance evaluations for all employees annually. New employees also undergo probationary and year-end performance assessments in accordance with the Company's policies.
Effectiveness Evaluation	▪ In 2024, there were no reported cases of recruitment violations, harassment, discrimination, or employee human rights-related complaints. ▪ Labor conferences are held quarterly, with a total of four of these conferences conducted in 2024. ▪ In 2024, a total of 2 new employees were hired. ▪ The participation rate in 2024 performance evaluations was 100% ▪ There were six female supervisors in 2024.

"Employees are the most important assets of the company."

CCSB employs fair, just, and transparent selection process to recruit suitable talent while also maintaining employee rights. Our employment policies do not discriminate based on gender, race, socioeconomic status, age, marital or family status, and we ensure equality and fairness in employment, working conditions, remunerations, benefits, training, performance evaluations, and promotion opportunities.

To ensure their job satisfaction, the Company not only offers competitive overall remuneration packages (including base salary, allowances, and employee cash bonuses and rewards) but also provides training mechanisms for employee growth and development. Additionally, the Company goes beyond legal standards to offer benefits tailored to meet the needs of our employees.

Human resource

"CCSB strictly complies with labor laws and regulations in the recruitment and appointment of employees, and mainly hires local employees."

Through an open selection process, we engage in recruitment regardless of race, religion, color, nationality, age, gender, sexual orientation, or disability, adhering to the principles of equal opportunity, right-of-place, merit-based recruitment, and the prohibition of child labor. The Company also protects minority groups such as foreign workers, female staff, vegetarians and the underprivileged, respecting their needs in daily activities and religions. These codes of conduct are clearly displayed in the Company's policies and regulations and the relationship between supervisors and subordinates.

As of the end of 2024, the Company had a total of 299 employees, all of whom were full-time employees. This includes 259 employees hired locally in Taiwan and 40 foreign migrant workers. In addition to Taiwanese nationals, employees come from countries such as India, Indonesia, and Malaysia. Regarding the on-site operators, the male employees accounted for a higher ratio due to the industrial characteristics and on-site operational processing requirements. The male employees made up 72.6% of the total number of employees, while the female employees made up 27.4%. All of them were full-time employees.

Distribution of Female Employees

CCSB ensures gender equality in terms of work rights, with an equal distribution of male and female employees in the workforce. The Company places particular emphasis on the advancement and development of female colleagues, especially when it comes to promotion opportunities. However, due to the nature of the pharmaceutical industry, there is a higher proportion of male employees in leadership and R&D positions within the Company.

CCSB aims to increase the willingness of female employees to take on leadership roles and gradually raise the proportion of women in the workforce. The Company has set a target of 21% female executives for 2023, with the objective of achieving 22% by 2025 and 23% by 2030. Due to personnel changes, a female supervisor was promoted on January 1, 2024, bringing the percentage of female supervisors to 22.2%.

Employment Status of CCSB Employees in 2024

Category		Male	Female	Total
Labor Contract	Full-time	217	82	299
	Contractual	0	0	0
	Hourly or part-time employees without guaranteed hours	0	0	0
	Total	217	82	299
Labor Type	Full-time	217	82	299
	Part-time	0	0	0
	Total	217	82	299

Note 1: The total number of people is calculated as of December 31, 2024.
Note 2: The employee headcount data for CCSB is compiled from the AS400 system implemented within the Company.
Note 3: CCSB does not employ contractual, hourly, or part-time employees.

The Composition of CCSB Employees in 2024

Category		Male		Female		Total	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Age	Under 30 years old	58	26.7%	8	9.8%	66	22.1%
	30–50 years old	122	56.2%	47	57.3%	169	56.5%
	Above 50 years old	37	17.1%	27	32.9%	64	21.4%
Job Title	Senior Manager	7	3.2%	1	1.2%	8	2.7%
	Mid-level Manager	14	6.5%	5	6.1%	19	6.4%
	Specialists	69	31.8%	63	76.8%	132	44.1%
	Technicians	87	40.1%	13	15.9%	100	33.4%
	Foreign migrant workers on fixed-term contracts	40	18.4%	0	0.0%	40	13.4%
Total		217		82		299	

Note 1: The total number of people is calculated as of December 31, 2024.
Note 2: The employee headcount data for CCSB is compiled from the AS400 system implemented within the Company.
Note 3: Senior Managers – Managers at the level of Assistant Manager and above, Middle management level – Managers at the level of (Deputy) Managers, Specialists – Employees below the level of (Deputy) Managers, Technicians – Shift workers related to production and clerical staff ,Foreign migrant workers on fixed-term contracts – Foreign migrant workers.

2024 New Hires and Departures of CCSB

Through performance management, CCSB uses the evaluation results as the basis for bonus distribution and salary adjustment; a fair promotion system provides employees with a channel for career development and self-fulfillment and enhances employees' willingness to stay. In 2024, 51 people left the Company. Deducting the 15 people who left the country after the expiry of their employment period, 36 people actually left the Company, with a turnover rate of 12.0%, and 75% were male and 25% female. In line with the needs of the Company's business and organizational development, a total of 3 new employees were hired in 2024, and 100% were male and 0% female.

New employees

Category		Male		Female		Total	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Age	Under 30 years old	0	0.0%	0	0.0%	0	0.0%
	30–50 years old	3	100.0%	0	0.0%	3	100.0%
	Above 50 years old	0	0.0%	0	0.0%	0	0%
Job Title	Senior Manager	1	33.3%	0	0.0%	1	33.3%
	Mid-level Manager	0	0.0%	0	0.0%	0	0.0%
	Specialists	2	66.7%	0	0.0%	2	66.7%
	Technicians	0	0.0%	0	0.0%	0	0.0%
	Foreign migrant workers on fixed-term contracts	0	0.0%	0	0.0%	0	0.0%
Total		3		0		3	

Note 1: The total number of people is calculated as of December 31, 2024.
Note 2: The employee headcount data for CCSB is compiled from the AS400 system implemented within the Company.
Note 3: Senior Managers – Managers at the level of Assistant Manager and above, Middle management level – Managers at the level of (Deputy) Managers, Specialists – Employees below the level of (Deputy) Managers, Technicians – Shift workers related to production and clerical staff, Foreign migrant workers on fixed-term contracts – Foreign migrant workers.

Resigned employees

Category		Male		Female		Total	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Age	Under 30 years old	16	38.1%	5	55.6%	21	41.2%
	30–50 years old	19	45.2%	4	44.4%	23	45.1%
	Above 50 years old	7	16.7%	0	0.0%	7	13.7%
Job Title	Senior Manager	3	7.1%	0	0.0%	3	5.9%
	Mid-level Manager	1	2.4%	0	0.0%	1	2.0%
	Specialists	7	16.7%	7	77.8%	14	27.5%
	Technicians	16	38.1%	2	22.2%	18	35.3%
	Foreign migrant workers on fixed-term contracts	15	5.7%	0	0.0%	15	29.4%
Total		42		9		51	

Note 1: The total number of people is calculated as of December 31, 2024.
Note 2: The employee headcount data for CCSB is compiled from the AS400 system implemented within the Company.
Note 3: Senior Managers – Managers at the level of Assistant Manager and above, Middle management level – Managers at the level of (Deputy) Managers, Specialists – Employees below the level of (Deputy) Managers, Technicians – Shift workers related to production and clerical staff, Foreign migrant workers on fixed-term contracts – Foreign migrant workers.

Diverse support mechanism for new employees

CCSB offers assistance to new employees in terms of their job and skills, and through various means, helps them integrate and adapt to their new environment more quickly.

- Regularly engaging in conversations with new employees to understand their adaptation to the environment
- Identifying issues with new employees, guiding their awareness, and assisting in communication and resolution.
- Organizing production plant tours to provide firsthand insights into pharmaceutical manufacturing processes and equipment, helping new employees establish a foundational understanding of product manufacturing.

Providing individual mentoring to assist new colleagues

Diverse support mechanism for new employees

Diversity in Hiring at CCSB in 2024

"CCSB supports the employment of people with disabilities, respects their rights and interests at work, and abides by relevant laws and regulations."

In accordance with Article 38 of the "Person with Disabilities Rights Protection Act," CCSB shall hire two persons with disabilities. In addition to evaluating the nature of job positions, CCSB provides employment opportunities for individual with disabilities. The Company also regularly arranges for physicians to provide healthcare and actively cooperates with the Ministry of Labor's Job Redesign Program. This includes adding barrier-free facilities to establish a disability-friendly workplace environment. As of the end of 2024, due to personnel changes, CCSB employed three employees with disabilities[Note 3], on par with relevant laws and regulations.

CCSB complies with government regulations in hiring foreign employees and creating a diverse and friendly workplace. At CCSB, we provide comfortable dormitories, organize education and training for newcomers, and assist them in adjusting to the new environment. Not only this, the Welfare Committee has also appointed full-time representatives to assist foreign employees in handling welfare-related matters, such as participating in corporate sports family days, employee trips, and other activities to enhance culture. By doing this, we promote cultural exchange as well as workplace harmony and employee interaction.

Category	Number of employees			
	2021 [Note 4]	2022	2023 [Note 4]	2024
Individuals With Disabilities Number of People Required by Law [Note 3]	3	3	3	2
Individuals With Disabilities (regulatory requirement)	1 (2)	3 (4)	2 (2)	3 (3)
Foreign Employees	52	69	57	42
Total	53	72	59	45

Note 1: The total number of people is calculated as of December 31, 2024.

Note 2: The employee headcount data for CCSB is compiled from the AS400 system implemented within the Company.

Note 3: Based on Article 38-2 of the "People with Disabilities Rights Protection Act": CCSB exceeded 300 employees at the beginning of 2024, and was required to hire three disabled persons. Starting in November 2024, the workforce reduced to under 300 employees, and the hiring quota for employees with disabilities was lowered to two.

Note 4: Continuously employed 1 colleague with disabilities (severe) from 2021 to 2022, which can be counted as equivalent to 2 statutory positions. In March 2023, due to a resignation, only two employees with disabilities were hired for the year, one less than the legally mandated quota of three. During the period, the Company continued to assist in recruitment through the city government's employment guidance agencies for persons with disabilities. However, until the end of the year, the recruitment had not been successful. Therefore, the Company paid a monthly allowance for the shortfall in hiring people with disabilities. Since hiring one person with disabilities in September 2024, the Company has been compliant with regulations.

R&D Employee Recruitment Policy

R&D team consists of personnel of synthesis, biotechnology, analysis, and production technology departments. Our R&D personnel are the core of the R&D team. CCSB provides opportunities for continuous development and growth, as well as a good and balanced work environment, to ensure that R&D personnel can exert their expertise and effectively enhance the Company's R&D capacity.

