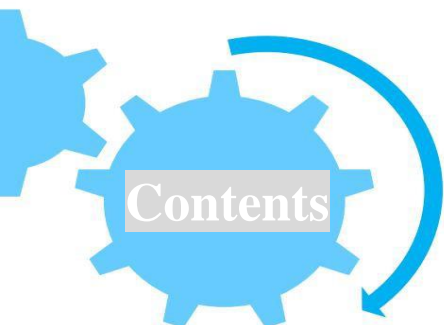


**SYN-TECH CHEM. & PHARM. CO., LTD.**



**Syntech 2023 ESG Corporate Sustainability Report**

**Sustainability Report 2023**



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## About this report

This report is the sustainability report third time issued by SYN-TECH CHEM. & PHARM. CO., LTD. (hereinafter referred to as SYN-TECH, Syn-Tech Chemical, Syntech, Syn-tech, the company, or we). Upholding the goal of integrity in management and striving for steady growth. This report is published to present SYN-TECH's concrete practices and achievements in social responsibility to all stakeholders, and to demonstrate our ongoing efforts and commitment to sustainable development.

### Reporting boundary scope

This report discloses information covering the period from January 1, 2023, to December 31, 2023, and aligns with the frequency and scope of the financial reporting. The content includes performance data related to environmental, social, and governance (ESG) aspects. To ensure the completeness of project and activity performance, some content will include data before January 1, 2023, and after December 31, 2023. The financial data in this report is primarily derived from publicly available financial statements audited by PricewaterhouseCoopers Taiwan, with amounts presented in New Taiwan Dollars (NTD). The greenhouse gas emissions and reduction data follow the ISO 14064-1 standard and have been verified by Bureau Veritas Certification (Taiwan) Co., Ltd. Some statistical data is sourced from the annual report, government agencies, and relevant public information related with websites.

The boundary of this report covers the company's only location in the Xinying District, Tainan City, Taiwan. During the reporting period, there were no significant changes in the company's scale, ownership, business, or supply chain. On July 1, 2022, the company underwent a corporate reorganization under the Business Mergers and Acquisitions Act, merging with Standard's synthesis department. If any data or content in this report has been recompiled, it will be noted in the respective sections.

### Editing Principles

The structure of this report is based on the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) published in 2021, which serves as the editing principle. The disclosure approach aligns with the "Operating Procedures for Listed Companies to Prepare and Submit Corporate Social Responsibility Reports" issued by the Taiwan Stock Exchange, the SASB Sustainability Accounting Standards, TCFD Climate-related Financial Disclosures, and other related regulations, while addressing key sustainability topics and corresponding management policies and efforts.

This report has not been verified by a third party. To ensure the accuracy of all financial, environmental, and social information and data, the company conducts an internal review process through rigorous procedures. The data and information are provided by various departments within the company and compiled by the Sustainability Report Preparation Team. After being reviewed and revised by the Sustainability Development Committee, the report is submitted to the General Manager and Chairman for approval before being finalized and published to the Board of Directors for discussion.

### Report Publication

The company issues an annual "Sustainability Report."

- Previous version publication date: September 2023.
- Current version publication date: August 2024.
- Next version publication date: Expected in August 2025.

### Feedback

The report is publicly available on SYN-TECH's official website under the corporate ESG section. If you have any comments or suggestions regarding the content of this report, we welcome you to contact us.

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## Chairman's Overview

Founded in 1982, SYN-TECH Company has been in operation for over 42 years as a professional manufacturer of active pharmaceutical ingredients (APIs). APIs are the foundation for the development of new drugs. The advanced and developing countries, such as the U.S., Europe, Japan, China, and India, place significant importance on this industry. In particular, China and India have invested heavily in the development of the API sector over the past decade, securing a prominent position in the international pharmaceutical field. The global shortage of APIs during the COVID-19 pandemic in 2020, caused by the Indian government's export restrictions on certain drugs, further underscored the critical importance of APIs..

On May 20, 2021, the company suffered a major fire, which damaged the C, D, E, and F factories. Thanks to the cooperative efforts of all employees and capital injection support, the company successfully rebuilt the D, S, and C factories by 2023, all of which passed inspections by the Taiwan Food and Drug Administration (TFDA). Additionally, the T factory for veterinary medicines passed the inspection by the Council of Agriculture in March 2023. The E and F factories are expected to undergo inspections in the first quarter of 2024. With all reconstruction work completed and all facilities and equipment fully operational, the company will continue to uphold a rigorous approach, ensuring product quality, prioritizing safety, and adhering to environmental protection policies. In 2023, the company's revenue grew by 13% compared to 2022, and we express our sincere gratitude to all employees for their unwavering commitment and efforts.

Looking at the history of Taiwan's API industry, although its development has been brief, decades of active research and development in pharmaceutical synthesis technologies have demonstrated considerable strength. Both manufacturing technology and quality have been recognized and adopted by advanced countries. The company now produces over 100 types of APIs, including local anesthetics, cardiovascular drugs, urological drugs, and topical medicines. Initially focused on the domestic market, the company gradually shifted to export and expanded into Southeast Asia, Europe, and the U.S., and in the past 10 years, it has focused on developing the Japanese market, gradually showing positive operational results. Currently, China has become the world's second-largest pharmaceutical market, and with APIs now subject to the Drug Master File (DMF) system, the company sees this as an ideal time to expand into the Chinese market. Therefore, the company is actively planning its expansion and has already entered the specialized excipients and animal-use API sectors, anticipating significant growth in its operations.

SYN-TECH Company remains committed to its founding principles, striving to make relentless progress. The company has passed rigorous inspections from the Taiwan Food and Drug Administration (TFDA), U.S. FDA, Japan PMDA, EU EDQM, and Korea MFDS. In addition, it has been approved by leading global pharmaceutical companies, which have adopted its products. To ensure the management of quality, environment, and safety, the company has obtained international certifications for its Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and Occupational Health and Safety Management System (ISO 45001) from AFNOR Asia. The company has also partnered with academic institutions to research new drugs and develop specialized products to enhance its international competitiveness. Moving forward, the company will continue to improve management rationalization, expanding its operations from human-use APIs to excipients and animal-use APIs, with the goal of creating greater well-being for society.



Chairman of SYN-TECH Industrial Co., Ltd.

謝振明

**2023 Sustainability Key Performance Indicators (KPIs)**

<b>E Environmental Aspect</b>
Completed a greenhouse gas inventory and passed third-party verification, with total greenhouse gas emissions amounting to 8,891.4654 metric tons CO <sub>2</sub> e.
Introduced an automatic temperature control system for wastewater treatment cooling facilities, reducing electricity consumption by 19,060.3 kWh.
Purchased new energy-efficient inverter air conditioning equipment, saving 4,173 kWh of electricity.
Continued efforts in energy conservation and carbon reduction by conducting green procurement annually, with a total investment of NT\$953,615 in 2023. This includes three energy-efficient water dispensers (Grade 1 efficiency) and seven energy-efficient inverter air conditioners (Grade 1 efficiency), all certified with energy-saving labels.
Implemented process improvements for NBOZ production. After improvements, the waste output in the reaction stage of NBOZ2 achieved zero production, with an approximate yield increase of 54%.
<b>S Social Aspect</b>
Held 4 times of labor-management meetings, 12 times of monthly meetings, and 367 sessions of internal/external training.
Career training totaled 11,046 person-times, with a total of 14,306 training hours.
Environmental, health, and safety (EHS) training totaled 3,654 person-times, with a total of 5,791 training hours.
No incidents of information leakage, theft, or loss occurred with customer data.
No incidents of human rights violations or labor disputes were reported.
No cases of occupational diseases caused by work, nor any fatal work-related accidents.
No incidents of contractor construction violations or corrective actions, or injury accidents.
A total of 257 times and internal inspections were conducted to continuously monitor the safety of the company's surrounding neighborhood environment.
<b>G Corporate Governance Aspect</b>
The "Corporate Social Responsibility" has been renamed to the "Sustainable Development Committee."
The board of directors held 5 meetings, with a 100% attendance rate from directors.
Successfully passed third-party verification for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System, and obtained re-certification.
Passed the Ministry of Health and Welfare's cGMP (current Good Manufacturing Practices) factory inspection for active pharmaceutical ingredients and evaluation for compliance with the Good Distribution Practices (GDP) for pharmaceuticals.
Research and development expenses amounted to NT\$37.906 mill
No financial losses resulted from legal lawsuits related to corruption or bribery.
No reports of any violations of ethical conduct or corruption-related incidents.



# **1 Sustainability communication value**

## **1.1 About SYN-TECH**

## **1.2 Products and Services**

## **1.3 Communication with stakeholders**

## **1.4 Significant Topic Identification and Analysis**





## 1.1 About SYN-TECH

SYN-TECH provides professional research, development, manufacturing, and sales services for human-being pharmaceutical active ingredients. Leveraging organic synthesis technology, the company has successfully produced over 100 types of APIs, with products sold across Europe, the U.S., Asia, Africa, and Taiwan. The company has also engaged in technical cooperation and technology transfer with world-class pharmaceutical companies in Europe, the U.S., and Japan, establishing long-term, close partnerships.

Since its inception, SYN-TECH has passed inspections and received certifications from regulatory authorities in Taiwan, the U.S., Japan, Korea, Hungary, Mexico, and from leading pharmaceutical companies in Europe, the U.S., and Japan. The company has also achieved ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System) certifications through AFNOR Asia, ensuring the maintenance of product quality, environmental management, and safety.

The company's team has consistently upheld the business philosophy of "Integrity, Pragmatism, and Innovative Development." From the R&D stage, the company adheres to established procedures and operational standards to implement comprehensive quality control, manufacturing APIs that meet the most advanced PIC/S GMP standards, and delivering high-quality products and services to customers in a timely manner.

### ● Photos of the Company's Exterior



### ● Basic Company Information

Company Name	SYN-TECH CHEM.&PHARM.CO.,LTD.
Chinese Name	生泰合成工業股份有限公司
Industry Category	OTC Biotechnology and Medical Industry
Stock Code	1777
Establishment Date	November 9, 1982
Chairperson	Chih-Ming Hsiao
General Manager	Chih-Ming Hsiao
Company Address	NO.168, Kaiyuan Road, Xinying District, Tainan , Taiwan
Number of Employees	223 employees
Main Business Activities	The research, development, production, manufacturing, and sales of active pharmaceutical ingredients (APIs) for human use, providing related API product consultation and technical services.
Capital Amount	NTD 445,917,130



### ● Participation in external organizations

SYN-TECH participates in industry associations and organizations to gain more information, including trends in industry operations, regulatory and policy influences, technical research and development exchanges, and business cooperation opportunities. This participation helps enhance the company's brand image and reputation. The table below shows the Taiwanese industry associations and organizations that the company is involved in:

List of Guilds / Associations	
Industry associations, other membership associations, and national or international advocacy organizations	Membership (Position Held)
Taiwan Pharmaceutical Manufacture's Association	Director / Supervisor / Advisor / Committee Member / Organizational Member
Tainan County Importers & Exporters Chamber of Commerce	Director / Supervisor / Organizational Member
Taiwan Parenteral Drug Association	Director / Supervisor / Organizational Member
Taiwan Generic Pharmaceutical Association	Director / Supervisor / Organizational Member
Medical and Pharmaceutical Industry Technology and Development Center	Advisor / Organizational Member
Taiwan Food & Drug Administration	Editor Committee Member of the Taiwan Chinese Pharmacopoeia
The Pharmaceutical Society of Taiwan	Committee Member / Organizational Member
Friendship Club of Winners of National Award of Outstanding SMEs	Organizational Member
Taiwan Pharmaceutical Manufacture and Development Association	Organizational Member
National Association of Small & Medium Enterprises, R.O.C.	Organizational Member
Taiwan Veterinary Medicine & Health Industry Association	Organizational Member

### ● Shareholding Structure

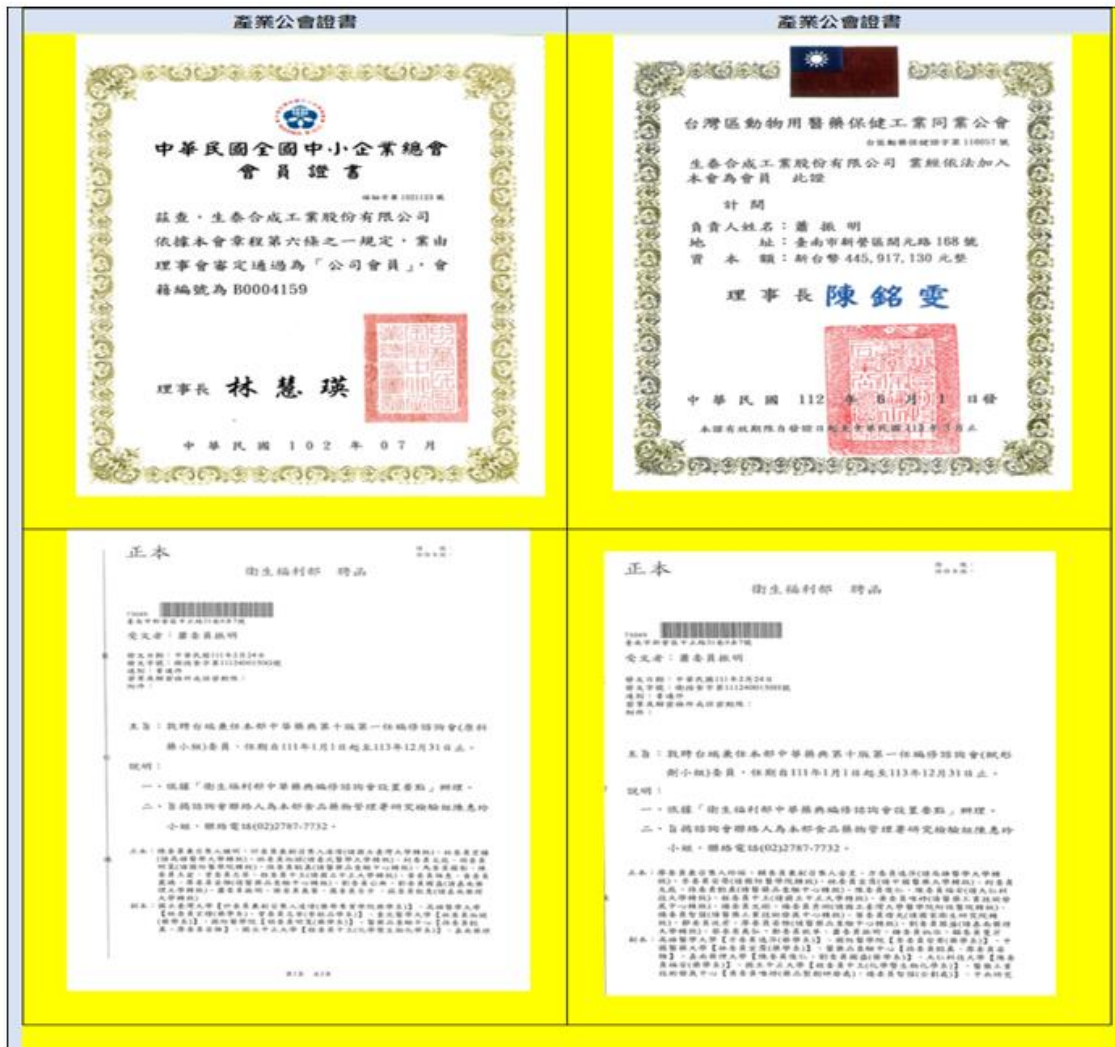
The shareholder structure of SYN-TECH is composed of government agencies, other legal entities, individuals, foreign institutions, and foreigners, with shareholding percentages of 0.04%, 47.89%, 51.64%, and 0.43%, respectively. There are no financial institutions among the shareholders. The shareholding details of the shareholder structure as of April 22, 2024, are as follows:

Shareholding Structure		
As of April 22, 2024.		
Shareholders	Shares Held	Ownership Percentage
Government Institutions	19,240	0.04%
Financial Institutions	0	0
Other Legal Entities	21,34,049	47.89%
Individuals	23,028,212	51.64%
Foreign Organizations and Foreign Nationals	190,212	0.43%





## ● Guild certificate and qualification documents



## ● Exterior and building photos of the company





## 1.2 Products and Services

The production methods of Active Pharmaceutical Ingredients (API) vary depending on their source and can primarily be prepared through natural extraction and purification, organic synthesis, or microbial fermentation. In the overall pharmaceutical industry structure, Active Pharmaceutical Ingredients (APIs) are intermediate products, serving as the active components with therapeutic effects in downstream dosage forms. SYN-TECH possesses specialized capabilities in API process development, with the goal of producing APIs with high quality and stable supply. We offer process development research and manufacturing services for APIs, and also provide production and manufacturing of various chemicals and intermediates based on customer requirements.

The quality of active pharmaceutical ingredients (APIs) is a crucial factor in the production of high-quality finished dosage forms. Therefore, the development of high-quality and stable production processes for APIs is the primary task of our research and development department. Starting from laboratory R&D, we design processes to synthesize chemical raw materials or intermediates using organic synthesis methods, such as organic reaction pathways, and then scale up the production to large reactors for manufacturing. Not only do we ensure that our active pharmaceutical ingredients (APIs) meet GMP quality standards, but we also aim to achieve process safety and stable large-scale production to ensure continuous supply.

Downstream manufacturing plants mix SYN-TECH's active pharmaceutical ingredients (APIs) with other APIs or excipients based on specific prescriptions, creating medicinal products for medical use to meet the healthcare needs of society. Many of the active pharmaceutical ingredients (APIs) used in pharmaceuticals on the market today are sourced from SYN-TECH. Additionally, we collaborate with domestic and international industry organizations (including CNH Technologies, Inc. in the United States, which specializes in the development and sale of intermediates and key specialty chemical APIs, with a 47.62% share, and ADVPHARMA, INC. in Taiwan, which focuses on the manufacturing, wholesale, retail of Chinese and Western medicines, veterinary drugs, precision chemicals, cosmetics, medical devices, and intellectual property, with a 2.49% share) and academic institutions to enhance our R&D, technical, and production capabilities, further strengthening SYN-TECH's competitive edge both domestically and internationally.

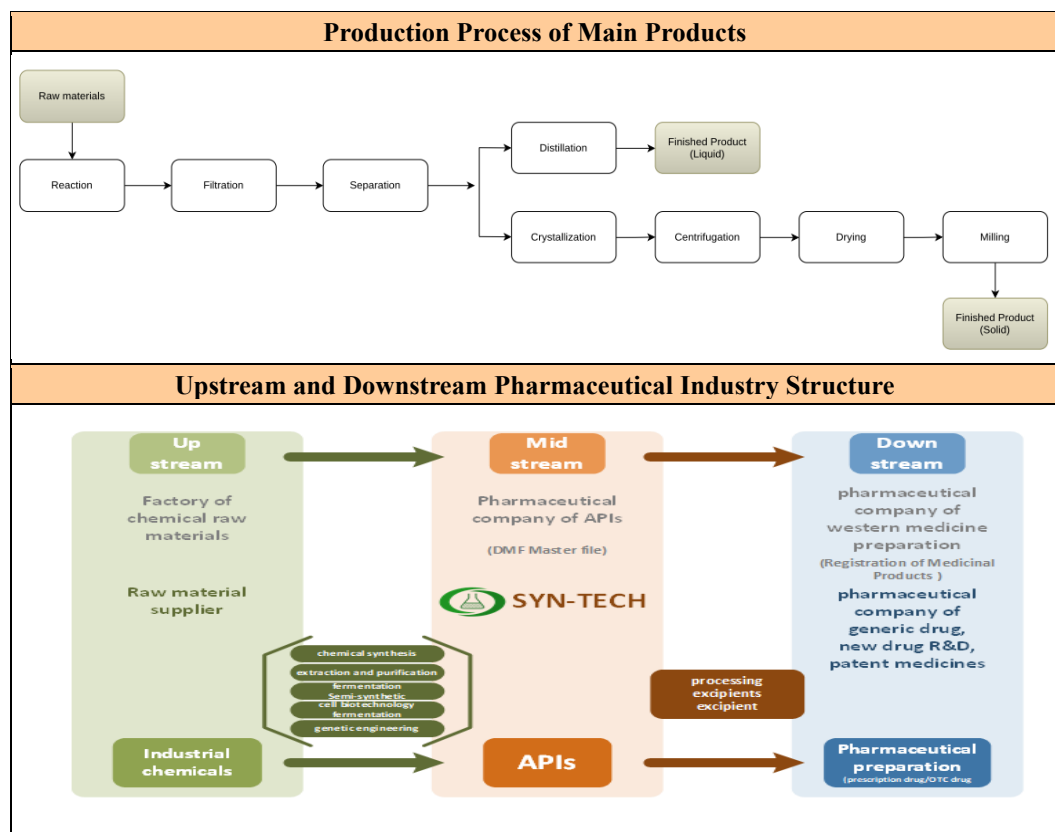
### ● Main business service scope

Our main scope of business services includes	
1	The manufacturing, processing, and sales of various chemicals, including reagents, food additives, fragrances, surfactants and other related products.
2	The manufacturing, processing, and sales of various pharmaceutical products (including Chinese, Western, and veterinary medicines), environmental health products, and cosmetics, as part of our business operations.
3	Product agency and sales for domestic and international manufacturers.
4	Related import and export trade for the above-mentioned items.
5	Except for licensed businesses, the company may engage in businesses that are not prohibited or restricted by laws and regulations.



Our company specializes in the production of active pharmaceutical ingredients (APIs) through chemical synthesis methods, which encompass two main processes: chemical synthesis reactions and physical property manipulation. Currently, our product portfolio comprises a total of 38 APIs, including 2 anticoagulants, 1 antispasmodic agent, 2 antiemetics, 1 antiglaucoma agent, 2 antihypertensive agents, 2 anti-inflammatory, antipyretic, and analgesic agents, 2 antimigraine agents, 1 antipruritic agent, 1 spasmolytic agent, 1 antitussive agent, 2 antiulcer agents, 2 anxiolytics, 1 ADHD therapeutic agent, 1 treatment for benign prostatic hyperplasia (BPH), 1 bronchodilator, 1 decongestant, 2 antidiabetic agents, 1 local anesthetic, 5 muscle relaxants, 1 neuroprotective agent, 1 pharmaceutical excipient, and 1 vasodilator. Additionally, we are developing 4 new APIs, including a urological smooth muscle relaxant, an ADHD therapeutic agent, an antidiabetic medication, and an asthma treatment.

### ● Production Process of Main Products



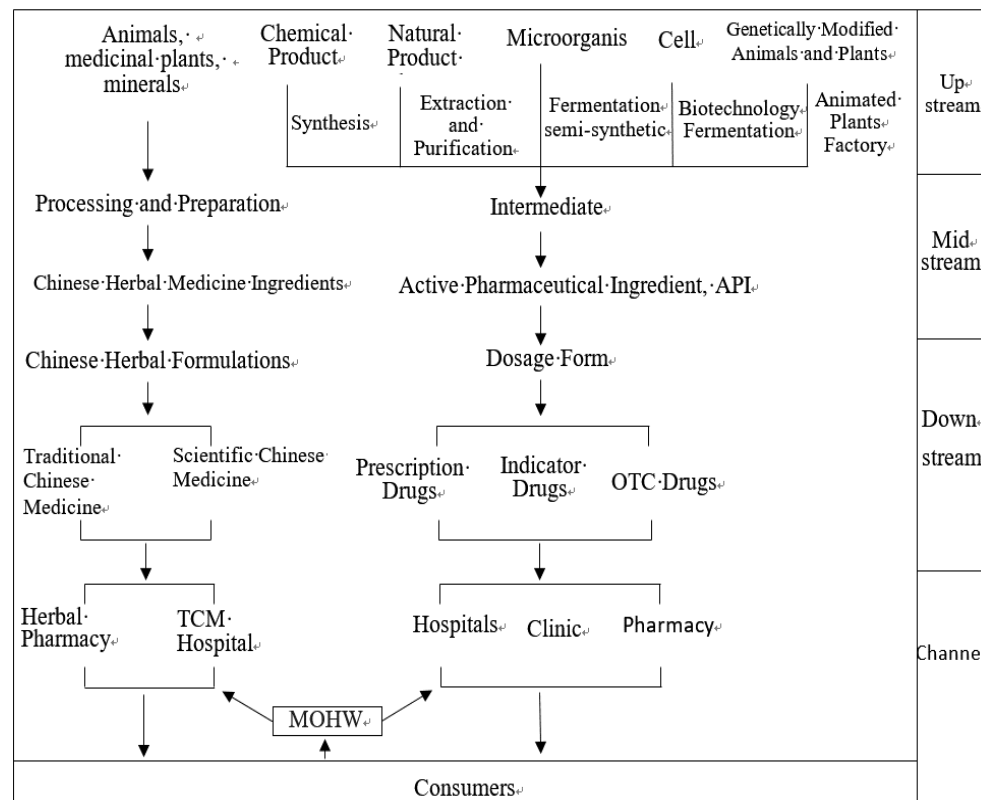
### ● Key Functions or Uses of Main Products

Main Products	Key Functions or Uses
Local Anesthetic APIs	Applied to dental and general surgical procedures for infiltration, nerve conduction block, local anesthesia, epidural anesthesia, and topical mucosal anesthesia.
Muscle Relaxant APIs	Muscle strains or sprains caused by relaxed movements allow the muscles to rest and recover fully. When injected into the body, the nerves that conduct muscle contractions are paralyzed, leading to paralysis. In anesthesiology, it is used during surgery to relax the patient's muscles, facilitating the progress of the operation.
Anti-inflammatory, Antipyretic, and Analgesic APIs	1. Anti-inflammatory: Divided into corticosteroids and non-steroidal anti-inflammatory drugs (NSAIDs). NSAIDs generally also have antipyretic and analgesic effects. The commonly used anti-inflammatory drugs in clinical practice are mostly acidic anti-inflammatory drugs. 2. Antipyretic and Analgesic: (1) Gout, neuritis, acute and chronic lumbosacral disease, frozen shoulder, joint pain, back pain. (2) Acute and chronic eczema, prostatitis, acute lymphadenitis, acute pharyngitis, obstructive bronchitis. (3) Post-surgical pain.
Cardiovascular APIs	Cardiovascular drugs include cardiac glycosides, antiarrhythmic drugs, antianginal drugs, antihypertensive drugs, and peripheral vasodilators, among others. Classified by their mechanism of action, they include calcium channel blockers, $\beta$ -blockers, vasodilators, and others, all of which have blood pressure-lowering effects.
Respiratory System APIs	Respiratory system drugs include antitussives, expectorants, mucolytics, bronchodilators such as anti-asthma medications, and respiratory stimulants, among others.
Gastrointestinal APIs	Gastrointestinal drugs include those for digestive ulcers, inhibition of gastric acid secretion, and treatment of gastric ulcers.
Central Nervous System APIs	Central nervous system drugs include sedatives, hypnotics, mood stabilizers, antipsychotics, anxiolytics, antidepressants, anticonvulsants, Parkinson's disease medications, migraine treatments, central nervous system stimulants, and others.
Chemotherapeutic APIs	Antipruritic and antiseptic agents are effective in treating conditions such as eczema, dermatitis, simple lichens, radiation dermatitis, sunburn, pruritus, frostbite, psoriasis, scabies, and insect stings.
Excipients	The substance itself has no medicinal properties but is added in drug formulations to facilitate the preparation of the desired dosage form, such as excipients like binders, lubricants, flavoring agents, etc.



Products / Services (Customer Types: Traders, Formulation Manufacturers)		
Product or Service	Marketing Region	Sales Volume (KG)
Cardiovascular Agents	Europe, Taiwan	5,794.690
Muscle Relaxants	Asia, Europe, Taiwan	245,078.500
Local Anesthetics	Americas, Taiwan	37,158.801
Anti-inflammatory, Antipyretic, and Analgesic Agents	Asia, Americas, Taiwan	7,122.000
Respiratory System Agents	Asia, Taiwan, Others	706.800
Digestive System Agents	Asia, Taiwan	6,005.180
Central Nervous System Agents	Asia, Taiwan	2,131.990
Chemotherapy Active Pharmaceutical Ingredients (APIs)	Asia, Europe, Taiwan	23,323.600
Excipients	Europe, Americas, Taiwan	25,855.500
Veterinary Medicine	Europe	2,250.000
Others	Asia, Europe, Americas, Taiwan, Others	1,685.580

### ● The Structure of Taiwan's Pharmaceutical Industry



Source: IT-IS Program, Biotech Center.