- The Company recruits R&D personnel with a requirement of having a Master's or Ph.D. degree.
- The research areas include organic synthesis, microbial fermentation, and related analytical fields.
- In addition to professional skills and R&D practical experience, we place particular emphasis on the integrity, stability, and teamwork of our R&D personnel.
- The training of R&D personnel focuses on the development of core technical competencies. This is achieved through internal and external technical exchanges within the Company to acquire technical knowledge and stay updated on future trends.

Employee Salary and Benefits

Employee Salary

CCSB uses a competitive compensation system that is far superior to the minimum wage set by the Ministry of Labor (the ratio of the average salary of local newcomers to the minimum wage under the Labor Standards Act is 1.5:1 in 2024) to recruit outstanding talent to join us. In doing so, we are able to maintain the overall competitiveness position of CCSB.

CCSB adopts a remuneration structure of "high performance, high contribution, and high remuneration." We do not determine the salaries and remuneration of employees based on their nationality, age, gender, race, religion, political stance, place of birth, place of origin, ordisability.

Salary and Promotion Linked to Performance

Employee salaries are determined based on

- Academic background, position, market conditions, and personal work performance.
- Salaries do not differ based on age, gender, race, religion, political stance, place of birth, place of origin, physical or mental disability, or marital status.
- The ratio of starting salaries for male and female newcomers with the same requirements is 1:1, and there will be no difference in starting salaries due to different genders.

In order to enhance employee job performance and understand the capabilities and adaptability of organizational members, the Company conducts employee performance assessments twice a year. Employee performance appraisal ranking is an important decision-making reference when applying for salary adjustments, promotions, and transfers.

Performance evaluation process

Assessment Target

Employee evaluations are categorized into four groups based on management levels, each pf which utilizes a different performance assessment form.

- Type 1: Senior Managers, Managers at the assistant president level and above
- Type 2: Mid-level Managers, Managers at the Manager and Deputy Manager level and above
- Type 3: Entry-level Manager, Directors and Managers at Section Chief levels
- Type 4: Regular Employee

Assessment Method

Mid-year Evaluation

All levels of supervisors should regularly assess the job performance of their subordinates and maintain records. The HR Department will conduct the mid-year performance evaluation process in early July each year, involving the completion of the "Interview Record Form" or the "Key Performance Indicators Checklist" for reference in the annual performance evaluation.

Annual Performance Evaluation

From December to early January of the following year, the annual performance data is collected, assessment forms are completed, and decisions are made regarding performance evaluation ratings.

CCSB Annual Performance Evaluation Statistics of 2024

Category	Male			Female		
	Number of Participants Undergoing Performance Evaluation	Total	Percentage	Number of Participants Undergoing Performance Evaluation	Total	Percentage
Senior Manager	6	6	100%	0	0	0%
Mid-level Manager	14	14	100%	5	5	100%
Specialists	68	68	100%	63	63	100%
Technicians	87	87	100%	13	13	100%
Foreign migrant workers on fixed-term contracts	40	40	100%	0	0	0%
Total	215	215	100%	81	81	100%

Note 1: The assessment targets regular employees who have completed their probationary period, excluding the Chairman and consultants.
Note 2: Senior Managers – Managers at the level of Assistant Manager and above, Middle management level – Managers at the level of (Deputy) Managers, Specialists – Employees below the level of (Deputy) Managers, Technicians – Shift workers related to production and clerical staff, , Foreign migrant workers on fixed-term contracts – Foreign migrant workers

Average basic salary and average remuneration ratio of male and female employees by job level in 2024

Category	Average basic salary		Average remuneration	
	Male	Female	Male	Female
Senior Manager	0.75	1.00	0.72	1.00
Mid-level Manager	1.11	1.00	1.10	1.00
Specialists	1.05	1.00	1.07	1.00
Technicians	1.09	1.00	1.22	1.00
Foreign migrant workers on fixed-term contracts	Note 1	Note 1	Note 1	Note 1

Note 1: There are no female employees among the foreign workers on fixed-term contracts, therefore, there is no relevant ratio data.
Note 2: Senior Managers – Managers at the level of Assistant Manager and above, Middle management level – Managers at the level of (Deputy) Managers, Specialists – Employees below the level of (Deputy) Managers, Technicians – Shift workers related to production and clerical staff, Foreign migrant workers on fixed-term contracts – Foreign migrant workers

The year-end bonus and remuneration adjustment of the same standards are annually determined for all the full-time employees based on the Company's overall operations. This helps encourage the entry-level employees to be continuously dedicated to their work and specialties and enhance the Company's business performance. The means and medians of the salary for full-time employees in non-managerial positions in the past three years are shown below:

	2022	2023	2024
Average number of full-time employees in non-managerial positions (person)	342	347	313
Mean of salary for full-time employees in non-managerial positions (thousand dollars)	967	861	699
Median of salary for full-time employees in non-managerial positions (thousand dollars)	885	758	648

Employee benefits

"Being a great family with human-centered values, CCSB places high importance on the employees' work environment, treatment and benefits."

We have developed the employee dividend system and various incentive mechanisms to enhance the management and operation efficiency and further achieve the goal of profit sharing. To create a high-quality workplace, we have convenient facilities such as employee cafeterias, dormitories, and free parking bays. In terms of recreation and leisure activities, the Company has jointly held sports games and family days with affiliates since 2009. Aimed at the employees and their family members, these events facilitate the employees' rapport with their family members and promote their recognition as well as understanding of the Company.

CCSB regularly organizes sports and family day activities

In addition to complying with the Labor Standards Act and other related laws and regulations, CCSB also arranges health examinations for employees, establishes an employee welfare committee, plans employee benefits throughout the year, and manages the income and expenditure of welfare funds. The Employee Welfare Committee is composed of enthusiastic employees elected by each unit to create value-added welfare measures for employees. Relevant welfare measures are listed as follows:

Payroll benefits

- Gifts for four main national holidays (Lunar New Year, Labor Day, Dragon Boat Festival and Mid-Autumn Festival).
- Birthday gifts.
- Gifts for retirement.
- Incentive of 100% ESOP (Employee Stock Ownership Plan) for employees having served for one year.
- To enhance the professional knowledge and skills of our employees, the Company provides financial assistance for on-the-job education. We encourage colleagues to pursue a formal educational background-related degree or attend part-time courses at colleges and universities to improve their professional knowledge.

Marriage and child welfare benefits

- We encourage employees to have children through various measures, including marriage congratulation gifts, maternity leave, prenatal checkup leave, gifts for newborn babies, parental leave, and lactation rooms.
- In consideration of the needs of employees with young children (under the age of 2), female employees are allowed to take 1 hour of breastfeeding (pumping) leave each day.
- We offer scholarships for child education to provide more sound support for employee families in terms of childcare.

Healthcare and emergency assistance

- Regular annual general checks and special job-related health examinations are conducted, with one full-time nurse and one contracted physician available. A dedicated nursing room is established to actively monitor and care for the health of employees.
- We offer free group insurance, consolation for medical care, and consolation for funerals to assist colleagues in times of emergency.

Activity benefits

- There is an Employee Welfare Committee that organizes activities such as employee trips, year-end banquets, and family day events.
- Established diversified clubs with activity subsidies provided.

Friendly working environment

- There is an employee cafeteria and meal allowances are provided.
- Summer and winter uniforms, work safety shoes and sportswear distributed annually.
- The Company provides ample parking spaces for cars and motorcycles, which are available and free of charge for employees to use.
- Discounts on purchases of goods from affiliated businesses and special offers from contracted vendors.
- Complimentary freshly grounded coffee is provided.

Leave benefits

- Employees who have completed a certain period of service are entitled to special leave each year as stipulated by labor laws and regulations.
- New employees can advance and use 2 days of special leave after completing their probationary period or after 3 months of employment for foreign migrant workers.

The implementation status of welfare benefits in 2024

Employee Welfare Committee allowance[Note]
distributed a total of
2,021,660 NTD

Regular general health checks
281 Participants completed

Regular specialized operation health checks
70 Participants completed

Club subsidy amount
24,000 NTD

Employee application for on-the-job Advance training subsidy amount
258,726 NTD

Free group insurance
100 %

Providing employee dormitory accommodation for foreign workers on fixed-term contracts.
40 Workers

Employee ownership trust
281 Employees joined
The Company allocated in bonuses
4,045,000 NTD

Note: The Employee Welfare Committee allowance includes birthday vouchers, festival bonuses, scholarships, wedding and funeral compensations, retired employee support, employee trips and club subsidies.

Club Activities

CCSB's Steady and Deliberate Work club

CCSB's Yoga Club

Trips

Parental leave

CCSB welcomes and values the needs of employees at all critical life stages. The Company complies with the "Gender Equality in Employment Act" to protect the right of employees to parental leave without pay and to support employees in raising their children with peace of mind. In 2024, a total of 1 employees applied for unpaid parental leave, and a total of 1 employees were reinstated on the end of their contracts, with a reinstatement rate of 100%. CCSB will continue to pay attention to the adjustment of employees after reinstatement, in order to help employees achieve a balance between work and family.

Statistics for parental leave without pay in 2024

Item	Male	Female	Total
Total number of employees entitled to parental leave in 2024 (A)	3	1	4
Total number of employees who actually took parental leave in 2024 (B)	0	1	1
Total number of employees applying for reinstatement in 2024 (C)	0	1	1
Total number of employees who should be reinstated but applied for extension of leave in 2024 (D)	0	0	0
Total number of employees actually reinstated in 2024 (E)	0	1	1
Total number of employees reinstated from unpaid parental leave in 2023 (F)	2	1	3
Total number of employees reinstated from unpaid parental leave who continued working for one year in 2023 (G)	2	1	3
The parental leave without pay application rate (B/A)	0%	100%	25%
The reemployment rate (E/(C-D))	0%	100%	100%
Retention rate (G/F)	100%	100%	100%

Labor–Management Communication

CCSB values employees' opinions and strives to maintain an open environment, good communication, and harmonious labor–management relationship. If there are any major business decisions, we immediately explain them to our employees through open channels.

CCSB established the Labor–Management Committee on September 8, 2004:

- The Committee consists of five representatives elected by the labor side and five representatives nominated by the employer.
- Representatives of labor and management hold regular labor–management meetings every three months.
- Encourage colleagues to communicate their opinions with relevant personnel in an open and transparent manner at any time.
- Items to be discussed include the review of the implementation of the resolutions of the previous meeting, labor dynamics, production plans, business overview, other reporting matters, and special motions.
- Request supervisors and relevant departments to respond quickly to achieve the purpose of two-way communication and protection of workers' rights.

The labor–management communication platform set up by CCSB provides unfettered channels for labor–management communication and harmonious labor–management relations. In 2024, a total of four labor–management meetings were held, and no disputes or labor–management relations requiring coordination occurred.