### 1.3 Communication with stakeholders

Stakeholders refer to internal or external groups, organizations, or individuals that influence or are influenced by Syn-Tech. To pursue sustainable development, Syn-Tech places great importance on the rights and opinions of stakeholders. Through various forms of interaction during daily operations, the company identifies their areas of concern to continuously improve its corporate social responsibility (CSR) performance and outcomes, gaining the recognition and trust of stakeholders.

The company refers to the potential stakeholders listed in the GRI Standards, including business partners, social welfare organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations (NGOs), shareholders and other investors, suppliers, industry associations, vulnerable groups, financial institutions, academic institutions, and industry peers. Stakeholders are identified based on their actual and potential positive and negative impacts on the company. External experts assess and score these impacts, and those with an overall score exceeding 14 points are recognized as key stakeholders for 2023.

After discussions with external scholars and experts, the company has prioritized the following seven categories of stakeholders:

1. Customers
2. Government agencies
3. Investors
4. Suppliers
5. Business partners (contractors)
6. Employees
7. Local communities





### ● Stakeholder communication channels

Stakeholders	What the stakeholder means to the Company	Communication channels	Frequency of communication	Communicate goals	Communication and effectiveness
<b>customer</b>	With the core of attaching importance to customer needs and meeting customer expectations, SYN-TECH continues to provide customers with high-quality products and services, and looks forward to achieving higher customer satisfaction through process stability and product quality improvement, and working together to create brand value.	<ul style="list-style-type: none"> <li>•Customer satisfaction surveys</li> <li>•project meetings</li> <li>•customer service</li> <li>•e-mail exchanges</li> <li>•on-site audits</li> <li>•Telephone, e-mail</li> <li>•Customer visits</li> <li>•Handling of customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>•Annually</li> <li>•Irregularly</li> <li>•Irregularly</li> <li>•Irregular</li> <li>•Instantly</li> <li>•Irregular</li> <li>•Irregular</li> </ul>	<ul style="list-style-type: none"> <li>•Improve the quality of customer service</li> <li>•Enhance research and development capabilities</li> <li>•Improve product quality and responsibility</li> <li>•Enhance workplace health and safety</li> <li>•Deliver the company's core values</li> <li>•Establish a good interactive relationship</li> <li>•Knowledge sharing</li> <li>•Optimize customer relationship management</li> </ul>	<ul style="list-style-type: none"> <li>•Set up a dedicated line for business representatives to provide customer question response services.</li> <li>•Visit customers or video conferences from time to time to understand market information and communicate opinions.</li> <li>•When customers have complaints about products and services, they will immediately deal with and solve customer problems in accordance with management procedures to achieve customer satisfaction.</li> <li>•Conduct regular customer satisfaction surveys, and put forward improvement plans and suggestions for projects that do not meet the standards.</li> <li>•Completed 31 official and customer audit visits in 2023.</li> <li>•In 2023, we will complete one customer satisfaction survey, with a customer satisfaction survey of 9.32, and maintain a high satisfaction rating.</li> </ul>
<b>Government agencies</b>	Complying with the norms of government agencies is the basic principle of the company's operation, and through good two-way communication, we have obtained the support of government agencies and worked together to promote the development of the pharmaceutical industry.	<ul style="list-style-type: none"> <li>•document</li> <li>•Audits by competent authorities</li> <li>•Briefings, seminars, public hearings, press conferences</li> <li>•Competent authority reporting system</li> <li>•Open information observatories</li> <li>•Pip mail exchange/fax</li> </ul>	<ul style="list-style-type: none"> <li>•Irregular</li> <li>•Irregular</li> <li>•Irregular</li> <li>•regular</li> <li>•As specified</li> <li>•Irregular</li> </ul>	<ul style="list-style-type: none"> <li>•Strengthen compliance awareness</li> <li>•Improve pollution prevention and control capabilities and knowledge</li> <li>•Improve product quality and responsibility</li> <li>•Enhance workplace health and safety</li> <li>•Establish a good interaction pipeline</li> <li>•Knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>•In 2023, attend 18 briefings on the draft amendments, seminars on relevant laws and regulations, and publicity sessions.</li> <li>•Air, water, waste, poison and occupational disasters related personnel shall regularly report online every month in accordance with regulations.</li> </ul>





Stakeholders	What the stakeholder means to the Company	Communication channels	Frequency of communication	Communicate goals	Communication and effectiveness
<b>investor</b>	The long-term financial support and trust of shareholders and investors is an important force for the steady growth and development of SYN-TECH, and it is reasonable to obtain the material information of SYN-TECH fairly, and the management team should continue to develop business opportunities in a responsible manner, continue to create good operating results to achieve substantial benefits, and strengthen the confidence of capital providers.	<ul style="list-style-type: none"> <li>•Shareholders' Meeting</li> <li>•Annual Report/Financial Report</li> <li>•Corporate Briefing</li> <li>•Corporate Spokesperson/Acting Spokesperson, Official</li> <li>•Website/Public Information Observatory</li> <li>•ESG Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>•Annually</li> <li>•Annually / Quarterly</li> <li>•Annually</li> <li>•Instantaneous</li> <li>•Irregular</li> <li>•Annually</li> </ul>	<ul style="list-style-type: none"> <li>•Strengthen the awareness of integrity management</li> <li>•Strengthen compliance awareness</li> <li>•Improve operational performance</li> <li>•Strengthen investor confidence</li> <li>•Keep the latest company information up to date</li> <li>•Deliver the company's core values</li> <li>•Establish a good interactive relationship</li> <li>•Knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>•Regularly disclose the financial performance of SYN-TECH through the Public Information Observatory and annual reports, and analyze and review the operating conditions and information.</li> <li>•Hold regular shareholder meetings to explain the operational performance to investors.</li> <li>•In 2023, we will hold 1 corporate information meeting, 5 meetings of the Board of Directors, and respond to shareholders' phone calls and e-mail inquiries from time to time.</li> </ul>
<b>vendor</b>	Suppliers are important business partners of SYN-TECH, and with the expansion of global operations and cooperation with suppliers around the world, through fast and thoughtful decision-making to integrate real-time information, thereby improving supplier risk management and avoiding interruption of raw material supply; Confidence in the selected suppliers, the ability to continue to provide high-quality goods and services, and the mutual cooperation to build a long-term cooperative and co-prosperous relationship is an important key for SYN-TECH to practice supply chain management and corporate sustainable development.	<ul style="list-style-type: none"> <li>•Supplier evaluation</li> <li>•industrial safety standard advocacy</li> <li>•customer service, e-mail exchange,</li> <li>•supplier meeting</li> <li>•Telephone, e-mail</li> <li>•Supplier questionnaires</li> <li>•On-site inspection and audit</li> </ul>	<ul style="list-style-type: none"> <li>•Annually</li> <li>•Irregularly</li> <li>•Occasionally</li> <li>•Semi-annually</li> <li>•Irregular</li> <li>•Irregular</li> <li>•Irregular</li> </ul>	<ul style="list-style-type: none"> <li>•Deliver the company's core values</li> <li>•Improve operational performance</li> <li>•Strengthen the operation of supply chain management</li> <li>•Establish a good interactive relationship</li> <li>•Strengthen compliance awareness</li> <li>•Knowledge sharing</li> <li>•Optimize supplier ratings</li> <li>•Promote the spirit of mutual trust, mutual assistance and interaction</li> <li>•Improve customer service and quality</li> </ul>	<ul style="list-style-type: none"> <li>•Complete the annual evaluation of 133 qualified suppliers in 2023.</li> <li>•Due to the impact of COVID-19 in 2023, there will be no annual audit of qualified suppliers.</li> <li>•Ensure that suppliers comply with SYN-TECH's quality standards, including raw materials, manufacturing machinery and equipment, analytical instruments and equipment, transportation services and other items provided to SYN-TECH for quality-related manufacturing and production activities provided by the entrusted laboratory.</li> </ul>



Stakeholders	Significance to Company	Communication Channels	Communication Frequency	Communication Goals	Communication Results and Effectiveness
Business Partners	Contractors provide expertise, knowledge, and resources for the company's projects.	<ul style="list-style-type: none"><li>- Contractor evaluations</li><li>- On-site meetings</li><li>- Phone calls, emails</li><li>- Contractor meetings</li></ul>	<ul style="list-style-type: none"><li>- Annual</li><li>- As needed</li></ul>	<ul style="list-style-type: none"><li>- Improve operational efficiency</li><li>- Enhance service quality</li><li>- Convey company values</li><li>- Build cooperative relationships</li><li>- Share knowledge</li></ul>	<ul style="list-style-type: none"><li>- Conduct safety training for contractors at construction sites.</li><li>- 2023: Conducted 1 safety education session.</li><li>- 2023: Evaluated 88 contractors for safety compliance.</li></ul>
Employees	Employees are the company's most important asset. Protecting their rights ensures a safe and productive workplace.	<ul style="list-style-type: none"><li>- Employee suggestion boxes</li><li>- Department meetings</li><li>- Monthly meetings</li><li>- Labor committee meetings</li><li>- Training sessions</li></ul>	<ul style="list-style-type: none"><li>- Ad hoc</li><li>- Daily</li><li>- Monthly</li><li>- As needed</li></ul>	<ul style="list-style-type: none"><li>- Strengthen employee training and development</li><li>- Enhance labor relations</li><li>- Promote workplace safety</li><li>- Share company vision and goals</li></ul>	<ul style="list-style-type: none"><li>- Announced internal updates to ensure transparency.</li><li>- Implemented fair compensation systems.</li><li>- 2023: Held 4 labor meetings and 367 internal/external training sessions.</li></ul>
Local Communities	Establishing strong community relationships is critical for mutual growth and sustainable operations.	<ul style="list-style-type: none"><li>- On-site communications</li><li>- Neighborhood meetings</li><li>- Sponsorship activities</li><li>- Telephone hotlines</li><li>- Community consultations (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>- Immediate</li><li>- Ad hoc</li></ul>	<ul style="list-style-type: none"><li>- Foster community relationships</li><li>- Enhance corporate image</li><li>- Encourage mutual growth and sharing</li></ul>	<ul style="list-style-type: none"><li>- Established standard communication processes with communities.</li><li>- 2023: Conducted 27 neighborhood meetings to promote safety.</li></ul>



## 1.4 Identification and analysis of major themes

### ● Major theme identification process

The company identifies major topics by referencing the GRI Standards and SASB Sustainability Accounting Standards. Topics are evaluated by company representatives, departmental heads, and external experts based on their actual or potential impacts—both positive and negative—on the economy, environment, and society (including human rights).

To meet stakeholder needs, major sustainability topics are determined through four steps: "Understanding organizational context," "Identifying impacts of sustainability issues," "Assessing impact significance," and "Prioritizing significant impacts for reporting."

<b>STEP 1</b> <b>Understanding</b> <b>organizational context</b>	The company referred to the GRI Standards and SASB Sustainability Accounting Standards to compile 25 topics across four key dimensions: environment, economy, society, and corporate governance.
<b>STEP 2</b> <b>Identifying impacts of</b> <b>sustainability issues</b>	These topics were evaluated by external experts, senior executives, and departmental heads based on stakeholder concerns and the actual or potential impacts on sustainable operations.
<b>STEP 3</b> <b>Assessing impact</b> <b>significance</b>	Each topic was scored on its negative and positive impacts in economic, environmental, and social (including human rights) dimensions. Topics with total scores exceeding 110 points were identified as major themes. SASB industry topics were also prioritized after scoring.
<b>STEP 4</b> <b>Prioritizing significant</b> <b>impacts for reporting</b>	Through discussions with external experts, company leaders, and departmental representatives, the company analyzed the significance and likelihood of each topic's impact. Based on these findings and past operational experience, six major sustainability topics were finalized for integration into the company's annual work plans and objectives.



Compared to the previous year, in response to updates in the GRI Standards and alignment with SASB-related topics, the company adjusted its method for identifying significant issues. Ultimately, six major sustainability topics were selected: "Emissions," "Occupational Health and Safety," "Economic Performance," "Training and Education," "Labor Relations (Employee Recruitment, Development, and Retention)," and "Employee Diversity and Equal Opportunities."

Identification results of material topics					
Major topics					
1 Emissions	2. Occupational Health and Safety	3. Economic Performance	4. Training and Education	5. Labor Relations (Employee Recruitment, Development, and Retention)	6. Employee Diversity and Equal Opportunities
Other topics					
7. Anti-corruption (business ethics).	8. Procurement Practices	9 Taxation	10. Waste	11 Water and Effluent	12 Materials
13 Energy	14. Non-discrimination	15 Local Communities	16. Customer Privacy	17. Forced or Compulsory Labor	18 Child Labor
19. Freedom of Association and Collective Bargaining	20 Supplier Social Assessment	21 Supplier Environmental Assessment	22. Marketing and Labeling	23. Labor/Management Relations	24. Customer Health and Safety
25 Market Position					



Diagram of the identification results of major themes

## IMPACT LEVELS OF MAJOR TOPICS FOR SYN-TECH





## ● List of major topics

Sustainability Topic	Description of Policies or Commitments Related to Organizational and Material Topics	Description of Impacts	Primary Stakeholders	Corresponding Section
<b>Economic Performance (GRI 201)</b>	Adhering to International Financial Reporting Standards and relevant securities and tax regulations, the organization provides accurate, transparent, and open information, aiming to achieve stable operational performance and growth.	<b>Economic Impact - Actual/Positive:</b> Strengthens corporate governance and operational management, controls financial risks, protects shareholders' rights, and creates economic value. <b>Economic Impact - Potential/Negative:</b> Poor profitability may affect operations and shareholder equity; legal violations may result in fines, leading to financial losses. <b>Human Rights Impact - Actual/Positive:</b> Upholds human rights standards, ensures a secure work environment, promotes reasonable work hours and wages, enhancing employee satisfaction and well-being, and reducing turnover rates. <b>Human Rights Impact - Potential/Negative:</b> Disrespecting human rights could harm corporate reputation, reduce trust among stakeholders, and increase employee dissatisfaction and turnover.	<ul style="list-style-type: none"><li>• SYN-TECH (caused)</li><li>• Shareholders/Investors (contributed)</li><li>• Employees (directly related)</li><li>• Customers (directly related)</li><li>• Suppliers (contributed)</li><li>• Contractors (contributed)</li><li>• Tax Authorities (contributed)</li></ul>	2.2 Operational Performance
<b>Emissions (GRI 305)</b>	Emissions are identified as significant to the organization through stakeholder communication and impact analysis. Responsible management of greenhouse gas emissions reduces regulatory risks and enhances product competitiveness in sustainability.	<b>Environmental Impact - Actual/Positive:</b> Regular environmental monitoring (e.g., wastewater, air pollution) and compliance with regulations reduce negative impacts. <b>Environmental Impact - Potential/Negative:</b> Neglecting environmental compliance may result in penalties and environmental harm. <b>Economic Impact - Actual/Positive:</b> Adheres to ISO 14064-1:2018 standards for effective greenhouse gas management. <b>Economic Impact - Potential/Negative:</b> Failing to meet emissions standards could result in penalties and reputational loss. <b>Human Rights Impact - Actual/Positive:</b>	<ul style="list-style-type: none"><li>• SYN-TECH (caused)</li><li>• Shareholders/Investors (contributed)</li><li>• Employees (directly related)</li><li>• Suppliers (contributed)</li><li>• Business Partners/Contractors (contributed)</li><li>• Customers (contributed)</li><li>• Financial Institutions (contributed)</li><li>• Government Agencies</li></ul>	4.2 Greenhouse Gas Management





Sustainability Topic	Description of Policies or Commitments Related to Organizational and Material Topics	Description of Impacts	Primary Stakeholders	Corresponding Section
		Improves social responsibility and reduces inequality. <b>Human Rights Impact - Potential/Negative:</b> Neglecting social responsibility could harm reputation and trust.	(contributed) • Local Communities (contributed)	
<b>Labor-Management Relations (GRI 401)</b>	Employees are the most critical partners in sustainable development. The organization is committed to creating a friendly, harmonious work environment, ensuring employee rights, and fostering mutual growth with employees for career development and corporate competitiveness.	<b>Economic Impact - Actual/Positive:</b> Harmonious relations improve employee skills and satisfaction, reducing labor disputes and enhancing productivity. <b>Economic Impact - Potential/Negative:</b> Poor labor relations may lead to conflicts, operational risks, and higher turnover costs. <b>Human Rights Impact - Actual/Positive:</b> Respects employee rights, promotes career development, and supports retention. <b>Human Rights Impact - Potential/Negative:</b> Failure to respect labor rights can harm employee satisfaction and increase turnover rates.	• SYN-TECH (caused) • Employees (directly related) • General Public (contributed) • Customers (contributed) • Leaders/Managers	2.1 Employee Overview
<b>Occupational Health and Safety (GRI 403)</b>	Committed to environmental quality and green design principles, avoiding hazardous materials where possible, and improving processes to minimize waste and pollution. Preventive measures ensure zero accidents, and compliance with health	<b>Environmental Impact - Actual/Positive:</b> Occupational safety reduces industrial accidents and environmental harm, supporting sustainable development. <b>Environmental Impact - Potential/Negative:</b> Non-compliance may lead to environmental damage and regulatory penalties. <b>Economic Impact - Actual/Positive:</b> Safe workplaces enhance productivity and cost efficiency. <b>Economic Impact - Potential/Negative:</b> Major accidents can disrupt production and damage reputation. <b>Human Rights Impact - Actual/Positive:</b> Protects workers' rights, ensuring safety and health. <b>Human Rights Impact - Potential/Negative:</b>	• SYN-TECH (caused) • Employees (directly related) • Contractors (contributed) • Customers (contributed) • Government Agencies (contributed)	5.4 Healthy and Safe Workplace



Sustainability Topic	Description of Policies or Commitments Related to Organizational and Material Topics	Description of Impacts	Primary Stakeholders	Corresponding Section
	and safety regulations is prioritized.	Failure to comply with safety standards can harm employees' rights and the company's image.		
<b>Training and Education (GRI 404)</b>	Employees are key to sustainability. The organization fosters growth and development to build experienced human capital and support corporate competitiveness.	<b>Economic Impact - Actual/Positive:</b> Skilled employees improve productivity and profitability. <b>Economic Impact - Potential/Negative:</b> Lack of training increases operational errors and costs. <b>Human Rights Impact - Actual/Positive:</b> Provides training to enhance skills and competitiveness. <b>Human Rights Impact - Potential/Negative:</b> Inadequate training hinders professional development and competitiveness.	<ul style="list-style-type: none"><li>• SYN-TECH (caused)</li><li>• Employees (directly related)</li><li>• Shareholders/Investors (contributed)</li></ul>	5.3 Talent Development
<b>Diversity and Equal Opportunity (GRI 405)</b>	Committed to a people-oriented approach, providing an inclusive, equitable workplace, safeguarding employee rights, and fostering corporate culture for sustainable development.	<b>Economic Impact - Actual/Positive:</b> Diverse teams promote innovation and productivity. <b>Environmental Impact - Actual/Positive:</b> Inclusivity enhances awareness of environmental issues. <b>Human Rights Impact - Actual/Positive:</b> Promotes equal employment and diversity, reducing discrimination. <b>Human Rights Impact - Potential/Negative:</b> Lack of diversity may lead to dissatisfaction and turnover.	<ul style="list-style-type: none"><li>• SYN-TECH (caused)</li><li>• Employees (directly related)</li><li>• Customers (contributed)</li><li>• Shareholders/Investors (contributed)</li></ul>	5.1 Employee Overview



## **2 Exemplary Governance and Management**

### **2.1 Governance organization**

### **2.2 Operational performance**

### **2.3 Regulatory compliance**

### **2.4 Risk management**



## Management policy

Major Theme: Scripture economy Achievements effect	
GRI Indicator	GRI 201 Economic Performance
<b>Significance to SYN-TECH</b>	SYN-TECH is a publicly listed company, and its economic performance directly reflects its operational results for the year. This is a key area of interest for stakeholders, directly impacting shareholder equity and employee remuneration. Strong economic performance, driven by revenue and profit growth, enhances cash flow, resources, investment opportunities, and business continuity. It attracts customers and partners, strengthens market position and competitiveness, and provides employees with stable job opportunities, fostering sustainable development.
<b>Impacts</b>	<p><b>Economic – Actual/Positive Impact:</b> Strengthened corporate governance and operational management reduce financial risks and foster stable business development.</p> <p><b>Economic – Potential/Negative Impact:</b> Poor profitability may harm operations, shareholder equity; violation of with regulations, leading to fines and financial losses, damaging the company's reputation.</p> <p><b>Human Rights – Actual/Positive Impact:</b> Adhering to human rights standards ensures a healthy working environment, reasonable working hours, and fair pay, increasing employee satisfaction and reducing turnover, disputes, and litigation. It also enhances brand reputation, employee efficiency, and creativity, contributing to economic value.</p> <p><b>Human Rights – Potential/Negative Impact:</b> Failure to respect human rights could harm the company's reputation, erode trust among stakeholders, increase employee turnover, and escalate recruitment and training costs..</p>
<b>Policies/Strategies</b>	<ul style="list-style-type: none"> <li>• Adherence to International Financial Reporting Standards and local securities and tax regulations ensures transparency and accuracy in information disclosure.</li> <li>• Developed "Good Pharmaceutical Distribution Practices" to safeguard product quality and prevent counterfeit or prohibited drugs from entering the supply chain.</li> <li>• Established "Customer Complaint Handling Procedures" to prioritize customer needs and service quality.</li> <li>• Implemented "Energy Resource Management Procedures" for controlling energy usage and greenhouse gas emissions to conserve resources and calculate emissions accurately.</li> <li>• Created the "Greenhouse Gas Inventory and Quantification Guidelines" to comply with ISO 14064-1:2018 and manage emissions effectively.</li> </ul>
<b>Goals and Targets</b>	<p><b>Short-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Ensure products comply with PIC/S GMP standards and continuously improve management systems for quality, environment, safety, and health to achieve the goal of profitability.</li> <li>• Invest in R&amp;D, with NT\$37.906 million spent in 2023 on innovation, to boost revenue and profitability.</li> </ul> <p><b>Medium-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Develop key intermediates and active pharmaceutical ingredients (APIs) with patents expiring in 5–10 years.</li> <li>• Enhance risk management strategies, optimize human resources, and boost competitiveness.</li> </ul> <p><b>Long-term Goals:</b></p> <ul style="list-style-type: none"> <li>• Extend API technology to formulated APIs to increase product added value.</li> </ul>



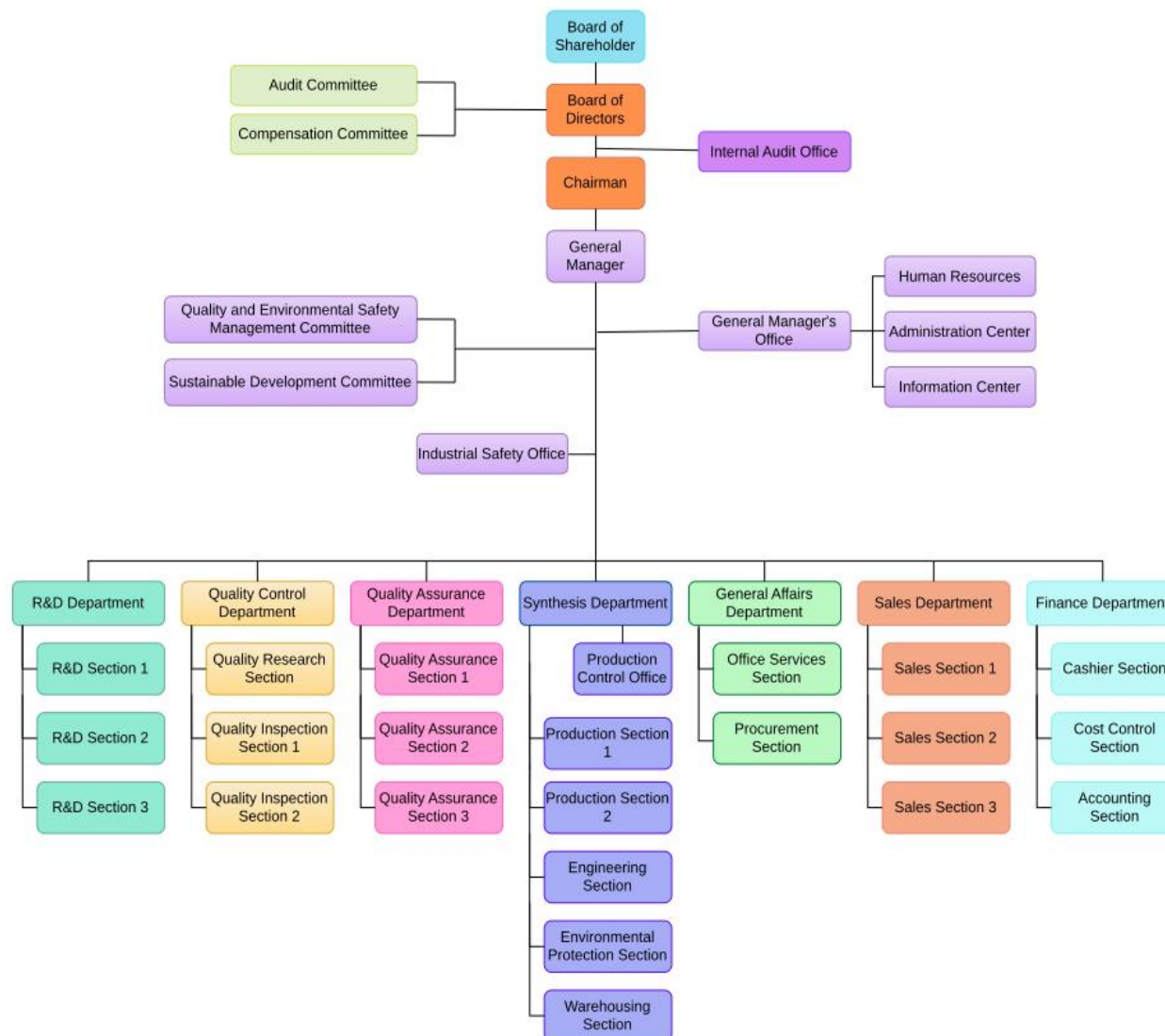
	<ul style="list-style-type: none"><li>• Expand export markets, improve market share, and develop innovative products to enhance global competitiveness.</li><li>• Strive for sustainable development by balancing economic, social, and environmental impacts to establish good corporate governance.</li></ul>
<b>Management and Evaluation Mechanisms</b>	<ul style="list-style-type: none"><li>• The company has a Board of Directors, Audit Committee, and internal audit unit. Regular progress meetings and customer satisfaction surveys ensure service quality and shareholder protection.</li><li>• Establish key performance indicators (KPIs) are set for sales, profitability, and market share, with periodic cost analyses and efficiency evaluations to improve operational performance and risk management.</li></ul>
<b>Performance and Adjustments</b>	<ul style="list-style-type: none"><li>• Acquired synthesis department of Standard Chem &amp; Pharm. Co., Ltd. through new stock issuance on July 1, 2022, as part of an internal reorganization.</li><li>• In 2023, net business income reached NT\$1,114.687 million, a 13.02% increase from 2022, and net profit declined by 14.99%.</li><li>• R&amp;D expenses in 2023 totaled NT\$37.906 million, a 4.9% decrease from 2022.</li><li>• Significant operational changes are reviewed and adjusted, with approval from the Board and Audit Committee.</li><li>• In 2023, 400 training sessions were conducted, attended by 11,046 participants for a total of 14,308 training hours.</li><li>• In order to strengthen technology research and development and innovation investment, strive to develop new products or services, improve existing products or services, apply technologies and solutions, provide more valuable and competitive solutions, increase market demand and economic performance, There are 2 new product developments, 1 OEM case, 2 process improvements and 1 foreign drug license registration completed by R&amp;D Department in 2023, with a performance of 85%.</li></ul>
<b>Preventive or Remedial Measures</b>	<ul style="list-style-type: none"><li>• Meetings are held every month to review the progress of achieving work goals. If the discrepancy is too large, each department will formulate countermeasures and assess market demand and competitive environment. Strengthen sales and marketing strategies, strengthen employee training and development, to respond to changes in the economic environment and increase productivity and efficiency.</li><li>• Annual customer satisfaction surveys and a dedicated service hotline to understand and meet customer needs.</li></ul>



## 2.1 Governance organization

Based on integrity, Syn-Tech formulates the "Corporate Governance Principles" in compliance with the requirements of government authorities, establishes corresponding department organizations according to operational needs, and establishes functional committees such as audit committees and remuneration committees under the board of directors, with independent directors serving as The convener assists the board of directors in implementing professional governance by establishing a good corporate governance system and a management mechanism, enhancing information transparency and seeking the best interests for shareholders. In addition, in order to demonstrate the spirit of sustainable management and implement corporate social responsibility policies, the "Corporate Social Responsibility Promotion Committee " was established in 2015 and renamed as "Sustainable Development Committee" in 2022, which is responsible for promoting sustainable development in the company. The part-time unit is composed of the general manager who concurrently serves as the chairman and the deputy general manager of the synthesis department who concurrently serves as the director-general. They formulate the company's sustainable development policies or related management guidelines and promotion plans. The heads and members of each department are responsible for the communication and implementation of various promotion matters or issues, compile the information on the sustainable development implementation results every year, and report the implementation status to the board of directors at least once a year. In order to implement corporate governance, the company maintains that more than half of the board members do not serve as employees or managers in order to enhance the board of directors' functions and strengthen supervision effectiveness.