Number of Labor Disputes

Item	2022	2023	2024
Number of employee complaints notified by the government letters and labor dispute mediation cases	0	0	0
Number of cases solved and closed	0	0	0

Note: The labor dispute mediation refers to the mechanism of intervention by an impartial third party whom the employee applies to the Labor Affairs Bureau for to deal with the matter through external mediation.

Smooth Complaint Channels

CCSB attaches great importance to the smooth communication channels:

Internal Communication Channels

- The "General Manager's Mailbox" has been set up in the "canteen" of the employees' public space. Employees are welcome to anonymously or in a named manner report any problems with the Company's operations and current conditions or provide suggestions for improvement. The complaints are handled by the General Manager in person. This communication channel is meant to guide all employees, and is especially explained in the orientation of all newcomers.
- Hold various meetings to enhance communication among departments
- Encourage employees to communicate various opinions and suggestions with their immediate supervisors or department heads
- There were no internal complaints in 2024.

Online Communication Channels

- A "CCSB Employee Discussion Forum" is established in the Company's system which serves as a platform for announcements and for employees to voice their opinions and concerns.
- The employees can file complaints via "Stakeholders' Area" of the Company's website. The management will conduct an investigation and handle issues in accordance with the relevant regulations to protect the interests of the Company and employees.

Retirement benefits plan

"CCSB allocates retirement benefits plan for all regular employees, with a participation rate of 100% in the retirement plan."

In accordance with the old "Labor Standards Act" and the new "Labor Pension Act," CCSB provides employees who joined the Company on or before June 30, 2005, with retirement benefits based on the old pension system. The Company also deposits the required amounts as per the relevant regulations and commissions actuaries to conduct annual calculations at the end of each year. This practice ensures the protection of employees' future retirement benefit rights and interests and guarantees sufficient allocations.

The implementation status of retirement benefit allocations in 2024

As of December 31, 2024

Old system: The cumulative balance of the labor retirement reserve fund was NTD **140,032** thousand

New system: Total retirement benefit allocation for labor totaled for the entire fiscal year NTD **10,468** thousand

Labor–management relations assurance

"CCSB strictly complies with the relevant provisions of the "Labor Standards Act.""

In the event of major operational changes that require redundancy of employees, to protect the rights of employees and minimize the impact of major operational changes, CCSB has adopted the minimum notice period for termination of labor contracts in accordance with the law. In addition, after receiving the aforementioned notice, employees who are seeking alternative employment may take leave during working hours, but the maximum leave hours per week shall not exceed two days of working time. Regular salary payments will still be made during the leave period. In 2024, there was no significant operational change to CCSB.

Employee tenure	Notice period
Continuing to work for more than three months but less than a year	Ten days' advance notice
Continuing to work for more than a year but less than three years	Twenty days' advance notice
Continuing to work over three years	Thirty days' advance notice

7.2 Talent Cultivation and Development

Material Topic of Management Policy – Talent Cultivation and Development

GRI404-1~3

Material Topics	Talent cultivation and development
Materiality	CCSB actively invests resources in talent cultivation and enhances employee management, professionalism, and core competencies.
Policy and Commitment	▪ Talent is one of the foundations for delivering excellent products and fostering innovation within the Company. CCSB actively nurtures employee knowledge and skills, strengthens core expertise, and develops advantages in innovative R&D to meet the needs of business growth and enhance the overall competitiveness of the Company. ▪ To help new employees quickly understand the Company's culture, integrate into the team, grasp the Company's core values and work environment, unit supervisors will assign dedicated personnel to assist and mentor them.
Goals	Short-term Objective: Annual cGMP education and training, as well as safety and health education for new employees, achieved a 100% completion rate. Mid- and Long-term Objective: The annual training plan achieved a 90% completion rate, with an average of 30 hours of training per person.
Responsible Unit	Personnel Affairs Office
Invest in Resources	Training expenditure amounted to NTD 258,726.
Complaint Mechanism	Email: hr@ccsb.com.tw and the Company's complaint mailbox
Action Plan	▪ We provide educational training for new employees to help them integrate quickly into the team, understand the Company's core values and work environment, and unleash their full potential as soon as possible, thereby assisting the Company in managing related tasks. ▪ We offer professional-related education and training opportunities, providing a diverse range of learning channels and development resources, including job-specific training, general skill development, cGMP and regulatory compliance education, and individualized work guidance. ▪ We provide subsidies for on-the-job training and encourage colleagues to pursue formal educational background-related degrees or attend part-time courses at colleges and universities to improve their professional knowledge. ▪ To enhance the managerial skills of our supervisors, the Company organizes professional management training courses for them.
Effectiveness Evaluation	▪ Annual performance appraisal: 100% participation rate; ▪ cGMP education and training: A total of 6,901 participants were trained, with a total teaching time of 5,007 hours. ▪ 37 people participated in training on professional competency, totaling 397.5 hours. ▪ 407 people participated in training on SOP, totaling 592.5 hours. ▪ 56 people participated in training on work safety, totaling 228 hours. ▪ 216 people participated in training on instruments, totaling 251 hours. ▪ New employee education and training: A total of 2 participants were trained, with a total teaching time of 6 hours.

In order to enhance the professional and technical capabilities of employees, enhance work efficiency, and pay attention to and improve product quality, the Company proposes an annual education and training plan based on work needs. In addition to the implementation according to the annual education and training plan, the Company organizes internal management and professional training courses from time to time. As well as this, our employees are also sent to participate in courses and training organized by external organizations as needed to strengthen the professional capabilities of employees in various functional areas. In 2024, we spent a total of NTD 258.7 thousand on talent training and education training for new recruits and in-service employees, with an average training hours of 23.7 hours per person.

Providing dedicated assistance and guidance to new employees

To help new employees quickly understand the Company's culture, integrate into the team, grasp the Company's core values and work environment, CCSB's unit supervisors will assign dedicated personnel to assist and mentor them, enabling new employees to quickly leverage their full potential and assist the Company in managing relevant tasks.

The assigned personnel must possess the following qualifications:

- A substantial understanding of the Company's environment and job responsibilities.
- Possessing optimistic, enthusiastic, and positive personality traits.
- We recommend that the assigned personnel hold the same job grade as their new colleagues or one grade higher or lower.

CCSB Complete Training Program

Technicians
- cGMP Training
- SOP Training
- Specialized training
- Instrument Training
- New-hire Training
- Occupational Safety Training
- Other training

Mid-level Manager
- Annual Consensus Camp
- cGMP Training
- SOP Training
- Specialized training
- Instrument Training
- New-hire Training
- Occupational Safety Training
- Other training

Senior Manager
- Annual Consensus Camp
- cGMP Training
- SOP Training
- Specialized training
- New-hire Training
- Other training

Specialists
- cGMP Training
- SOP Training
- Specialized training
- Instrument Training
- New-hire Training
- Occupational Safety Training
- Other training

Foreign migrant workers on fixed-term contracts
- cGMP Training
- SOP Training
- Specialized training
- Instrument Training
- New-hire Training
- Occupational Safety Training
- Other training

Course	Course Content	Course Duration	Number of Male Participants	Number of Female Participants	Total Number of Participants Trained	Completion Rate
cGMP Training	Training required by cGMP-related regulations, including both new employee orientation and periodic cGMP concept training.	5,007	5,847	1,054	6,901	100%
SOP Training	Teaching employees the knowledge and skills related to various job processes within their job scope, nurturing them to perform their work clearly and correctly according to standard operating procedures.	592.5	294	113	407	100%
Specialized training	▪ Provide training based on the skill requirements of each department to enhance job-related knowledge and work quality. ▪ Professional certification: Planned and implemented by respective responsible unit based on operational and regulatory requirements, and according to certification guidelines, self-plan for retraining or re-certification as necessary.	397.5	24	13	37	100%
Instrument Training	Various responsible units' courses on instrument operation, calibration, and management as needed for their respective roles.	251	142	74	216	100%
New-hire Training	To help new employees become familiar with the work environment quickly, introductory courses are conducted, including company orientation, explanation of HR management systems and benefits, cGMP training, and occupational health and safety training.	6	2	0	2	100%
Occupational safety training	The Occupational Safety and Health Department provides training courses based on the safety and health education needs of each department, conducts awareness programs on relevant laws and regulations, and offers training related to occupational safety, environmental safety, and fire drills.	228	43	13	56	100%
Others	▪ Cultivating employees to acquire the latest knowledge and skills from the industry, government, and academia to enhance their qualifications and productivity. ▪ Conducting discussion and awareness education courses for handling deviations and abnormal issues in job execution.	602.5	769	87	856	100%

Average training hours per employee over the past three years

Gender	Item	2022	2023	2024
Male	Training hours (in hours)	9,023	8,150	5,958.5
	Participants (person)	263	257	217
	Average training hours (in hours)	34.3	31.7	27.5
Female	Training hours (in hours)	2,137	1,880	1,126
	Participants (person)	95	90	82
	Average training hours (in hours)	22.5	20.9	13.7
Total	Training hours (in hours)	11,160	10,030	7,084.5
	Participants (person)	358	347	299
	Average training hours (in hours)	31.2	28.9	23.7

The number of trained participants by job level in 2024

Job Title	Male			Female		
	Total Number of Hours	Total	Average Number of Training Hours per Person	Total Number of Hours	Total	Average Number of Training Hours per Person
Senior Manager	52.5	7	7.5	0	1	-
Mid-level Manager	225	14	16.1	29.5	5	5.9
Specialists	1,405.5	69	20.4	971.5	63	15.4
Technicians	3,239	87	37.2	125	13	9.6
Foreign migrant workers on fixed-term contracts	1,036.5	40	25.9	0	0	-
Total	5,958.5	217	27.5	1,126	82	13.7

Talent Development Highlight Project

2024 cGMP Education and Training

Project Description

To ensure the manufacturing quality of APIs, the Quality Assurance unit regularly organizes comprehensive cGMP plant-wide education and training. All aimed at enhancing the overall awareness of quality management in the plant. These courses cover the latest cGMP regulations, discussions of inspection case, etc.

Implementation Method	Physical course
Frequency of Implementation	Once per year
Participation Rate	100%

Project Benefits

Enhancing employee quality management awareness to produce high-quality APIs.

New Employee Training Program

We help new hires learn about the work environment, understand the Company's regulations and history, pay attention to work safety and know the work of every department, environmental management substances, professional capabilities and requirements, labor laws, safety and health training and cGMP training, so that they can understand and evaluate the environment and policies better.

Resources invested in new employee training

Item	2021	2022	2023	2024
Training course budget	Note	Note	Note	Note
Number of Hours of Training Courses	162	163	78	6

Note: New employee training courses are all conducted by internal instructors, with no related expenses incurred.

In-service Employee Training Program

CCSB provides training and re-education plans for employees to engage in their own jobs and secondary expertise every year, so that employees can meet the functional requirements at work. In addition to the annual cGMP education and training for all employees, CCSB has obtained professional safety and health licenses for: Organic Solvent Worker, Specific Chemical Worker, Anoxic Worker, Forklift Operator, Stationary Crane Operator, boiler operator, high-voltage specific equipment operator, fire protection manager, security supervisor, first responder, etc. A total of 2 people received refresher training in 2024, and 4 people received new training.

Contractor Operations Training Program

CCSB complies with the Occupational Health and Safety regulations and has established the "Contractor Operations Management Regulations" to define the responsibilities of the Company's responsible units and contractors and to outline the relevant environment, health, and safety considerations. In 2024, education and training was implemented for contractors entering the plant for operations, with a total of 15 individuals. Before commencing construction, contractors were required to sign a notice regarding environmental hazards and factors. This is necessary in order to prevent work-related hazards and maintain a safe working environment.

7.3 Occupational Health and Hygiene

Management Policy for Material Topic – Occupational Health and Hygiene

403-1~10

Material Topics	Occupational Health and Hygiene
Materiality	CCSB refers to the ISO 45001 Occupational Health and Safety Management System as the framework to ▪ Improve workplace, machinery and equipment, and safe work approaches. ▪ Develop good safety behaviors among employees. ▪ Implement occupational injury prevention and management. ▪ Ensure the safety and health of employees and stakeholders. ▪ Zero disasters. These are our goals and we have also relevant standard operating specifications in place.
Policy and Commitment	▪ Implementing various management plans within the scope of the Occupational Health and Safety Management System to create a safe workplace. ▪ Comply with environmental, safety, and health-related laws and regulations and truthfully convey relevant information to employees. ▪ Coordinate with the formulation of relevant goals, implementation plans, and sustainable development strategies for continuous improvement. ▪ Implement education and training to enrich employees' professional knowledge and skills, integrate them into the work system, and fulfill their personal responsibilities. ▪ Enhance interaction with stakeholders and provide appropriate responses.
Goals	The management indicator was based on the "2024 Sum of Injury Index for Pharmaceuticals and Medical Chemicals Manufacturing Industry FSI 0.48" announced by the Occupational Safety and Health Administration, Ministry of Labor.
Responsible Unit	Occupational Safety and Health Department and Occupational Health and Safety Committee
Invest in Resources	▪ Assign personnel to take classes externally in accordance with the laws and regulations, and obtain the necessary certificates. ▪ Actively improve the work environment.
Complaint Mechanism	The channels for reporting workplace sexual harassment or unlawful workplace violations and seeking consultation on workplace violence are as follows: ▪ Complaint hotline: 02-86845311#600 ▪ Complaint Email: hr@ccsb.com.tw ▪ Complaint Mailbox: Set in the cafeteria The complaint channels for Article 32 of the Labor Inspection Act are as follows: ▪ Complaint hotline: 02-22523299 ▪ Fax: 02-22523770
Action Plan	▪ Enhance employees' awareness of work safety through education, training and promotion to achieve the goal of zero disasters. ▪ Continue to implement occupational safety inspections to reduce unsafe and environmental hazards.
Effectiveness Evaluation	▪ The management indicator was lowered to 0.22 based on the "2024 Sum of Injury Index for Pharmaceuticals and Medical Chemicals Manufacturing Industry FSI 0.48" announced by the Occupational Safety and Health Administration, Ministry of Labor. ▪ In 2024, the rate of excluding off-site traffic accidents was 0; including 0.24 of off-site accidents. ▪ All off-site accidents were traffic accidents. Despite the fact that the accident was beyond the Company's control, the Company has promoted safe driving many times to enhance employees' awareness of safe driving.

Occupational Health and Safety Committee

CCSB works in the biotechnology and pharmaceutical industry, and no employees in the Company are engaged in high-risk or high-risk of disease-related jobs. While striving to enhance corporate value, the Company also attaches great importance to the health management of employees and takes care of their physical and mental health to create a healthy and sustainable work environment.

CCSB formed the Occupational Health and Safety Committee according to Article 23 of the "Occupational Safety and Health Act." Director serves as the chairperson. There are nine members in total, four of which are labor representatives (account for 44.4%). Meetings are held regularly each year to discuss issues associated with occupational safety.

Occupational Safety and Health Policy

The Company installs strict access control day and night and is in contract with a security firm to safeguard offices and plants.

Better than what is required by the Occupational Health and Safety Act, we provide employees with an annual free health check. Moreover, we arrange suitable health check programs based on the characteristics of the working environment, including health checks for special operations.

Education and training regarding safety and health are arranged for the employees and contractors on a regular basis.

Professional inspection agency is commissioned to handle the inspections and maintenance of boilers, high-pressure equipment and Class 1 pressure vessels once a year and issue certificates.

In accordance with the requirements of the "Occupational Safety and Health Act," specialized testing organizations are invited to perform chemical exposure assessment in the production areas every six months to ensure the employees' health.

In accordance with the occupational safety and health guidelines, all the responsible departments conduct daily, monthly, quarterly, semi-annual or annual inspection of forklifts, lifts, ventilation system, storage tanks, high- and low-voltage electrical equipment, fire fighting equipment and others and perform maintenance and repair based on the inspection plan.

The employees are given personal protective gears which include goggles, protective clothing and gloves, work safety shoes, respiratory protection equipment and others, and they are required to wear the gears in their daily work.

In accordance with the Occupational Safety and Health Guidelines, a professional inspection agency is appointed to check the industrial lifts and elevators every six months and issue certificates. Industrial lift vendors are hired to perform professional inspections and maintenance of lifts on a monthly basis.

In accordance with the "Fire Services Act" and regulations for environmental protection, professional fire technicians are appointed to inspect fire safety. The Company has organized emergency response teams and installed emergency and rescue equipment. Drills related to firefighting, toxin control and air emergencies are performed every six months so that the employees can be familiar with the use of fire protection system and escape system.

Smoking is prohibited in the plants. Full-time cleaners are hired to clean the office rooms, plants and warehouses.

Occupational health and safety management system

CCSB identifies any hazards due to working duties and environment that might result in physical and mental injuries. We take a variety of measures to assess, monitor, eliminate, avoid, and prevent potential risks to create a safe and healthy working environment.

In accordance with the structure of ISO 45001 Occupational Health and Safety Management System, CCSB has combined the regulations associated with Occupational Safety and Health Act and directions regulations announced by Occupational Safety and Health Administration with the internal management system. The structure is applicable to all workers' activities. In 2024, the number of employees covered by the internal audit under the Occupational Health and Safety Management System is 299.

Occupational Safety and Injury Prevention

Occupational Injury Management

The Company had one occupational disaster case in 2024. It was a traffic accident during commute to work, and one employee was injured. In response to traffic accidents during employees commuting to work, we have enhanced the promotion of traffic safety to increase employees' awareness of daily safety and emphasize the importance of driving safety, in order to reduce the incidences of occupational accidents. We will continue to promote injury prevention programs to reach the objective of zero incidents.

2024		
Category	Employees	Other non-employee workers
Total Number of Hours Worked Note 1	616,873	-
Number of General Occupational Injuries Note 2	1	-
Number of Serious Occupational Injuries Note 3	-	-
Number of Fatalities	-	-
Total Number of Recordable Occupational Injuries (number of people)	1	-
Total Number of Lost Workdays Note 4	22	-
Disabling Frequency Rate From General Occupational Injuries Note 5	1.62	-
Disabling Frequency Rate From Severe Occupational Injuries	-	-
Disabling Frequency Rate of Fatalities	-	-
Disabling Injury Severity Rate Note 6	35.66	-
Frequency-severity Indicator Note 7	0.24	-

Note 1: Total hours worked by all employees.
Note 2: The number of workers who are unable to work due to injury, permanently or temporarily, and whose lost time is within 180 days.
Note 3: The number of workers who have lost any body parts or their functions due to injuries, and whose lost time is within 180 days
Note 4: The number of off-work days due to injury. The lost workdays do not include the day of accident and the day of return to work.
Note 5: Disabling frequency rate = Number of injured people x 1,000,000 ÷ total number of hours worked
Note 6: Disabling injury severity rate = Total lost workdays x 1,000,000 ÷ total number of hours worked
Note 7: Frequency-severity indicator = $\sqrt{\ }$ (disabling frequency rate * disabling injury severity rate/1,000)

Risk Assessment Process

CCSB has formulated the Occupational Accident Handling and Investigation Procedures, and regularly reviews work-related injuries and takes improvement and preventive measures. When an occupational injury occurs, the standard handling procedures shall be implemented immediately according to the management regulations and the supervisor will be notified; if a major accident occurs, the Labor Inspection Office and the Environmental Protection Bureau will be notified immediately.

CCSB assesses and identifies all hazard factors at the operation site, prepares contingency plans based on possible risks, and continue to improve and build a good working environment. Subsequently, systematic management and long-term tracking of improvement will be performed.

Hazard Identification

- Physicians are invited to work sites of plants to identify, assess, and control risks.
- Establish a joint inspection mechanism with relevant departments to identify the hazardous factors of the on-site operating environment from time to time and make recommendations for improvement.
- Review the deficiencies found in the monthly inspection process and make improvements.
- An operating environment inspection is conducted every six months in accordance with regulations to grasp the data of chemicals concentration in the plants.

Assessing Risks

- Establish an automatic inspection plan to identify high-risk hazards such as on-site machinery, equipment, and chemicals through regular inspections.
- Categorizing high-risk hazards as priorities after pre-incident examination, hazard identification, and analysis and assessment; arranging improvement plans, which will be tracked until improvements are made.
- In accordance with the requirements of the "Occupational Safety and Health Act," specialized testing organizations are invited to perform chemical exposure assessment in the production areas every six months to ensure the employees' health.

Risk Control

- The results of scheduled/unscheduled inspections, examinations, assessment, and monitoring indicate that all hazardous factors are below the regulated standard value and fully operational.

We identified general occupational risks, including fires, explosions, and contacts with harmful matters. Relevant management regulations have been formulated to control and handle the risks.

Description of Risks	Response Measures	
Fire	▪ Fire extinguishing equipment ▪ Pre-operation inspection ▪ Education and Training	▪ Full monitoring of personnel ▪ Safety operations regulations
Explosion	▪ Establish equipment and facilities conforming to safety and health standards ▪ Regular maintenance for machinery and equipment ▪ Pre-operation inspection for machinery and equipment	▪ Education and Training ▪ Full monitoring of personnel ▪ Safety operations regulations
Exposure to harmful substances	▪ Non-operators are banned from entering particular operating sites involving chemicals. ▪ Pre-operation inspection	▪ Education and Training ▪ Full monitoring of personnel ▪ Safety operations regulations

"In 2024, CCSB did not have any occupational hazards with the risk of serious occupational injury."