In addition, in accordance with the company's operational planning and development, the "Mergers and Acquisitions Committee" was established on January 26, 2021, and passed the resolution of transfer of the synthetic department of Standard Chemical Pharmaceutical Co., Ltd. through new share issues. The transfer has been approved by the competent authority. The transfer base date was set on July 1, 2022, and all relevant change registrations of financial transfer and taxation have been completed.







## Board of Directors

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The Board of Directors is the highest governance unit of Syn-Tech. Its organizational operations are in compliance with relevant government laws and shareholder meeting resolutions. It is responsible for supervising the company's overall operational responsibilities and the management's policy implementation effectiveness, Ensure the company's information is transparent and comply with laws, and adhere to the principle of sustainable management to create maximum benefits for the company and shareholders.

According to Article 15 of the company's articles of association, the company shall have five to nine directors, whose terms of office are three years, and all directors may be re-elected. The number of independent directors shall not be less than three.

And it shall not be less than one-fifth of the number of director seats. The company's directors, including independent directors, adopt a candidate nomination system and comply with the "Director Election Methods" and the "Corporate Governance Code". The shareholders' meeting selects directors (including independent directors) from a list of candidates. According to Article 20 of the Company's "Corporate Governance Code", the composition of the Board of Directors is diverse and independent, and they possess the necessary knowledge, skills and qualities to perform their duties to achieve fair results.

To achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational judgment ability
2. Accounting and financial analysis skills
3. Operation and management capabilities
4. Crisis handling capabilities
5. Industry knowledge
6. International market perspective
7. Leadership
8. Decision-making ability

The company will conduct a comprehensive re-election on August 24, 2021. This is the 14th board of directors, adding 1 independent female director with financial expertise. One of the independent directors has a term of 2 years, the other two independent directors have a term of eight years, and an audit committee has been replaced the supervisor. There are currently 7 directors in the company, all of whom are nationals of the Republic of China. General directors account for 57%, and independent directors account for 43% ; 6 men account for 86% and 1 woman accounts for 14%; there are 7 directors over 50 years old. The board of directors convened total 5 times in 2023, and the average attendance rate of directors was 100%.



## Board Member Information

Job Title	Name	Gender	Age	Appointment Date	Background	Current Positions	Industry Experience & Expertise
Chairman	HSIAO, CHEN-MING	male	Over 70	2003/03/17	School of Pharmacy, Kaohsiung Medical University	General Manager of the Company; Chairman of YING SHENG Investment; Supervisor at AdvPharma, Inc; Technology; Director at CNH Technologies	Banking/Finance Business management business marketing R&D Accounting & Finance risk management
Director	FAN, TZU-TING	male	Over 50	2006/05/30	Master of Science in Computer Science, University of California	<ul style="list-style-type: none"> <li>Chairman &amp; General Manager, Standard Chem. &amp; Pharm. Co., Ltd.</li> <li>Chairman, Fan Dao Nan Foundation</li> <li>Corporate Director Representative for various companies, including: <ul style="list-style-type: none"> <li>Chia Scheng International Co., Ltd.</li> <li>Inforight Technology Co., Ltd.</li> <li>Advpharma Inc.</li> <li>Standard Pharmaceutical Co., Ltd. (and subsidiaries in the Philippines and Shanghai)</li> <li>Multipower Enterprise Corp.</li> <li>Jiangsu Standard Biotech Pharmaceutical Co., Ltd.</li> <li>Jiangsu Standard-Dia Biopharma Co., Ltd.</li> <li>Taiwan Biosim Company, Limited</li> <li>SYN-TECH Chem. &amp; Pharm. Co., Ltd.</li> <li>Syngen Biotech Co., Ltd.</li> <li>Souriree Biotech &amp; Pharm. Co., Ltd.</li> <li>Hsin Development Co., Ltd.</li> <li>Ho Yao Biopharm Co., Ltd.</li> <li>Geneferm Biotechnology Co., Ltd..</li> </ul> </li> </ul>	Banking/Finance Business management business marketing Accounting & Finance information technology risk management
Director	TSAL, CHUN-TSR	male	Over 70	1982/08/27	Taipei Medical University Pharmacy	none	Business management R&D Accounting & Finance risk management
Director	CHEN, SSUI-CHING	male	Over 70	1982/08/27	Department of Law, National Taiwan University	Chairman of TAIFIAA CORPORATION	Business management Accounting & Finance risk management



Job Title	Name	Gender	Age	Appointment Date	Background	Current Positions	Industry Experience & Expertise
Independent Director	WANG, ENG-CHI	male	Over 70	2015/06/16	PhD, Institute of Pharmacy, Kaohsiung Medical College	Director of Tajen University	Business management R&D information technology risk management
Independent Director	CHEN, CHI-MIN	male	Over 70	2015/06/16	PhD, Institute of Electrical Engineering, National Cheng Kung University	none	Banking/Finance Business management Accounting & Finance information technology risk management
Independent Director	WU, I-YEN	female	Over 50	2021/08/24	Department of Accounting, Tunghai University	Dingsheng Accounting Firm Certified Public Accountant	Banking/Finance Business management Accounting & Finance

Remark:  
 1. There are 7 board members who are over 50 years old .  
 2. The term of the 14th Board of Directors is from August 24, 2021 to August 23, 2024 .



## Operations of the board of directors

After the retirement and resignation of General Manager Mr. Wang Yifeng on January 1, 2022, Chairman Mr. Xiao Zhenming, following a careful evaluation by the Board of Directors, was appointed as the acting General Manager. However, starting in 2024, he will no longer hold this position, and a new General Manager will be hired. This adjustment aims to improve the efficiency of the board's decision-making and the implementation of resolutions. Nonetheless, to ensure effective corporate governance, the company will maintain a majority of the Board members as non-employee or non-managerial individuals, thereby enhancing the Board's functionality and strengthening its supervisory role. The company has already implemented the following measures to address these changes:

1. The company has set up an audit committee, to clearly defining its powers, can improve and supervise the management mechanism of the board of directors. At present, the independent directors have expertise in financial accounting and industrial fields. In addition to provide advice on industry outlook and effectively perform its supervisory functions on financial accounting.

In addition to complying with the annual continuing education requirements for directors, directors are also arranged to participate in annual corporate governance forums to enhance the effectiveness of the board of directors.

2. The company's board of directors shall meet once quarterly in principle, and the number of meetings will be increased when necessary. It mainly reviews the company's important bills and matters and submits them to the board of directors. A total of 5 board meetings were held in 2023. The attendance rate is 100%. If necessary, relevant personnel will be invited to attend the board of directors for consultation based on the content of the proposal, so that the board of directors and various departments can fully communicate.

Information on board operations					
job title	Name	Actual attendance	Number of delegated attendances	Actual attendance rate (%)	Prepare Note
Chairman	HSIAO, CHEN-MING	7	0	100%	Re-election(2021/8/24 Re-election)
Director	FAN, TZU-TING	7	0	100%	Re-election(2021/8/24 Re-election)
Director	TSAI, CHUN-TSR	7	0	100%	Re-election(2021/8/24 Re-election)
Director	CHEN, SSUI-CHING	7	0	100%	Re-election(2021/8/24 Re-election)
Independent Director	WANG, ENG-CHI	7	0	100%	Re-election(2021/8/24 Re-election)
Independent Director	CHEN, CHI-MIN	7	0	100%	Re-election(2021/8/24 Re-election)
Independent Director	WU, I-YEN	7	0	100%	New appointment(2021/8/24 Re-election)



A total of 36 cases will be submitted to the board of directors and proposed for review in 2023, including 32 cases involving economic, environmental and social proposals, which will be handled by the board of directors authorized by senior management. Report the implementation status at the next meeting.

SYN-TECH -Board of Directors and Internal Communication Key Significant Events				
Nature	Significant Events	Total	Significant Events	Communication Method and Frequency
Environmental	2	<ul style="list-style-type: none"> <li>▪ 2023/3/13: Report on greenhouse gas inventory and verification schedule.</li> <li>▪ 2023/8/3: Report on greenhouse gas inventory and verification schedule.</li> </ul>	Board meetings/Once per quarter	Authorized senior management to handle all matters, with progress reported at the next meeting.
Economic/Governance	27	<ul style="list-style-type: none"> <li>▪ 2023/3/13: Report on Board performance evaluation.</li> <li>▪ 2023/3/13: Approval of the 2022 employee and director compensation distribution.</li> <li>▪ 2023/3/13: Approval of the 2022 business report and financial statements.</li> <li>▪ 2023/3/13: Approval of the 2022 earnings distribution.</li> <li>▪ 2023/3/13: Approval of the 2022 director compensation plan.</li> <li>▪ 2023/3/13: Approval of equipment disposal for business use.</li> <li>▪ 2023/3/13: Approval of the “Assessment of Internal Control Effectiveness” and “Internal Control Statement” for 2022.</li> <li>▪ 2023/3/13: Approval of the extension and increase of export turnover credit limits with the Export-Import Bank of China.</li> <li>▪ 2023/5/8: Approval of the financial report in Q1 2023.</li> <li>▪ 2023/5/8: Approval of the revised annual audit plan of 2023.</li> <li>▪ 2023/5/8: Approval of the revision to the “Salary and Compensation Committee Charter.”</li> <li>▪ 2023/5/8: Approval of equipment disposal for business use.</li> <li>▪ 2023/5/8: Approval of financing agreements with financial institutions.</li> <li>▪ 2023/8/3: Approval of the Q2 2023 financial report.</li> <li>▪ 2023/8/3: Approval of 2022 employee compensation distribution for senior managers.</li> <li>▪ 2023/8/3: Approval of the salary adjustments for senior</li> </ul>	Board meetings/Once per quarter	Authorized senior management to handle all matters, with progress reported at the next meeting.



		<p>managers.</p> <ul style="list-style-type: none"><li>▪ 2023/8/3: Approval of financing agreements with financial institutions, including changes to credit limits.</li><li>▪ 2023/11/3: Approval of the Q3 2023 financial report.</li><li>▪ 2023/11/3: Approval of the 2024 audit plan.</li><li>▪ 2023/11/3: Approval of financing agreements with financial institutions.</li><li>▪ 2023/12/27: Report on key contents for the renewal of directors' and managers' liability insurance.</li><li>▪ 2023/12/27: Information security risk management execution report.</li><li>▪ 2023/12/27: Approval of the 2024 operational plan.</li></ul>		
<b>Social</b>	3	<ul style="list-style-type: none"><li>▪ 2023/8/3: Report on corporate integrity, sustainable development promotion, and stakeholder communication.</li><li>▪ 2023/11/3: Announcement of the company's 2022 sustainability report on 2023/9/28.</li><li>▪ 2023/11/3: Approval of public donation sponsorships.</li></ul>	Board meetings/Once per quarter	Authorized senior management to handle all matters, with progress reported at the next meeting.



**Director's Avoidance of Conflict of Interest**

The Company's "**Board of Directors Meeting Regulations**" establishes a conflict-of-interest avoidance system for directors. Directors are expected to adhere to a high standard of self-discipline. For agenda items in which a director has a conflict of interest that may harm the Company's interests, they may express opinions but are prohibited from participating in discussions or voting and must recuse themselves from such matters.

None of the Company's directors have spousal or second-degree kinship relationships with other directors, nor are they subject to any of the conditions specified under Article 30 of the Company Act.

Independent directors, along with their spouses and second-degree relatives, do not hold shares in the Company, nor do they serve as directors, supervisors, or employees of the Company or its affiliates. Additionally, during the two years prior to their appointment and throughout their tenure, independent directors have not been subject to any of the conditions listed under Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The Company's "**Corporate Governance Best-Practice Principles**" explicitly state that:

1. Any dissenting or reserved opinions from independent directors must be recorded in the minutes of Board meetings.
2. Neither the Company nor other members of the Board may restrict or hinder independent directors in the performance of their duties.

These measures ensure that independent directors can fully execute their responsibilities, effectively enhancing the operation of the Board of Directors and the Company's overall performance.

date	motion	Avoid situations
2023/3/13	The company's directors' remuneration package for 2022.	Directors Mr. Hsiao Chen-Ming and Mr. Tsai Chun-Tsr did not participate in the discussion and voting due to avoidance of interest.
202 3/3/13	Dispose of equipment used for business purposes.	Directors Mr. Hsiao Chen-Ming and Mr. Fan Tzu-Ting did not participate in the discussion and voting due to avoidance of interest.
202 3/5/8	Dispose of equipment used for business purposes.	Directors Mr. Hsiao Chen-Ming and Mr. Fan Tzu-Ting did not participate in the discussion and voting due to avoidance of interest.
202 3/11/3	Sponsor charity donation case	Directors Mr. Hsiao Chen-Ming and Mr. Fan Tzu-Ting did not participate in the discussion and voting due to interest avoidance.
2023/12/27	Remuneration case for the company's chairman and managers .	Directors Mr. Hsiao Chen-Ming and Mr. Tsai Chun-Tsr did not participate in the discussion and voting due to avoidance of interest.

**Continuing Education for Directors**

**SYN-TECH** actively monitors domestic and international economic, environmental, and social issues to fulfill its duty as a diligent manager. To enhance the professional competencies of its directors, the Company organizes annual training programs for the Board.

To mitigate violations related to insider share transfers, the Company ensures that internal stakeholders are informed of common non-compliance scenarios and strictly adheres to regulatory requirements.