Accident Investigations and Subsequent Handling Process

- CCSB has formulated an emergency response plan to classify internal accidents into Level 1, Level 2, and Level 3 categories and define the standards for each level. Occupational disasters are reported every month.
- When an accident occurs, the responsible unit will notify the Company according to the accident level. After investigation, an accident investigation and recurrence prevention report will be submitted.
- Regular occupational safety and health meetings are held by department heads, occupational healthcare, occupational safety personnel, and labor representatives to communicate and discuss the occupational safety and health management plan and on-site working environment improvements before making recommendations.

Emergency Response System

Emergency response is the last line of defense for safety and security. CCSB has established an emergency response plan, and the response mechanism covers the four stages of "disaster reduction, preparation, response, and recovery."

In order to improve the employees' emergency response capability to critical incidents, themed emergency response drills are held every year to strengthen the employees' practical experience. Make the emergency response mechanism more complete and applicable by reviewing and correcting deficiencies: The mechanism will be able to handle the crisis in the plant in the shortest possible time and minimize the damage and impact caused by the crisis. The drills on fire protection, prevention of toxic chemical-induced disasters, and unexpected air emergencies were conducted, with a total of 49 participants on June 3 and September 20, 2024, respectively.

Disaster Prevention Drills

Disaster Reduction
- On-site emergency responses made

Preparation
- Response commander informed
- Commencement of operation of all the on-site response organizations

Response
- State of plant-wide response organization
- State of off-site response organization

Recovery
- Recovery process

Training of Occupational Safety and Health

CCSB arranges education and training of occupational safety and health on a regular basis, including new employee orientation, ongoing education and training for on-the-job employees and courses on general knowledge of hazards. We regularly sign up our employees for external training courses to improve their adaptability and create a safe working environment. All employees will deepen their ability to identify dangers on job sites to reduce accidents.

In conjunction with the provisions in the Occupational Safety and Health Act, the "Contractor Operation Management Guidelines" have been established. Education and training and hazard notification are implemented when contractors enter the plant to prevent work hazards while maintaining a safe working environment.

Self-directed Drills (fires, toxic chemicals disasters, and air pollution disasters)

General safety and health education and training

Name of Training Courses	Description of Training Courses	Participating Units	Number of Sessions Held	Number of Participants
Autonomous disaster prevention drill (fires, toxic chemical disasters, air pollution disasters)	Instructions and simulations of emergency response measures during disasters	Plant-wide	2	49
Education and training (GMP included) for contractors	Pre-construction education and training for contractors	Contractors	4	15
Security supervisors	Education and training for related operators	Personnel arranged for external training	External training	1
Retraining for fire protection managers	Retraining upon expiration	Personnel receiving retraining upon expiration	Retraining	1
Security and safety inspectors	Education and training for related operators	Personnel arranged for external training	External training	1
Class b boiler operators	Education and training for related operators	Personnel arranged for external training	External training	1
Refresher Training of Technical Toxicity and Chemicals of Concern for Professional Response Personnel	Retraining upon expiration	Personnel receiving retraining upon expiration	Retraining	2

Health Promotion and Employee Care

In order to strengthen workplace health services and enhance the quality of employee health, a nurse and a contract physician have been appointed to regularly provide six in-factory services per year, including health consultation, healthcare, occupational disease prevention, exceptional workload, human-induced hazard prevention, work resumption assessment, and other health management and health promotion work.

In-plant nursing room has been established. There are health measurement instruments such as a height and weight scale, forehead thermometer, and blood pressure monitor, and a first-aid kit for primary treatment when any slight accident takes place.

2024 Health Promotion Activities and Promotion

First-aid Course and Training: CPR + AED Teaching

Number of sessions:	Twice a year	Understanding CPR procedures and AED through the courses and become familiar with the complete first-aid procedures with simulated situations and practice training.
Participant:	All employees	
Number of participants:	20	

First-Aid Procedure CPR+AED Publicity (Chinese & Indonesian Versions)

Number of times:	Once a year
Participant:	All employees
Number of participants:	297

When the cardiorespiratory function stops, the brain begins to lack oxygen. The brain's tolerance to hypoxia is only 4–6 minutes. If the hypoxia is exceeded, irreversible brain damage will occur. It is very important to grasp the "golden life-saving time." Through communication and promotion, personnel can buy precious time for the injured in the event of an emergency and before the professional ambulance personnel arrive.

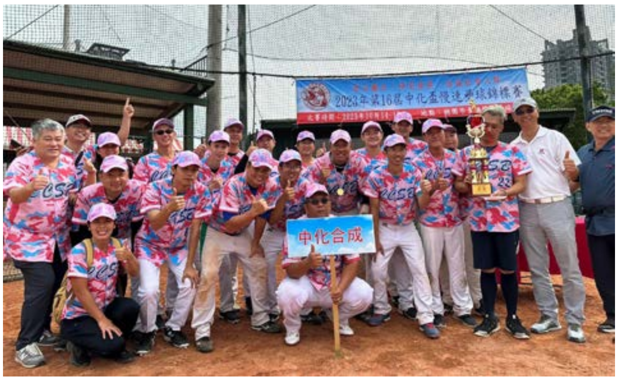
Awareness Literature of Myocardial Infarction (Chinese & Indonesian Versions)

Number of times:	Once a year
Participant:	All employees
Number of participants:	297

Due to the Westernization of diet and lack of exercise, the incidence of myocardial infarction is increasing day by day. Therefore, we aim to understand the warning signs and prevention of myocardial infarction through related literature and promotion, and to draw colleagues' attention to this disease.

Leisure Activities and Physical Education

CCSB aims to improve its employees' physical and mental health, such as corporate softball games, sports day/family day, and numerous clubs (Yoga Club, Slow Softball Club, Table Tennis Club, Golf Club, and Soft Fire Makes Sweet Malt Club).



Occupational Diseases

CCSB provides special health checks for operators engaging in tasks with special health hazards. The check items include dimethylformamide, and n-Hexane. In 2024, a total of 70 people underwent special health examinations. As a result, 4 people were classified as level 2 health management, and none of them were related to occupational diseases. Based on the similarities and differences of each case, we provide personal health guidance and promote the importance of using protective equipment.

Chapter 8

Social Welfare

- "Take from society, give back to society"
- "Embrace Life"
- Investment in community development and public welfare activities.

8.1 Social Welfare and Community Participation

CCSB adheres to the concept of "what is gained from society should be given back to society" and continues to invest in social welfare issues such as medical care, social care, and cultural development. With the theme of "Embrace Life," we focused on the elderly living alone, cross-generational parenting, and disadvantaged groups in rural areas. We actively participated in social welfare activities, fulfilled our sustainable development responsibilities, and passed on CCSB's dedication and care and the concept of giving back to society.

2024 Donations and Sponsorships

Social Issues	Group Name	Donation Item	Amount (NTD)
Medical Treatment	Wang Ming-Ning Memorial Foundation	Donation of encouraging medical academic research and medical education development	1,500,000
Cultural Development	Taiwan Yale Ensemble	Sponsored the orchestra's concert at the Taipei National Concert Hall on August 12.	48,000
Local Operations	Forest Fire Brigade, 5th Brigade, New Taipei City Government Fire Department	Sponsored 120 boxes of Green Body Wash	-
Charitable Event	House Of the Little Angels Kaohsiung	Assisted with activities and supplies of 6 items.	16,258
Charitable Event	Tainan Guantian Senior Citizen's Home	Assisted with activities and supplies of 9 items.	17,597
Charitable Event	Respect for Elderly on Double Ninth Festival in Tucheng Yushan Village	Assisted with supplies of 3 items.	2,550

Public welfare activities in 2024 (18 sessions in total)

Social Welfare Projects	Host/Co-organizer	Participation Content	Amount paid for activity (NTD)
Respect for Elderly on Double Ninth Festival	Co-organized	▪ Activity planning and activities with seniors ▪ Donated 1,908 bags of health & safety pouches ▪ Volunteer participation hours: 100 hours	44,719
12 sessions of delivering food to elderly living alone	Co-organized	▪ Participated in a monthly local meal delivery service for elderly living alone and conducted home visits to check on their well-being in 2024 ▪ Donated 1,585 packs of healthy frozen meals ▪ Volunteer participation hours: 106 hours	76,164
Collection of old shoes and small supplies to save lives	Organizer	▪ Raised donations of old clothes and shoes for disadvantaged children in East Africa ▪ 1,158 items of supplies were donated ▪ Volunteer participation hours: 45 hours	
2 blood drives	Co-organized with Taipei Blood Donation Center	▪ In response to the spirit of "happy blood donation, saving a life," we hope to inspire public enthusiasm for blood donation. ▪ 87 bags of blood	
BOYO Social Welfare Foundation x CCSB visits	Co-organized	▪ Assisted with supplies of 10 items. ▪ Volunteer participation hours: 8 hours	8,649
Care Activity at the Tsz-Ai Intelligence in Taichung Catholic Develops Center	Co-organized	▪ Assisted with activities and supplies ▪ 6 items of supplies were donated ▪ Volunteer participation hours: 12 hours	20,061

Double Ninth Festival celebration in Shulin District

Food delivered to elderly living alone

Collection of old shoes and small supplies to save lives

Blood drive

Appendix

Appendix I. GRI Standards Disclosure Index

Statement of Use	CCSB compiled an ESG report in accordance with the GRI Standards. The scope of data and information starts from January 1 to December 31, 2024.
Version of Use of GRI 1	GRI 1: Foundation 2021
Application of GRI Business Standards	GRI Standard 2021

GRI Standard	Disclosure	Page	Corresponding Chapters/ Additional Information
GRI 2 : General Disclosures (2021)			
GRI 2 : General Disclosures (2021)	2-1 Detailed information of the organization	15	2.1 About CCSB
	2-2 Entities included in the organization ESG report	5	1.1 Report Overview
	2-3 Reporting period, frequency, and contacts	5-6	1.1 Report Overview
	2-4 Restatements of information	-	In 2024, there were no consolidation, merger, reporting period, nature of the operation, and measurement.
	2-5 External assurance	6	1.1 Report Overview
	2-6 Activities, value chain, and other business relations	59	6.3 Supply Chain Management
	2-7 Employees	70	7.1 Employment
	2-8 None-employee workers	71	7.1 Employment
	2-9 Governance structure and formation	24	3.1 Corporate Governance
	2-10 Nominating and selecting the highest governance body	25	3.1 Corporate Governance
	2-11 Chair of the highest governance body	26	3.1 Corporate Governance
	2-12 Characters of highest governance unit in supervising impact management	11 23	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-13 Person in charge of impact management	11 23	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-14 Highest governance body's role in sustainability reporting	11 24	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-15 Conflicts of interest	29	3.1 Corporate Governance
	2-16 Communication of key material events	23	3.1 Corporate Governance
	2-17 Collective knowledge of highest governance body	26	3.1 Corporate Governance
	2-18 Evaluating the highest governance body's performance	28	3.1 Corporate Governance
	2-19 Remuneration policies	28	3.1 Corporate Governance
	2-20 Process for determining remuneration	28	3.1 Corporate Governance
	2-21 Annual total compensation ratio	-	The highest annual total remuneration is classified information of the organization, and thus is not disclosed.
	2-22 Declaration of sustainable development strategy	2	Message From the Chairman
	2-23 Policy and commitment	-	Management Policy for Material Topic
	2-24 Inclusion of policy and commitment	-	Management Policy for Material Topic
	2-25 Procedures for recovering from negative impact	-	Management Policy for Material Topic
	2-26 Mechanism for seeking suggestions and proposing doubts	30	3.2 Ethical Corporate Management
	2-27 Legal Compliance	33	3.3 Legal Compliance
	2-28 Membership of associations	17	2.1 About CCSB

GRI Standard	Disclosure	Page	Corresponding Chapters/ Additional Information
GRI 2 : General Disclosures (2021)	2-29 Stakeholder engagement policy	12	1.3 Stakeholder engagement
	2-30 Collective bargaining agreements	76	7.1 Employment
GRI 3: Material Issues (2021)			
GRI 3: Material Issues (2021)	3-1 Process of determining material topics	7-8	1.2 Analysis of Material Issues
	3-2 List of material topics	8	1.2 Analysis of Material Issues
Economic Performance			
3-3 Management of material topics		18	2.2 Economic Performance
GRI 201 (2016): Economic Performance	201-1 Direct economic value generated and distributed	20	2.2 Economic Performance
	201-3 Defined benefit plan obligations and other retirement plans	77	7.1 Employment
	201-4 Financial assistance received from government	20	2.2 Economic Performance
Corporate Governance			
3-3 Management of material topics		22	3.1 Corporate Governance
GRI 2 (2021) : General Disclosures	2-9 Governance structure and formation	24	3.1 Corporate Governance
	2-10 Nominating and selecting the highest governance body	25	3.1 Corporate Governance
	2-11 Chair of the highest governance body	26	3.1 Corporate Governance
	2-12 Characters of highest governance unit in supervising impact management	11 23	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-13 Person in charge of impact management	11 23	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-14 Highest governance body's role in sustainability reporting	11 24	1.3 Stakeholder engagement 3.1 Corporate Governance
	2-15 Conflicts of interest	29	3.1 Corporate Governance
	2-16 Communication of key material events	11	1.3 Stakeholder engagement
	2-17 Collective knowledge of highest governance body	26	3.1 Corporate Governance
	2-18 Evaluating the highest governance body's performance	28	3.1 Corporate Governance
	2-19 Remuneration policies	28	3.1 Corporate Governance
	2-20 Process for determining remuneration	28	3.1 Corporate Governance
	2-21 Annual total compensation ratio	-	The highest annual total remuneration is classified information of the organization, and thus is not disclosed.
Ethical management			
3-3 Management of material topics		30	3.2 Ethical Corporate Management
GRI 205 (2016): Anti-corruption	205-1 Operations assessed for risks related to corruption	32	3.2 Ethical Corporate Management
	205-2 Communication and training about anti-corruption policies and procedures	32	3.2 Ethical Corporate Management
	205-3 Confirmed incidents of corruption and actions taken	32	3.2 Ethical Corporate Management
GRI 206 (2016): Anti-competitive Behavior	206-1 Legal actions for anti-competitive behaviors, anti-trust, and monopoly practices	-	In 2024, CCSB was not fined for any anti-competitive behaviors, anti-trust, and monopoly practices.
Legal Compliance			
3-3 Management of material topics		33	3.3 Legal Compliance
GRI 2 (2021) : General Disclosures	2-27 Legal Compliance	33	3.3 Legal Compliance

GRI Standard	Disclosure	Page	Corresponding Chapters/ Additional Information
GHG and Energy Management			
3-3 Management of material topics		38	5.2 GHG and Energy Management
GRI 302 (2016): Energy	302-1 Energy consumption within the organization	41	5.2 GHG and Energy Management
	302-3 Energy intensity	41	5.2 GHG and Energy Management
	302-4 Reduction of energy consumption	43	5.2 GHG and Energy Management
	302-5 Reductions in energy requirements of products and services	43	5.2 GHG and Energy Management
GRI 305 (2016): Emissions	305-1 Direct (Scope 1) GHG emissions	42	5.2 GHG and Energy Management
	305-2 Energy indirect (Scope 2) GHG emissions	42	5.2 GHG and Energy Management
	305-4 GHG emissions intensity	42	5.2 GHG and Energy Management
	305-5 Reduction of GHG emissions	43	5.2 GHG and Energy Management
Water Resource Management			
3-3 Management of material topics		44	5.3 Water Resource Management
GRI 303 (2018): Water and Effluents	303-1 Interactions with water as a shared resource	44	5.3 Water Resource Management
	303-2 Management of water discharge-related impacts	45	5.3 Water Resource Management
	303-3 Water withdrawal Disclosure	44	5.3 Water Resource Management
Customer Health and Safety			
3-3 Management of material topics		51	6.1 Customer Health Safety
GRI 416 (2016): Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	53	6.1 Customer Health Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	52	6.1 Customer Health Safety
Product quality and responsible manufacturing			
3-3 Management of material topics		54	6.2 Product Quality and Responsible Manufacturing
Not Applicable for Self-Established Topics	Product production and manufacturing process	55-56	6.2 Product Quality and Responsible Manufacturing
	Product Quality and Safety Management Organization and Operating Procedures	56	6.2 Product Quality and Responsible Manufacturing
	Product Quality and Safety Education and Training	57	6.2 Product Quality and Responsible Manufacturing
	Product Quality and Safety Monitoring and Improvement Tracking	57	6.2 Product Quality and Responsible Manufacturing
	Product Storage and Transportation	58	6.2 Product Quality and Responsible Manufacturing
	Product Traceability, Anti-Counterfeiting, and Storage Procedures	58	6.2 Product Quality and Responsible Manufacturing
Employment			
3-3 Management of material topics		69	7.1 Employment
GRI 2 (2021) : General Disclosures	2-7 Employees	70	7.1 Employment
	2-8 None-employee workers	71	7.1 Employment
	2-30 Collective bargaining agreements	76	7.1 Employment
GRI 401(2016): Employment Relations	401-1 New employee hires and employee turnover	71	7.1 Employment
	401-2 Benefits provided for all employees	74-76	7.1 Employment
	401-3 Parental leaves	76	7.1 Employment
GRI 201 (2016): Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	77	7.1 Employment
Talent cultivation and development			
3-3 Management of material topics		77	7.2 Talent Cultivation and Development

GRI Standard	Disclosure	Page	Corresponding Chapters/ Additional Information
GRI 404(2018): Talent Attraction and Retention	404-1 Average hours of training per employee each year	78	7.2 Talent Cultivation and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	78-79	7.2 Talent Cultivation and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	73	7.2 Talent Cultivation and Development
Occupational Health and Safety			
3-3 Management of material topics		82	7.3 Occupational Health and Hygiene
GRI 403(2018): Occupational Health and Safety	403-1 Occupational health and safety management system	83	7.3 Occupational Health and Hygiene
	403-2 Hazard identification, risk assessment, and incident investigation	84-85	7.3 Occupational Health and Hygiene
	403-3 Occupational health services	86-87	7.3 Occupational Health and Hygiene
	403-4 Worker participation, consultation, and communication on occupational health and safety	83	7.3 Occupational Health and Hygiene
	403-5 Worker training on occupational health and safety	86	7.3 Occupational Health and Hygiene
	403-6 Promotion of worker health	86	7.3 Occupational Health and Hygiene
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86	7.3 Occupational Health and Hygiene
	403-8 Workers covered by an occupational health and safety management system	83	7.3 Occupational Health and Hygiene
	403-9 Work-related injuries	84	7.3 Occupational Health and Hygiene
	403-10 Work-related ill health	87	7.3 Occupational Health and Hygiene

GRI Standard	Disclosure	Page	Corresponding Chapters/ Additional Information
Other Topics			
GRI 200: Economy			
GRI 2 (2021) : General Disclosures	2-6 Activities, value chain, and other business relations	59	6.3 Supply Chain Management
GRI 204 (2016): Procurement Practices	204-1 Proportion of spending on local suppliers	64	6.3 Supply Chain Management
GRI 300: Environment			
GRI 201 (2016): Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	37	4.1 Climate-Related Risks
GRI 306 (2020): Waste	306-1 Causes of Waste and Waste-Related Evident Impact	46	5.4 Waste Management
	306-2 Management of Waste-Related Evident Impact	46	5.4 Waste Management
	306-3 Causes of Waste	48	5.4 Waste Management
	306-4 Treatment and Transferring of Waste	48	5.4 Waste Management
	306-5 Direct Treatment of Waste	48	5.4 Waste Management
Self-established Topics			
Not Applicable for Self-Established Topics	Environment Policies	40	5.1 Environment Policies
Not Applicable for Self-Established Topics	R&D Innovation	65	6.4 R&D Innovation
Not Applicable for Self-Established Topics	Public Welfare	89	8.1 Social Welfare and Community Participation

Appendix II. Reference table of SASB Standards – Disclosure Standards of Biotechnology & Pharmaceuticals

Metric Code	Metric	Category	Disclosure Content/Description and Corresponding Chapters	Corresponding SDGs
Safety of Clinical Trial Participants				
HC-BP-210a.1	Discussion, by world region, of management process to ensure quality and patient safety during clinical trials	Discussion and Analysis	CCSB did not conduct and clinical trials	
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2)Official Action Indicated (OAI)	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries.	Quantification	0 (No such incidents occurred in the reporting year)	
Access to Medicines				
HC-BP-240a.1	Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	CCSB exports products to lower middle-income countries such as India, Bengal, and Jordan.	
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Program (PQP)	Discussion and Analysis	In the reporting year, CCSB did not manufacture any products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Program (PQP).	
Affordability and Pricing				
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantification	0 (No such incidents occurred in the reporting year)	
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	Discussion and Analysis	CCSB products are not included in the List of products listed in the FDA MedWatch Safety Alerts	
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-250a.3	Number of recalls issued; total units recalled	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-250a.4	Total amount of product accepted for take-back, reuse, or disposal	Quantification	0 (No such incidents occurred in the reporting year)	
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Quantification	0 (No such incidents occurred in the reporting year)	