On December 27, 2023, **SYN-TECH** arranged a 1-hour training session for 7 directors on the "**Procedures for Handling Material Internal Information**" and the "**Ethical Corporate Management Best Practice**". The average training hours per director reached 7.7 hours, exceeding the regulatory recommendation of 6 hours.

job title	Name	Further study date	Organizer	Course name	Hours of further education	total hours
Director	HSIAO, CHEN-MING	2023/09/04	Financial Supervisory Commission, R.O.C.	The 14th Taipei Corporate Governance Forum	6	12
		2023/11/15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	
Director	FAN, TZU-TING	2023/11/15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	6
Director	TSAL, CHUN-TSR	2023/11/15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	6
Director	CHEN, SSUI-CHING	2023 /11/ 15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	6
Independent Director	WANG, ENG-CHI	2023/05/22	Taipei Exchange	Publicity meeting on sustainable development action plans for listed companies	3	9
		2023 /11/ 15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	
Independent Director	CHEN, CHI-MIN	2023/09/27	Taiwan Investor Relations Institute	Empowering the board of directors to become the key force in leading sustainable governance.	3	9
		2023/1 1/15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	
Independent Director	WU, I-YEN	2023 /11/ 15	Taiwan Corporate Governance Association	Integrity business code; Cybersecurity Management and Risk Control with a Focus on Corporate Resilience	6	6



### Board performance evaluation

Each year, the Board of Directors conducts an internal performance evaluation based on the procedures and indicators outlined in the 'Board Performance Evaluation Guidelines.' The evaluation may also be conducted by an external professional independent organization or a team of external experts and scholars. The 2023 performance evaluation of the board has been completed, and the evaluation results were submitted to the board and uploaded for filing. The results are also used as a reference for individual director compensation and the nomination for reappointment of directors.

Explanation of the Board Performance Evaluation Procedure	
1.	Establish the unit, period and scope to be assessed in the current year.
2.	Establish the method of evaluation.
3.	Select the appropriate unit to carry out the evaluation.
4.	The executive unit collects information related to the board of directors' activities and distributes and fills in Appendix 1 "Self-evaluation Questionnaire for Board Performance Evaluation", Appendix 2 "Self-Evaluation Questionnaire for Director Member Performance Evaluation", and Appendix 3 "Self-Evaluation Questionnaire for Functional Committee Performance Evaluation". and other related self-assessment questionnaires .
5.	Finally, the coordinating executing unit collects all the data, records the evaluation results based on the scoring criteria of Article 8, and submits the evaluation report to the board for review and improvement.

Board of Directors evaluation implementation status				
evaluation period	Assessment scope	Assessment method	Assessment Criteria	Assessment results
2023/1/1 ~ 2023/12/31	Performance Evaluation of the Board of Directors, Individual Board Members, and Functional Committees	Board of Directors Internal Self-Assessment  Individual Board Member Self-Assessment  Compensation Committee Member Self-Assessment  Audit Committee Member Self-Assessment	<b>1. Board of Directors Performance Evaluation:</b> (1) Level of involvement in company operations. (2) Improvement of the quality of board decision-making. (3) Composition and structure of the board. (4) Selection and continuous education of directors. (5) Internal controls. <b>2. Individual Board Member Performance Evaluation:</b> (1) Understanding of company goals and tasks. (2) Awareness of board responsibilities. (3) Level of involvement in company operations. (4) Management of internal relationships and communication. (5) Professionalism and continuous education of directors. (6) Internal controls. <b>3. Functional Committee Performance Evaluation:</b> (1) Level of involvement in company operations. (2) Awareness of the responsibilities of the functional committee. (3) Enhancement of the functional committee's effectiveness. (4) Composition and selection of functional committee members. (5) Internal controls.	The rating is "Significantly Exceeds Standards," indicating that the overall operation is effective and meets corporate governance requirements.



## Salary and Remuneration Committee

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For strengthening the management of company and Board of Directors' remuneration and salary, we followed

(a) Article 14-6 of the Securities and Exchange Act

(b) 「Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange」 issued by Financial Supervisory Commission R.O.C. (Taiwan) with the announcement number of 金管證發字第 1000009747號 on March 18, 2011.

to established 「Procedure for Organization of Salary and Remuneration Committee」, which was approved by Board of Directors on 2011. Also, 「Salary and Remuneration Committee」 was officially established.

The Salary and Remuneration Committee proceeds according to 「Procedure for Organization of Salary and Remuneration Committee」 and meets twice a year. The committee member shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors

Regularly review Procedure for Organization of Salary and Remuneration Committee and provide recommendations

Establish and regularly review the performance evaluation standards, annual and long-term performance targets, and salary and remuneration policies, systems, standards and structures of the company's directors and senior managers.

Regularly evaluate the achievement of performance goals of the company's directors and senior managers, and determine the content and amount of their individual salary remuneration based on the evaluation results obtained from the performance evaluation standards.

The Company's Salary and Remuneration Committee members include all independent directors, with Director WANG, ENG-CHI as the convener. In accordance with the provisions of Article 2 of the Company's 「Procedure for Organization of Salary and Remuneration Committee and provide recommendations」, following items are regularly reviewed and evaluated.

The relevance between achievement of performance targets and salaries of the Company's directors and managers  
Reasonableness of salary and remuneration.

In 2023, the committee met 4 times and meeting can be summarized as follows



Information on the operation of the Remuneration Committee				
Job title	Name	Actual number of attendances	Number of delegated attendances	Actual Attendance Rate (%)
Convener	WANG, ENG-CHI	4	0	100%
Commissioner	CHEN, CHI-MIN	4	0	100%
Commissioner	WU, I-YEN	4	0	100%
Note: The term of office of the first-term committee members is from Aug. 24 2021 to Aug. 23 2024.				



## Salary Policy

According to Article 20 and 24 from the Articles of incorporation of our company, when all following conditions can be met

- (a) There is a profit in the current year (the so-called profit was calculated by the amount of profit before tax minus the total amount of remuneration for workers and remuneration)
- (b) After the company's accumulated losses has been covered, there is still a remaining amount.

Not more than 3 % of this remaining amount can be used as director's remuneration for this year and they are paid in cash.

The company also conducts regular evaluations of directors' performance based on the 「Board Performance Evaluation Guidelines」. In addition to considering the typical compensation standards within the industry, evaluations take into account individual professional skills and service provided, participation in managing company affairs, performance evaluation results, and the alignment with the company's short-term business objectives, financial status, and the connection between the company's operational performance and future risks. Basing on the director's attendance rate during the year, the amount of remuneration is given within the regulated range. Also, 「Director Compensation and Remuneration Distribution Policy」 was established. For the chairman, the salary was established according to the typical range offered in the industry. For others, it depends the future actual operation status. If the adjustment is needed, the Salary and Remuneration Committee propose the case. After the case is approved by the Board of Directors, it can be proceeded.

In addition, the company's policy on remuneration for managers is based on the company's current business scale. The monthly regular salary is calculated in accordance with the "Salary Management Measures" established according to the company's organizational system. For irregular bonus or remuneration, 「Manager Remuneration Payment Method」 and 「Incentive Measures for Achieving Business Targets and Pre-tax Net Profit」 are followed and their contents can be used basis for evaluation and issuing bonuses or remuneration. The reasonable remuneration is given basing on

- (a) Company's overall operation performance
- (b) Future operation risks
- (c) Development trends
- (d) Consideration of individual performance achievement rate and contribution to the company's performance

Relevant performance assessment and remuneration rationality have been reviewed by the Salary and Remuneration Committee and approved by the Board of Directors. The remuneration system will be reviewed in a timely manner based on the actual operating conditions and relevant laws at any time to pursue the sustainability of the company in order to reach the balance between continuous operation and risk control.

## Audit Committee

The Company's Audit Committee members **include all** independent directors, with Director CHEN, CHI-MIN serving as the convener. In accordance with the provisions of Article 6 of the "Audit Committee Organizational Rules", it assists the Board of Directors in supervising the company's quality and integrity in implementing major matters related to internal control and finance. The operation method is in accordance with the "Audit Committee Organizational Rules". At least one meeting will be held every quarter. In 2023, a total of 5 meetings of the Audit Committee **was** held.



**Audit Committee's Powers and Duties**

1.	Establish or revise the internal control system according to Article 14-1 of the Securities Exchange Act.
2.	Assess the effectiveness of the internal control system.
3.	Establish or revise the procedures for handling major financial transactions, such as the acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, endorsing or providing guarantees for others, according to Article 36-1 of the Securities Exchange Act.
4.	Matters involving the director's own interests.
5.	Major asset or derivative transactions.
6.	Major fund lending, endorsement, or provision of guarantees.
7.	Public offering, issuance, or private placement of securities with equity characteristics.
8.	Appointment, dismissal, or remuneration of the certified public accountant.
9.	Appointment or dismissal of the financial, accounting, or internal audit executives.
10.	The annual financial report signed or stamped by the chairman, managers, and accounting officers, as well as the second-quarter financial report that requires audit and certification by a certified public accountant. °
11.	Other significant matters as regulated by the company or regulatory authorities.

**Information on the operation of the Audit Committee.**

Job title	Name	Actual attendance frequency	Number of times represented by proxy	Actual attendance rate (%)	Remarks
Convener	CHEN, CHI-MIN	5	0	100%	Newly appointed The Audit Committee was established after the election on August 24, 2021.
Committee Member	WANG, ENG-CHI	5	0	100%	Newly appointed The Audit Committee was established after the election on August 24, 2021.
Committee Member	WU, I-YEN	5	0	100%	Newly appointed The Audit Committee was established after the election on August 24, 2021.

Note: The term of the first-term committee members is from August 24, 2021, to August 23, 2024.



## Political Commitment

For continuous improving corporate governance, SYN-TECH CHEM. & PHARM. CO., LTD. has established the 「Syn-Tech Company Management Policy」 、 「Quality, Environmental Safety, and Health Policy based on the 「Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies」 and the OECD Corporate Governance Principles. These policies not only ensure compliance with legal provisions and the company's articles of association but also focus on safeguarding shareholder rights, strengthening the board of directors' functions, optimizing the role of the audit committee, respecting stakeholder interests, improving information transparency, and other key principles.

Syn-Tech values the dignity of its employees and adheres to the principles and spirit of the 「Universal Declaration of Human Rights」 、 「United Nations Global Compact」 and the International Labor Organization's 「Declaration on Fundamental Principles and Rights at Work」 . The company complies with relevant international human rights standards and legal regulations, including the domestic "Labor Standards Act," the "Act of Gender Equality in Employment," and the "Occupational Safety and Health Act," among other labor laws. Syn-Tech also aligns with the United Nations' "Guiding Principles on Business and Human Rights" and other international conventions to develop the "Labor Rights and Working Conditions Management Procedures" and the "Operational Measures for the Protection of Personal Rights and Interests" to safeguard employees' rights.

The company established human rights policies on December 1, 2023, and conducts annual awareness campaigns regularly. In terms of labor and management, although the company has not yet signed a group agreement with employees, it holds regular meetings between labor and management every quarter. Employer regularly listens to employees' workplace-related issues and discusses practical solutions and related measures between labor and employer. At the same time, suppliers are also required to implement management measures such as employee care, environmental protection, and workplace safety and health, so as to fulfill their corporate social responsibilities and jointly establish a sustainable API supply chain with stable development.

Quality Policy	
1	Implement the quality management system to ensure products meet customer requirements. The company's top priority is safety, supported by meticulous planning, to ensure stable production, timely delivery, and the provision of high-quality products at competitive prices.
2	We must also be better to pursue the achievement of quality goals and continuous improvement every year to provide customers with safe, effective, reliable, accurate and trustworthy products.
3	In line with the API operation standards of pharmaceutical manufacturing guidelines, APIs, semi-finished products and finished products are operated or inspected by trained personnel, checked during steps by professional workers, and strive for perfection, providing the highest quality products for special customers to meet customer needs.
4	Enthusiastic service and timely responses to customer inquiries, providing sincere, accurate, and comprehensive information that truly meets their needs, addressing customer concerns, and creating a mutually trustworthy and beneficial business environment

Environmental, safety and health policy	
1	Comply with government environmental, health, and safety regulations, maintain environmental quality, and continue to reach the goal of zero accidents
2	Implement green design, ensuring process safety during research and development. Avoid the use of toxic and hazardous raw materials; if unavoidable, choose materials with lower toxicity or hazard levels. Continuously improve processes to reduce the generation of wastewater and waste
3	Save energy and make efficient use of resources: reduce, recycle, or reuse waste materials; properly treat process wastewater and exhaust gases. Ensure the pollution prevention is well done.
4	Commit to the prevention of injuries and diseases; assess and identify potential hazards in the workplace, and effectively implement environmental, safety, and health risk control and management.
5	Strengthen the awareness of environmental safety and health of all employees, and implement the implementation of environmental safety and health policies.



## Sustainable Development Committee

The company established the "Corporate Social Responsibility Promotion Committee" in 2015, which was renamed the "Sustainable Development Committee" in 2022. This is an internal, part-time unit responsible for promoting sustainable development within the company. The committee is chaired by the CEO, with the Vice President of the Production Department serving as the Executive Secretary. The committee is responsible for establishing the company's sustainable development policies, related management guidelines, and promotion plans. The sustainability report is drafted and submitted for approval by the CEO before being published.

The committee coordinates and executes various sustainability initiatives through the department heads and their teams. It compiles the annual sustainability performance data and reports the progress at least once a year to the Board of Directors. At the end of each year, the committee identifies issues related to the company's operations and stakeholder concerns, conducts risk assessments through various departments, and establishes management strategies and response measures. High-impact issues are incorporated into the annual plan and executed accordingly. Monthly reviews are conducted to assess the effectiveness of improvements, ensuring that sustainable development is continuously integrated into the company's daily operations.

On August 3, 2023, the committee reported its progress on sustainable development initiatives to the Board of Directors. The committee regularly provides updates on sustainability efforts, monitors the implementation of sustainability practices, and evaluates their effectiveness. When necessary, the committee is urged to review and adjust management strategies and directions.