Metric Code	Metric	Category	Disclosure Content/Description and Corresponding Chapters	Corresponding SDGs
Counterfeit Drugs				
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	Chapter 6.2 Product Quality and Responsible Manufacturing ▪ Product Traceability, Anti-Counterfeiting, and Storage Procedures With an aim to prevent counterfeit drugs from entering CCSB supply chain and markets in any way, policies for tracing products and preventing counterfeiting are formulated in all plants. For detailed policy, please refer to the chapter.	3 GOOD HEALTH AND WELL-BEING
HC-BP-260a.2	Procedures used to remind clients and collaborating vendors about the potential or known risks of counterfeit drugs	Discussion and Analysis	Chapter 6.2 Product Quality and Responsible Manufacturing ▪ Product Traceability, Anti-Counterfeiting, and Storage Procedures If a risk involving counterfeit drugs occurs, CCSB has formulated countermeasures to instantly grasp the track of counterfeit drugs and conduct subsequent processing. For detailed measures, please refer to the chapter.	
HC-BP-260a.3	Number of criminal proceedings from assaults, confiscation, arrests and/or counterfeit products	Quantification	0 (No such incidents occurred in the reporting year)	
Marketing Ethics				
HC-BP-270a.1	Total loss resulted from legal proceedings from false marketing content	Quantification	0 (No such incidents occurred in the reporting year)	3 GOOD HEALTH AND WELL-BEING 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
HC-BP-270a.2	About ethics management applied for product labeling	Discussion and Analysis	Chapter 6.1 Customer Health and Safety CCSB sells its APIs to downstream pharmaceutical manufacturers after production and never directly to users. All drugs on the market have been licensed with drug permit licenses in compliance with the "Pharmaceutical Affairs Act." Moreover, CCSB makes sure the health and safety of its drugs do not violate relevant regulations or standards in compliance with Taiwan Food and Drug Administration (TFDA), international PIC/S GMP standard, and Good Distribution Practice (GDP).	
Employee recruitment, cultivation, and retention				
HC-BP-330a.1	Elaborate the talent recruitment and retention of scientists and R&D employees	Discussion and Analysis	Chapter 7.1 Employment Relations ▪ R&D Employee Recruitment Policy CCSB R&D team consists of personnel of synthesis, biotechnology, analysis, and production technology departments. Our R&D personnel are the core of the R&D team. By providing consistent opportunities for development and growth, and positive working environment, CCSB ensures that R&D personnel are able to reach their potential to enhance the Company's R&D capability for new products.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
HC-BP-330a.2	(a) Senior managers, (b) Middle managers, (c) Professionals, and (d) Others (1) Voluntary departure rate, (2) Non-voluntary departure rate	Quantification	Chapter 7.1 Employment Relations ▪ 2024 New Hires and Departures of CCSB In 2024, the total voluntary departure rate was 12%. For data according to job positions, please refer to chapter.	

Metric Code	Metric	Category	Disclosure Content/Description and Corresponding Chapters	Corresponding SDGs
Supplier Management				
HC-BP-430a.1	Confirming the percentage of (1) physical facilities and (2) facilities of tier 1 suppliers that participate in the Rx-360 International Pharmaceutical Supply Chain Consortium Audit Program or an equivalent third-party audit plan in order to ensure the integrity of supply chain quality and drug ingredients	Quantification	Chapter 6.3 Supply Chain Management (1) 0%; (2) 0% CCSB has not yet participated in the Rx-360 International Pharmaceutical Supply Chain Consortium Audit Program. Currently, with respect to supplier management, we conduct written audits or on-site inspections on all suppliers on a regular basis in accordance with the in-plant SOP.	3 GOOD HEALTH AND WELL-BEING 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Business Ethics				
HC-BP-510a.1	Loss resulting from legal proceedings associated with corruption and bribery	Quantification	0 (No such incidents occurred in the reporting year)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
HC-BP-510a.2	Elaborate the ethical regulations that medical and healthcare professionals must comply with when interacting	Discussion and Analysis	Chapter 3.2 Ethical Corporate Management Conducted based on CCSB ethical corporate operation procedures and guidance for conduct. Please refer to the chapter.	
Activity Index				
HC-BP-000.A	Number of patients in treatment	Quantification	CCSB sells its APIs to downstream pharmaceutical manufacturers after production and never directly to users, and thus the number of patients cannot be estimated.	3 GOOD HEALTH AND WELL-BEING 17 PARTNERSHIPS FOR THE GOALS
HC-BP-000.B	(1) Amount of drugs in product portfolios (2) Amount of drugs under RD (stage 1-3)	Quantification	As of the end of 2024, CCSB has 25 API products in the product portfolios, including 1 antifungal drug, 6 immunosuppressive drugs, 3 anticancer drugs, 2 cardiovascular drugs, 5 peptide drugs, 1 antiviral drug, 3 immunomodulators, and 4 others. Chapter 6.4 R&D Innovation For details of drugs under R&D, please refer to the chapter.	

Appendix III. Index Table of Climate-related Information

Task Force on Climate-related Financial Disclosures (TCFD) Reference Table

Item	Page	Corresponding Chapters/ Additional Information
Governance: Disclose the organization's governance around climate-related issues and opportunities.		
Describe the board's oversight of climate-related risks and opportunities	35	4.1 Climate-Related Risks
Describe the role of management in assessing and managing climate-related risks and opportunities.	35	4.1 Climate-Related Risks
Strategy: Disclose the potential and actual impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.		
Describe the short-, medium-, and long-term climate-related risks and opportunities identified by the organization.	37	4.1 Climate-Related Risks
Describe the impact of climate-related risks and opportunities in the organization's business, strategic, and financial planning.	37	4.1 Climate-Related Risks
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	37	4.1 Climate-Related Risks
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.		
Describe the organization's process for identifying and assessing climate-related risks.	36	4.1 Climate-Related Risks
Describe the organization's processes for managing climate-related risks.	37	4.1 Climate-Related Risks
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	36	4.1 Climate-Related Risks
Indicator and Goal: For material information, indicators and targets used to assess and manage climate-related risks and opportunities are disclosed.		
Disclose the indicators used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process.	37	4.1 Climate-Related Risks
Disclosure of Scope 1, Scope 2, and Scope 3 (if applicable) GHG emissions and related risks.	37 42	4.1 Climate-Related Risks 5.2 GHG and Energy Management
Describe the objectives used by the organization to manage climate-related risks and opportunities, and the performance of the objectives.	37	4.1 Climate-Related Risks

Climate-related information for listed companies

Disclose climate-related information according to Attached Table 2 of Article 4-1 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

Risks and opportunities caused by climate change and the related countermeasures taken by the Company

Item	Disclosure content	Page	Corresponding Chapters/ Additional Information
1	The Board of Directors and Management's supervision and governance of risks and opportunities regarding climate.	36	4.1 Climate-Related Risks
2	Identify how climate-related risks and opportunities affect the Company's business, strategy, and finance (short term, mid term, and long term).	37	4.1 Climate-Related Risks
3	The impact of extreme climate incidents and transition operations on finance.	37	4.1 Climate-Related Risks
4	How the identification, assessment, and management process integrate into the overall risk management system.	36-37	4.1 Climate-Related Risks
5	When scenario planning is used to conduct and assess climate risks, please state the used scenarios, parameters, hypotheses, factors, and main financial impacts.	-	Scenario planning has not been used.
6	For any transition plans that cope with climate-related risks, please state the content and the indicators and goals used to identify and manage physical risks and transition risks.	37	4.1 Climate-Related Risks
7	For any internal carbon pricing used as a planning tool, please state the basis of price establishment.	-	No carbon pricing tools are used.
8	For any set goals associated with climate, please state information such as covered activities, scopes of GHG emissions, arranged schedules, and yearly progress. For carbon offset or Renewable Energy Certificates (RECs) used to achieve relevant goals, please state the source and number of reduced carbon credit that were offset, and the number of RECs.	37	4.1 Climate-Related Risks
9	GHG inspection and assurance.	42	In 2024, the GHG inventory of CCSB and its subsidiaries in the consolidated financial statements was completed in accordance with the ISO 14064-1 standard. The GHG inventory was verified by a third party, and certification was obtained.

Appendix IV. GHG Verification Opinion

TÜVNORD

OPINION

Greenhouse Gases Verification Opinion
ISO 14064-1 : 2018

Gives to

CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD

Office Address

1, TUNG-HSING ST., SHU-LIN DIST.,
NEW TAIPEI CITY 23850 , TAIWAN

The quantity of Greenhouse Gas of the above organization and found to be in accordance with ISO 14064-3:2019.
(detailed information please refer to next page)

Report Year	:	**2024**
Greenhouse Gases		
Direct Emissions	:	**3,283.1047 CO2-e Tonnes/ year**
Energy Indirect Emissions(Category2)	:	**7,668.0032 CO2-e Tonnes/ year**
Other Indirect Emissions (Category3-6)	:	**8,150.8743 CO2-e Tonnes/ year**
Sum	:	**19,101.9822 CO2-e Tonnes/ year**
Materiality	:	**5%**
Reasonable Assurance	:	**Direct and Energy Indirect Emissions**
Limited Assurance	:	**Category3-6**

Opinion No.: GHG-253519081
Version: V1.1
Verify Date: 2025-04-30

Issue Date: 2025-06-06

Verification Body
at TUV NORD Taiwan Co., Ltd.

TUV NORD Taiwan Co., Ltd.
Room A1, 9F, No.333, Sec.2,
Tun Hua S. Rd.
Taipei 10669 Taiwan, R.O.C.

Further clarifications regarding the scope of this opinion and the applicability of the standard may be obtained by consulting the organization

TUV NORD Taiwan Co., Ltd. Room A1, 9F, No. 333, Sec. 2, Tun Hua S. Rd., Taipei, Taiwan www.tuv-nord.com/tw/en

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TÜVNORD

OPINION

Appendix to Opinion No. GHG-253519081
ISO 14064-1 : 2018

TUV NORD Taiwan Co., Ltd (hereinafter referred to as "TUV NORD") has been contracted with CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD (hereinafter referred to as "CHUNGHWA"), 1, TUNG-HSING ST., SHU-LIN DIST., NEW TAIPEI CITY 23850 , TAIWAN for the verification of direct and indirect greenhouse gas emissions in accordance with ISO 14064-3:2019. In the GHG Opinion in the form of GHG report covering GHG emissions of the period 2024-01-01 to 2024-12-31.

Roles and responsibilities

The management of CHUNGHWA is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

TUV NORD conducted a third party verification to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Opinion for the period year 2024.

Level of Assurance

The level of assurance agreed are that of reasonable assurance for category 1 and 2; Limited level assurance from category 3 to 6.

Scope

Verification of GHG emissions within the organization's boundary and is based on ISO 14064-3:2019.

Location/Boundary of the activities:

Company	Address
CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD	1, TUNG-HSING ST., SHU-LIN DIST., NEW TAIPEI CITY 23850 , TAIWAN 3, TUNG-HSING ST., SHU-LIN DIST., NEW TAIPEI CITY 23850 , TAIWAN
Pharmaports LLC	One East Uwchlan Ave., Suite 116 Exton, PA 19341, USA

- Types of GHGs included: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3
- The IPCC 2021 AR6 GWP values are applied in the inventory.
- GHG information for the following period was verified on 2025-04-15 to 2025-04-30.