**Key points of sustainable development implementation:** 1. Implementation of corporate governance operations 2. Develop sustainable environmental operations and improve implementation results of actions 3. Implementation results of workplace health and safety improvement 4. Implementation of friendly workplace maintenance

Sustainable Development Implementation Results		
1.	Implement the operation of corporate governance	The Board of Directors met a total of 5 times, with an average attendance rate of 100%. The Audit Committee met 5 times, with an average attendance rate of 100%. The Compensation Committee met 3 times, with an average attendance rate of 100%.
2.	Develop sustainable environmental operations and improve the effectiveness of action implementation	The company continues to maintain its Environmental Management System (ISO 14001:2015) certification, with ongoing efforts driven and executed by the Environmental, Health, and Safety (EHS) Management Representative and the dedicated Environmental Protection Unit. A total of NT\$ 98,404,000 was invested in environmental protection, representing an approximately 25% increase compared to NT\$ 79,026,000 in 2022. In April 2024, a third-party verification process was completed, and the verification statement was obtained in May 2024.
3.	Workplace health and safety improvement implementation effectiveness	The company continues to maintain its Occupational Health and Safety Management System (ISO 45001:2018) certification. Efforts to implement walk-through management and regular inspections have been sustained, enhancing employee awareness of environmental, health, and safety (EHS) practices. Two fire drills and emergency response training sessions were completed. Four Occupational Health and Safety Management Committee meetings were held. Six EHS improvement initiatives were completed.



		<p>Applied for the Health Workplace Certification from the Ministry of Health and Welfare's National Health Agency, earning the Health Start Badge. The company is committed to promoting a smoke-free environment and advancing workplace health promotion efforts.</p> <p>Two occupational environment assessments were completed.</p> <p>One general and special health check for employees was completed, with professional medical personnel providing on-site health consultation services.</p> <p>Quarterly water quality testing of drinking water at various workplace locations was completed.</p>
4.	Implementation status of friendly workplace maintenance	<p>Employees can directly express their personal opinions or views or provide feedback regarding human rights-related issues through the complaint hotline, email, or employee suggestion box, ensuring that their voices are heard and receive timely and effective responses</p> <p>The company proactively communicates important strategies and initiatives to employees through 12 monthly meetings and holds 4 regular labor-management meetings for labor negotiations and discussions on labor-related issues.</p> <p>For business partners and suppliers, the company informs them in writing every year about its environmental, health, and safety (EHS) policies, as well as corporate social responsibility (CSR) initiatives, ensuring they fully understand the company's principles of integrity in operations.</p> <p>Based on the supplier evaluation mechanism, suppliers are rated on quality, packaging and labeling, delivery time, cooperation, and report completeness. Suppliers who fail to meet the required standards are either excluded from procurement or have their qualified supplier status revoked. If a supplier is still selected, stricter sampling and inspection are enforced. The supply chain management results for 2023 are as follows:</p> <p>Completed the annual evaluation of 133 qualified suppliers.</p> <p>Completed 0 annual audits of qualified suppliers (paused due to COVID-19 pandemic).</p> <p>Held 1 session of safety and health education and CSR policy promotion meeting for contractors</p> <p>Completed safety and environmental assessments of 88 contractors.</p> <p>The company continues to promote charitable efforts by donating to public welfare organizations and supporting vulnerable groups. Additionally, it participates in irregular blood donation drives organized by the group and visits disadvantaged units or families in need of urgent assistance. In 2023, a total of NT\$ 644,000 was donated.</p> <p>The company continues to initiate invoice collection and charity donation activities. In 2023, employees donated approximately 886 invoices and NT\$ 40,779 to the charity fund.</p> <p>The company established a "Neighborhood Patrol Care Group" to conduct on-site inspections of surrounding neighborhoods by bicycle and maintain patrol records. A review meeting is held every six months. The community engagement activities in 2023 are as follows:</p> <p>Completed 257 neighborhood patrols.</p> <p>Completed 0 patrol and communication review meetings (paused due to accidents and the COVID-19 pandemic).</p>



## Sustainability Committee

Syn-tech is committed to the research and development of pharmaceutical synthesis technology, which has been recognized and widely adopted by advanced countries. Currently, Syn-tech has the production capacity for over a hundred types of active pharmaceutical ingredients (APIs), including local anesthetics, cardiovascular drugs, and topical medications. To expand its business scope, Syn-tech has shifted from the domestic market to the international market, actively expanding into Southeast Asia, Europe, the United States, Japan, and other regions, achieving strong operational performance.

In response to the rapid rise of the Chinese mainland market, Syn-tech has actively planned to expand its business in mainland China. After merging with Standard API department, the company has entered the field of specialized excipients and animal APIs, laying a solid foundation for its long-term development plans. At the same time, Syn-tech places great importance on environmental protection and social responsibility. The company actively implements waste management and resource recycling, energy conservation, and environmental protection measures. It is also committed to improving the surrounding natural environment by producing higher-quality and safer APIs to give back to society. Syn-tech is also committed to reducing its greenhouse gas emissions to zero by 2050 and actively participates in global environmental protection efforts.

Syn-tech values its relationships with stakeholders, ensuring the stability and sustainability of its operations by effectively managing the supply chain, employees, customers, and local communities. The company continuously improves governance mechanisms, elevates corporate social responsibility (CSR) to the level of sustainable development, builds diverse and inclusive labor-management relations, provides better welfare for employees, and strives to achieve sustainable business goals. To promote stable operations and sustained growth, Syn-tech established a sustainable development strategy based on three key areas: corporate governance, environmental protection, and social responsibility:

<b>In terms of corporate governance</b>	<p>(1) Due to the rapid economic development of developing countries, many multinational corporations have extended their production and sales to countries with lower labor costs. Our country has gradually shifted from an organization structure with low labor costs to one that focuses on higher labor costs and labor-management relations policies. In addition to traditional evaluation metrics such as capital, return on investment, and earnings per share, Syn-tech also prioritizes creating reasonable economic benefits for investors and employees as another key indicator.</p> <p>(2) In addition to salary and benefits, other key factors such as work environment, opportunities for learning and growth, career development vision, as well as job dignity and autonomy, are also foundational policies that Syn-tech must establish when developing economies of scale.</p> <p>(3) Syn-tech, as a manufacturer of human and animal pharmaceutical APIs, creates value for investors, employees, society, and the nation. It enables its supply chain partners to improve their business performance and economic scale by purchasing Syn-tech's products or collaborating with the company, thus enhancing the overall supply chain's performance in a more vibrant and practical manner.</p>
<b>In terms of environmental protection</b>	<p>(1) To effectively achieve the goals of waste classification, packaging, storage, removal, and disposal, Syn-Tech is committed to improving environmental hygiene to achieve the objectives of waste resource utilization, stabilization, harmlessness, and economic viability.</p> <p>(2) By saving energy and making the best use of resources, waste is reduced, recycled, or reused. Wastewater and waste gases from the production process are properly treated, and pollution prevention is thoroughly implemented. Syn-Tech is dedicated to waste management and resource recycling measures to improve the surrounding natural environment, create a more comfortable working environment, and produce higher-quality, safer raw materials to benefit both domestic and international manufacturers.</p> <p>(3) In climate change mitigation, the management of greenhouse gases/carbon is a critical issue. Syn-Tech is committed to reducing the net emissions of greenhouse gases into the atmosphere to zero by 2050 as the highest goal, contributing to the global environmental effort as a responsible global citizen.</p>
<b>In terms of social responsibility</b>	<p>(1) Syn-Tech's business plan requires the support of various internal and external stakeholders, thus it is necessary to manage stakeholder relationships properly. Syn-Tech is committed to maintaining and enhancing relationships with stakeholders, including the upstream and downstream of the supply chain, employees, customers, and the community, in order to ensure the stability and sustainability of its operations.</p> <p>(2) From an organizational perspective, Syn-Tech learns from international enterprises, improving and enhancing the roles of dedicated corporate governance executives and functional committees to strengthen the board's capabilities. The shift in focus from "Corporate Social Responsibility" to "Corporate Sustainable Development" has led to the progressive upgrade of the company's "Corporate Social Responsibility Committee" to the "Sustainable Development Committee." Additionally, Syn-Tech establishes diverse and inclusive labor relations, as well as labor conditions and work environments that promote employee well-being, in order to strengthen employee commitment and loyalty to the company, steadily moving towards the goal of sustainable operations.</p>



## 2.2 Operational performance

The sales market of Syn-tech's products include the domestic market, Taiwan, and foreign markets, which cover various countries. The company primarily focuses on the production of active pharmaceutical ingredients (APIs) for human use. In 2023, the company's net operating income reached NT\$1,114,687 thousand, reflecting a 13.02% growth compared to 2022. However, the net profit for the period was NT\$251,013 thousand, a 14.99% decline from 2022. Direct exports accounted for approximately 67.58% of total revenue, while indirect exports through traders made up 23.44%. Marketing covers Europe, the Americas, and Asia. Domestic sales alone represented about 8.98% of total revenue. This demonstrates Syn-tech's commitment to steady management practices, deepening its presence in the API market, continuously developing business strategies and market positioning, strengthening its corporate foundation and long-term competitiveness, and enhancing its visibility in international markets.

Syn-tech's financial information in the past three years			
			Unit: NTD (Thousand)
Item/Year	In 2021	In 2022	In 2023
Net Revenue	893,233	986,300	1,114,687
Cost of Revenue	601,881	618,302	705,166
Gross Profit	291,352	367,998	409,521
Income From Operations	168,586	238,229	281,851
Non-Operating Income and Expenses	31,643	117,008	31,918
Net Income Before Tax	200,229	355,237	313,769
Net Income	177,160	295,288	251,013
Total Comprehensive Income	177,207	302,071	251,887
Earnings Per Share	5.03	6.62	5.630
Employee Benefit Amounts	1,124	1,364	1,676
Dividend	86,128	133,775	156,071
Employee Salary (Including Employee Benefits)	177,460	199,109	224,106
Retained Economic Value	84,235	99,786	115,863
Payment to Investor	88,790	138,870	160,898
Payments to Government	26,630	63,457	64,081
Investment in Community	365	551	644





### Government financial subsidies

The company has obtained resources and financial support through participating in relevant government assistance programs. In 2023, Syn-Tech participated in the following programs:

- (a) “Health Management Service Subsidy Program” promoted by the Occupational Safety and Health Administration of Labor Ministry
  - (b) “Subsidy Program for Pregnancy Checkup Accompaniment and Paternity Leaves Wage” promoted by the Labor Insurance Bureau of the Labor Ministry
  - (c) “Overseas Exhibition Subsidy Program for Companies or Businesses” promoted by the International Trade Bureau of Economic Affairs Ministry.
- The total subsidy received is 64,092 NTD.

Item	Subsidized units	Subsidy amount (NTD)
Health Management Service Subsidy Program	Occupational Safety and Health Administration of Labor Ministry	29,760
Overseas Exhibition Subsidy Program for Companies or Businesses	International Trade Bureau of Economic Affairs Ministry.	31,500
Subsidy Program for Pregnancy Checkup Accompaniment and Paternity Leaves Wage	Labor Insurance Bureau of the Labor Ministry	2,832
Total		64,092
Note: Tax reductions, subsidy programs, and pandemic relief are all considered government financial assistance.		



## 2.3 Regulatory compliance

Our company considers an event with a cumulative fine amount exceeding NTD 1 million as a major event. If a work-related accident, environmental pollution, or other significant incidents occur, resulting in any of the following situations, it will cause major damage or impact to the company:

1. Occurrence of a fire or explosion incident.
2. Release of harmful substances leading to public harm.
3. A disaster causing fatalities, or an incident with 3 or more affected individuals, or an incident where more than one individual is injured and requires hospitalization.
4. Other disaster incidents causing public harm.
5. Abnormal environmental monitoring conditions that have impacted areas outside the plant and require reporting to authorities to dispatch external agencies for assistance.

### Penalties

During the reporting period, the company was penalized for violating the Land Act and occupational safety and health regulations. This included 1 monetary penalty and 2 non-monetary penalties, with a total fine of NT\$55,935. We have fully addressed and rectified the issues in accordance with the law, ensuring compliance with regulatory controls and standards, in line with our corporate goals of environmental protection and social responsibility. The Company has no major violations of regulations event.



Penalty classification	Type	Content of the Penalty	Explanation of Legal Violations	Corrected Action
Penalty incidents	Other	A fine of NTD 55,935.	Failure to process corporate land rights change within the deadline. This violates the provisions of Article 73, Paragraph 2 of the Land Act.	The case is a land subdivision and transfer case. In the future, the similar situation will not occur.
Total	Number of incidents: 1; Total fine: NTD 55,935.			
Non-penalty events	Occupational health and safety	Improvement within a limited time	Work that is particularly hazardous to health (heavy metals) and no special health check-up is carried out.	The collection of relevant special health examination (heavy metal) samples has been completed on 2023/10/20.
Total	Occupational health and safety	Improvement within a limited time	Failure to investigate the relationship between workers' health conditions and their work activities, and to implement necessary preventive and health promotion measures	1. The nurse will analyze and issue a report on the health examination results of employees who work with special health hazards, and take corresponding preventive and health promotion measures. 2. List employees with abnormal health examination results and tabulate their follow-up visits and health promotion interviews.
	Number of incidents: 2.			



## Tax policy

In order to implement the sustainable development of the enterprise and fulfill its corporate social responsibilities, Syn-tech strictly abides by the relevant government tax laws and regulations to ensure the accuracy of tax declarations and the effective application of tax policies. It actively communicates with Stakeholders through various channels and uses Support improvements to the tax environment through practical participation in actions such as tax initiatives. According to relevant regulations, companies are not required to report country-by-country reporting.

Company tax policy	
The legal aspect	Comply with financial and tax regulations, accurately report and pay all taxes, ensure the integrity of records and documents, and avoid penalties for non-compliance.
The decision-making aspect	Closely monitor changes in tax laws and policies for ensuring that the company's tax strategies and practices are aligned with the latest tax requirements.
The information aspect	Use public channels such as financial reports, annual reports, and official websites to disclose the company's tax information for ensuring transparency and openness of the information
The communication aspect	Maintain open channels of communication with tax authorities and personnel to discuss and resolve various tax issues.
The legal aspect	Reasonably utilize government tax incentives and reduction measures, including tax exemptions, rewards, or other tax benefits, to reduce the tax burden.
The transactional aspect	Appropriateness of the pricing and terms in transactions between related and unrelated parties.
Institutional aspect	Conduct reasonable tax planning and establish a good internal tax management system to control risks.