Page 2 of 3

TÜVNORD

The GHG emissions are described as below:

GHG emissions categorization		Description	GHG emission (tonnes of CO_2e per year)
Direct Emissions/ Category 1		Occur from GHG sources inside organizational boundaries and that are owned or controlled by the organization.	3,283.1047
Energy Indirect Emissions	Category 2	Indirect GHG emissions from imported energy	7,668.0032
Indirect Emissions	Category 3	Indirect GHG emissions from transportation	234.9794
	Category 4	Indirect GHG emissions from products used by an organization	7,915.8949
	Category 5	Indirect GHG emissions associated with the use of products from the organization	Undisclosed
	Category 6	Other sources	Undisclosed
Direct Emissions and Indirect Emissions			19,101.9822

The GHG emissions categorization are based on Annex B of ISO14064-1:2018.

Intended User of Verification Opinion: Organizations use for their own reference.

Confidentiality

The reports and appendix are not allowed to be edited, duplicated, or published without the clients' agreement.

Avoidance of Conflict of Interest

The reports was verified with fairness and honestly.

Verifiers Group

According as the above opinion were judgement by TUV NORD.

Verification Body
at TUV NORD Taiwan Co., Ltd.

TUV NORD Taiwan Co., Ltd.
Room A1, 9F, No.333, Sec. 2,
Tun Hua S. Rd.
Taipei 10669 Taiwan, R.O.C.

Further clarifications regarding the scope of this opinion and the applicability of the standard may be obtained by consulting the organization

TUV NORD Taiwan Co., Ltd. Room A1, 9F, No. 333, Sec. 2, Tun Hua S. Rd., Taipei, Taiwan www.tuv-nord.com/tw/en

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Appendix V. Summary Table of Assurance Items

Chunghwa Chemical Synthesis & Biotech Co., Ltd.
Summary of Assurance Items for the 2024 ESG Report

Number	Assurance Target	Key Performance Indicator	Applicable Standards
1	2024 Operation of the Board of Directors and Functional Committees.	In 2024, the Board of Directors held a total of seven meetings, with an attendance rate of 93.88%; the Audit Committee held a total of five meetings, with an attendance rate of 93.33%; and the Remuneration Committee held a total of three meetings, with an attendance rate of 88.89%.	The attendance register, meeting minutes, and attendance statistics for the Board of Directors and functional committee meetings in 2024 are as indicated by the Company.
2	The ratio of female middle-/high-level supervisors in 2024	In 2024, the female middle/high level supervisors account for 22.2%.	Based on the Company's ratio of female middle and senior managers to all middle and senior managers as of December 31, 2024. Note: Mid-level and senior managers are at the (deputy) manager level and above.
3	2024 disabling frequency rate of employees.	There were 1 occupational accidents in 2024, with the employee disabling frequency rate of 1.62.	According to the 2024 employee occupational injury statistics provided by the Company - recordable occupational injuries * 1,000,000/hours worked, recordable occupational disease rate = recordable occupational diseases/hours worked * 1,000,000.
4	Number of public welfare activities participated in 2024.	In 2024, a total of 18 public welfare activities were held.	Statistics on the number of public welfare activities held by the Company in 2024.
5	Total amount of reported waste in 2024.	In 2024, the total amount of waste was 1,935.43 tons, non-hazardous waste was 479.71 tons, and hazardous waste was 1,455.72 tons.	The total amount of processed industrial waste in 2024, uploaded onto the Industrial Waste Reporting and Management System (IWR&MS) in accordance with the Waste Disposal Act and the reporting regulations prescribed by the competent authority, is indicated by the Company.

中化合成生技股份有限公司
2024 年永續報告書確信項目彙總表

編號	確信標的	關鍵績效指標	適用基準
1	2024 年度董事會及功能性委員會運作情形。	2024 年度董事會共計召開 7 次，出席率為 93.88%、審計委員會共計召開 5 次，出席率為 93.33%、薪資報酬委員會共計召開 3 次，出席率為 88.89%。	依公司所示 2024 年度董事會及功能性委員開會通知簽到簿、會議議事錄、出席統計情形。
2	2024 年度中高階主管由女性擔任之比例。	2024 年度女性中高階主管占比為 22.2%。	依公司所示 2024 年 12 月 31 日在職女性中高階主管佔所有中高階主管人員之比例。 註：中高階主管為經(副)理級(含)以上主管。
3	2024 年度員工失能傷害頻率。	2024 年度共有 1 起職業災害事件，員工失能傷害頻率為 1.62。	依公司所示 2024 年度員工職業傷害統計數據，可記錄之職業傷害比率=可記錄之職業傷害數*1,000,000/工作小時，可記錄之職業病比率=可記錄之職業病數/工作小時*1,000,000。
4	2024 年度辦理參與公益活動場次。	2024 年度辦理參與之公益活動合計共 18 場次。	2024 年度公司舉辦公益活動場次統計數據。
5	2024 年度廢棄物申報總量。	2024 年度廢棄物總量為 1,935.43 公噸，非有害廢棄物總量為 479.71 公噸，有害廢棄物總量為 1,455.72 公噸。	依公司所示 2024 年度依廢棄物清理法及事業主管機關申報規定於事業廢棄物申報及管理資訊系統登載之廢棄物處理總量。

Appendix VI. CPA Limited Assurance Report

CPA Limited Assurance Report

Zi-Kuai-Zong-Zi No. 24012285

To Chunghwa Chemical Synthesis & Biotech Co., Ltd.,

We have been appointed by CCSB (hereafter referred to as "the Company") to conduct assurance procedures for the key performance indicators (hereafter referred to as "selected KPIs") selected by the Company, which are reported in the 2024 ESG Report. We have completed the assurance and issued a limited assurance report

Target Information and Applicable Standards

The target information of this assurance case is the aforementioned selected KPIs. The selected KPIs and the applicable standards are listed in the "Summary Table of Assurance Item" of the 2024 ESG Report. The reporting scope of the selected KPIs stated in the preceding paragraph is stated in "Reporting Scope and Boundary" of the ESG Report.

The above-mentioned applicable criteria are based on the Taiwan Stock Exchange Corporation's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," relevant Q&A, applicable laws and regulations, the latest version of the GRI Standards published by the Global Reporting Initiative (GRI), industry supplement guidelines, and the key performance indicators selected by the Company according to industry characteristics or other criteria designed by the Company.

Management's Responsibility

Management is responsible for compiling the key performance indicators selected for the ESG report in accordance with the applicable standards and for designing, implementing, and maintaining internal controls related to the selected key performance indicators to ensure that they are not materially misstated due to fraud or error.

Inherent Limitations

Numerous assurance items in this case involved non-financial information, which is subject to more inherent limitations compared to assurance of financial information. The qualitative interpretation of the relevance, materiality and correctness of information is subject to individual assumptions and judgments.

CPAs' Independence and Quality Management

We, as well as the accounting firm, have conformed to regulations in the Code of Ethics for Professional Accountants regarding independence and other codes of ethics, where the basic principles are integrity, impartiality, objectivity, professional competence and due professional care, confidentiality and professional conduct.

The "Quality Management for Accounting Firms" of Standards on Quality Management No. 1 of the Republic of China stipulates that accounting firms shall design, implement, and maintain a quality management system, including policies and procedures related to compliance with professional ethics, professional standards, and applicable laws and regulations.

CPAs' Responsibility

Our responsibility is to plan and execute limited assurance engagements in accordance with Assurance Standard No. 3000. "Assurance Engagements for Audits or Reviews of Non-historical Financial Information." We also obtain limited assurance based on the procedures performed and the evidence obtained regarding whether the key performance indicators selected by the Company, as described in the first paragraph, are materially misstated, and we express a limited assurance conclusion.

According to the provisions of Assurance Standard No. 3000, the limited assurance engagement includes evaluating the appropriateness of the key performance indicators selected for preparing the ESG report based on the applicable criteria adopted by the Company, assessing the risk of material misstatement due to fraud or error in the selected key performance indicators, responding appropriately to the assessed risks as necessary, and evaluating the overall presentation of the selected key performance indicators. The scope of risk assessment procedures (including understanding internal controls) and procedures to address the assessed risks is significantly narrower in scope than that of a reasonable assurance engagement.

The procedures performed by us on the key performance indicators selected by the Company, as described in the first paragraph, are based on professional judgment. These procedures include inquiries, observation of the process, assessment of document appropriateness, and verification or reconciliation of relevant records.

Based on the circumstances of this case, our accountant has performed the above procedures:

- The Company has conducted interviews with the personnel involved in preparing the selected key performance indicators to understand the process for preparing the aforementioned information, the information systems used, and the related internal controls, to identify areas susceptible to material misstatement.
- Based on the understanding of the above matters and identified fields, we searched, observed, and inspected the samples of selected KPIs to obtain evidence of limited assurance.

Compared to reasonable assurance engagements, the nature and timing of procedures performed in limited assurance engagements differ, and their scope is narrower. Consequently, the level of assurance obtained in limited assurance engagements is significantly lower than that obtained in reasonable assurance engagements. Therefore, we do not express an opinion on the reasonable assurance of the key performance indicators selected by the Company, in all material respects, in accordance with applicable standards.

This report does not provide any assurance regarding the overall 2024 ESG report and the effectiveness of its related internal control design or execution. Additionally, the information in the 2024 ESG report pertaining to 2023 has not been subject to verification by us.

Conclusion of Limited Assurance

Based on the procedures performed and evidence obtained, we did not find any instances where the key performance indicators selected by the Company, as described in the first paragraph, were not prepared in accordance with applicable standards in all material respects.

Other Matters

The Company's website maintenance is Management's responsibility. As to any changes in the assurance report regarding selected KPIs or applicable standards after its announcement on the Company's website, we will not bear the responsibility for re-performing assurance on such information.

PricewaterhouseCoopers, Taiwan

CPA

August 7, 2025

pwc 資誠

會計師有限確信報告

資會綜字第 24012285 號

中化合成生技股份有限公司　公鑒：

本會計師受中化合成生技股份有限公司（以下簡稱「貴公司」）之委任，對　貴公司選定民國 113 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係　貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於　貴公司民國 113 年度永續報告書之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書之「報告書範疇與邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives，GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及　貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

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本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

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

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

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

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標選取樣本進行查詢、觀察、檢查等測試，以取得有限確信之證據。

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

此報告不對民國 113 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，民國 113 年度永續報告書中屬民國 112 年度之資訊未經本會計師確信。

pwc 資誠

有限確信之結論

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

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 林柏全

中 華 民 國 1 1 4 年 8 月 7 日

2024

SUSTAINABILITY REPORT