Company Annual report	Company financial report
<a href="https://www.syn-tech.tw/5/5-4.html">https://www.syn-tech.tw/5/5-4.html</a>	<a href="https://www.syn-tech.tw/4/4-1.html">https://www.syn-tech.tw/4/4-1.html</a>
	



## Anti-corruption and internal control

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In order to prevent dishonest behavior, the company also established the "The Anti-Bribery Management Procedures" on May 6, 2016. Its scope of application includes the company's employees, customers, suppliers, partners or other business-related third parties. When interacting with others, you must abide by laws and professional ethics, and must not directly or indirectly offer bribes or accept bribes, gifts, commissions, kickbacks and other illegal benefits. In addition, the company's "ethical code of conduct" also stipulates the prevention of conflicts of interest, self-interest, fair dealing, etc., and the "work rules" clearly stipulate that company employees are not allowed to accept or promise bribes, engage in personal gain, etc. In case of fraud, misappropriation of public funds, leakage of company secrets and other illegal acts, we should abide by the standards and uphold the principle of integrity in business conduct.

In addition, the company has established the "Code of Integrity Management," which applies to the company's directors (including independent directors), managers, and employees, and has also set up a mechanism for assessing the risks of dishonest behavior, regularly analyzing and evaluating business activities with a higher risk of dishonesty within its scope of operations. Preventive measures are formulated and the appropriateness and effectiveness of these measures are regularly reviewed. Furthermore, the "Code of Integrity Management" is distributed to each department, and the concept of integrity management is promoted to employees through weekly or monthly meetings. A report was presented to the board of directors on August 3, 2023. On September 5, September 12, and December 27, 2023, 193 employees and 7 directors received 1-hour training sessions on the "Code of Integrity Management" and "Internal Major Information Processing Procedures." For preventing the internal personnel from using non-public market information for trading securities.

In order to implement integrity management, the company has established operating procedures in accordance with relevant government laws, including effective accounting systems and internal control systems, and ensures their implementation. The audit unit will develop an audit plan based on the assessment of dishonest behavior risks and then execute related audits and monitor compliance with the preventive measures against dishonest behavior. The company has also established the "Personal Rights Protection Procedure," whereby employees can report violations of integrity through phone, mail, or email if they discover any breaches of integrity during the performance of their duties. External parties can submit inquiries or suggestions via the contact section on the company website. The company will maintain confidentiality for reported cases and assign dedicated personnel to investigate and handle them. The company is also responsible for ensuring that individuals who report or participate in investigations are properly protected, preventing any unfair retaliation or treatment. In 2023, there were no reports related to violations of integrity or corruption-related incidents.



## Human rights due diligence

Syn-Tech respects and protects employees' freedom of association and abides by relevant laws and regulations, including prohibiting association, suppressing trade union activities, retaliating or discriminating against employees participating in trade unions, etc., and establishing a good labor-employer relationship to achieve reasonable development and fostering the prosperity. The company has established the [Employee Welfare Committee], an internal committee responsible for managing and supervising the welfare plans and welfare measures provided by the company to employees. It aims to ensure that employees receive fair and appropriate welfare treatment, and to represent the interests and needs of employees with the company management. Communication and negotiation. In order to achieve the physical and mental health of our employees and achieve common prosperity, it has provided on-site health services 4 times a month, providing employee health consultation and interviews. In 2023, there were no labor disputes that restricted employees' freedom of association or collective bargaining.

Human Rights Project	Implement
Respect for freedom of association	The company respects and protects employees' freedom of association, and abides by relevant laws and regulations, including prohibiting association, suppressing trade union activities, retaliating against or discriminating against employees who participate in trade unions, etc., and establishes good labor and employment relations to achieve reasonable development and common prosperity of the labor force.
Employee welfare measures	<ol style="list-style-type: none"><li>1. Establish an Employee Welfare Committee, which is responsible for managing and supervising the internal committee of the Company's employee welfare plans and welfare measures, with the aim of ensuring that employees receive fair and appropriate benefits packages, and communicating and consulting with the Company's management on behalf of the interests and needs of employees.</li><li>2. Establish the "Election Method for the Director-General, Deputy Director-General and Officers of the Employee Welfare Committee", clarify and standardize the scope and relevant regulations of applying for welfare subsidies. "Measures for Employee Welfare Subsidies" and the "Detailed Table of Welfare Subsidies of SYN-TECH CHEM. &amp; PHARM Co., Ltd." are formulated to ensure the benefits and rights of employees. In order to allow employees to easily relieve stress and maintain a healthy work-life balance, Committee has planning and handling various welfare activities for employees.</li><li>3. Establish "Employee Health Management Procedures", hold regular labor health examinations to understand and observe the health of employees, and take occupational disease prevention, health management, health promotion and other corresponding measures.</li><li>4. On-site visits four times per month, and nurses provide employee health consultation services.</li></ol>



## Code of Ethics

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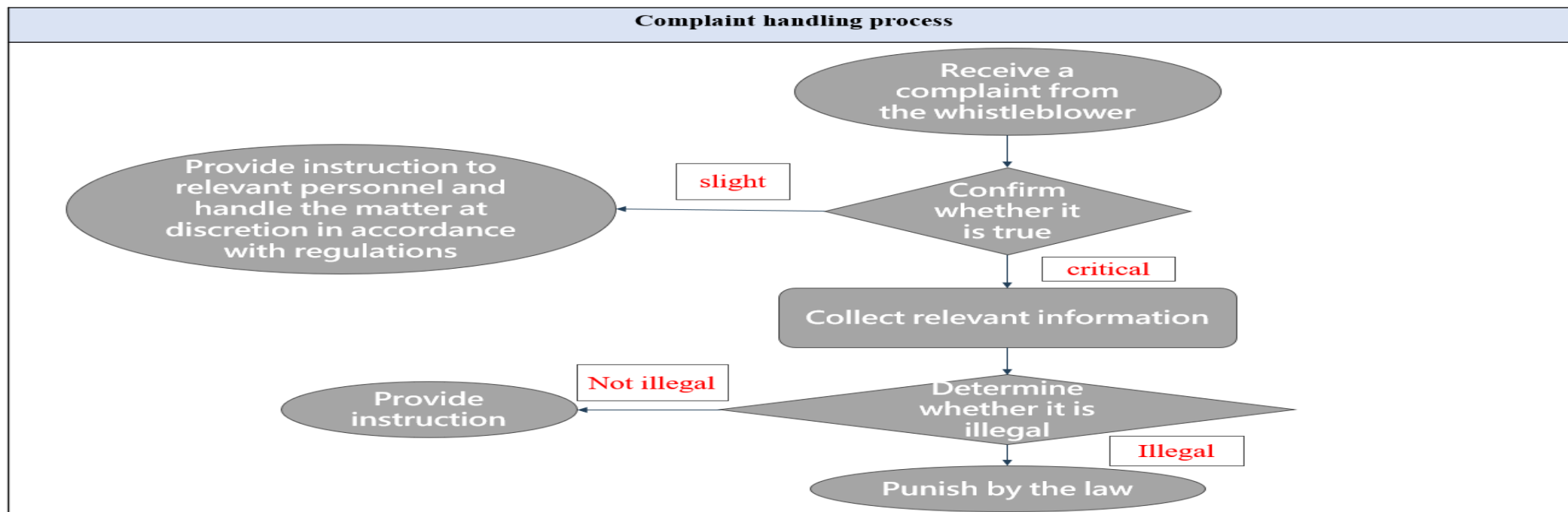
Syn-tech adheres to high standards of professional ethics to perform all business and practice the business philosophy of integrity, fairness, correctness and transparency. Syn-tech has formulated an "Ethical Code of Principle" that requires all relevant stakeholders of the company to comply with professional ethics, as well as the important responsibility of maintaining the company's reputation and complying with laws, and promotes employees through regular meetings and trainings to follow correct business ethics. Among them, the compliance content includes preventing conflicts of interest, avoiding self-interested behavior, confidentiality, fair dealing, complying with laws and regulations, and encouraging reporting of offence or illegal behavior, if there is any violation of the ethical code of conduct, will be handled and punished in accordance with government laws or relevant internal regulations of the company.

## Protection of the Reporting System

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In order to maintain the order and stability of society and the factory area, and to protect the personal rights and interests of the complainant from infringement, Syn-tech has formulated the "Operational Measures for the Protection of Personal Rights and Interests". If any violation is found, employees can report violations of integrity by phone/mail/email, and external personnel can through the contact of the company website. Syn-tech will adopt confidentiality measures for reported cases and assign a dedicated person to investigate and treatment. Related Complaint procedures, complaint channels, confidentiality measures and follow-up actions taken after the investigation are standardized and announced on the company website. The operating procedures for reported cases will be verified and understood by the acceptance unit. If reporting is true, they will be treatment accordance with legal provisions and the company's relevant punishment measures. If the circumstances are serious, information such as the professional title, name, date of violation, content of the violation, and handling of the violation may be disclosed in accordance with regulations. If a major violation is discovered after investigation or the company is seriously damaged, a report will be made immediately to written notice to independent directors. After the investigation of the reported case is completed, follow-up measures will be taken according to the seriousness of the case, and if necessary, the case will be reported to the competent authority or transferred to the judicial authority for investigation and legal responsibility.





## Complaint and reporting channel

Syn-Tech has established reporting channels to encourage internal personnel to report any improper conduct that violates the principles of integrity. All employees have the responsibility to report through channels. In 2023, Syn-tech did not have any reported incidents related to violations of integrity and ethics or corruption.

Whistleblowing channels	
Acceptance unit	Audit Office
Mailing address	No.168 Kai Yuan Rd., Hsin Ying District, Tainan City 73055, Taiwan, R.O.C
Whistleblowing calls	+ 886-6-6362121 ext.209
Email	cy.chang@syn-tech.com.tw



## 2.4 Risk management

To minimize operational losses and impacts, effective risk management measures have been implemented, along with the development of corresponding preventive strategies. In line with the latest internal audit guidelines, Syn-tech has strengthened its corporate risk management in recent years, including risk assessment, reporting, and mitigation, all of which are executed with great caution and rigor.

The company's taxation is mainly responsible for the financial management department, and relevant tax implementation is carried out in accordance with the company's approval authority. Each quarterly financial report is submitted to the board of directors for discussion and approval. In addition, the company's financial statements are commissioned by PricewaterhouseCoopers Taiwan (PwC Taiwan).

The company's tax matters are primarily managed by the Finance and Accounting Department, with tax execution carried out in accordance with the company's approval authority. Quarterly financial reports are submitted to the Board of Directors for discussion and approval. Additionally, the company's financial statements are audited by PricewaterhouseCoopers (PwC). Information disclosures, including those on the official website and in the annual shareholders' meeting report, are based on these financial statements. Under effective risk control, the utilization of such financial information is considered to be of low risk.

The Board of Directors of the company serves as the highest decision-making and supervisory body for risk management, responsible for approving relevant risk management policies and procedures. The audit Department assists in reviewing and overseeing the implementation and operational effectiveness of various risk management systems to achieve risk management objectives. The company has established an annual audit plan for risk assessment, and since the end of 2006, a risk assessment report on internal control operations is completed each year. Based on this assessment, the audit plan for the following year is formulated. In the event of significant market changes or special incidents that impact risks, the audit plan should be revised and submitted to the Board of Directors for approval, with the final approval granted by the General Manager.

### **Three levels of Risk control:**

The first level is the organizer or undertaker. Be responsible for the initial risk identification, assessment and control of the operation, design and prevention.

The second level is the general manager and chairman. Be responsible for feasibility assessment and the assessment of various risks.

The third level is the audit supervisor and directors and supervisors of the audit office.

For the risk assessment of environmental, social and corporate governance issues related to the company's operations, the Sustainability Committee conducts analysis based on the materiality principle and international development trends, identifies the most significant ESG issues, and communicates with internal and external stakeholders through the department. Communicate horizontally to identify major sustainable development issues faced internally and externally related to the company's operations, and review the assessment data of each department to formulate relevant risk management and action plans to reduce the impact of relevant risks. Risk assessment and management strategies are as follows:



Risk assessment and management strategies		
Category	Assessment	Practices and management
Environment	Environmental impact and management	<ol style="list-style-type: none"> <li>1. The company mainly produces Western medicine APIs for human use, and its main sales methods are direct export sales and indirect export sales through traders. Since 2000, the company has obtained the "ISO 14001" environmental management system certification, and has continued to obtain management certification on a regular basis every year.</li> <li>2. The API GMP management system in line with international standards requires independent management of product quality, health and safety in the manufacturing process to ensure the quality of drug manufacturing and effectively reduce the emission of pollution and the impact on the environment.</li> <li>3. The company is responsible for the implementation of the management cycle of the relevant environmental system in the factory by the special unit (environmental protection section) to avoid pollution discharge and reduce the impact on the environment.</li> <li>4. From 2023 onwards, we will conduct regular inventory and verification of greenhouse gas emissions in accordance with the "ISO14064-1" greenhouse gas inventory standard, and then establish relevant carbon reduction measures based on the inventory results to reduce the impact of the company's operations.</li> <li>5. Continue to pay attention to heavy rainfall, high temperature and early dry morning and power supply alarms, cooperate with the adjustment of the company's environmental protection actions, improve employees' environmental protection concepts, and pass on possible losses in the form of commercial insurance</li> <li>6. Continuously implement the annual internal audit plan, and conduct operational process audits for compliance with environmental laws and regulations to ensure that key risks have been properly managed and the internal control system can operate effectively.</li> </ol>
Society	Occupational safety	<ol style="list-style-type: none"> <li>1. In 2023, the Company continued to obtain the ISO 45001 occupational health and safety management system certification.</li> <li>2. The company is responsible for the implementation of the management cycle of the relevant environmental safety and health system in the factory. Fire fighting, emergency response drills and industrial safety education and training are held regularly every year to establish employees' ability to respond to emergencies and self-safety management, effectively strengthen the disaster relief energy in the factory, and improve the safety of the workplace environment in the factory.</li> <li>3. Continue to implement regular inspections of plant facilities and equipment, and eliminate potential risks in the workplace through hazard identification and inspection mechanisms.</li> </ol>
	Product safety	<ol style="list-style-type: none"> <li>1. In 2023, the company will continue to obtain the validity of the ISO 9001 Quality Management System certificate on a regular basis.</li> <li>2. The company's products comply with government norms and laws, and have been inspected by the Food and Drug Administration to obtain drug manufacturing licenses, and are carried out in accordance with GMP operating procedures in manufacturing, processing, packaging and packaging, labeling, storage and distribution, and published in accordance with the approval of the central competent authority.</li> <li>3. In order to ensure the quality of customer service, the company has set up a customer service hotline, and through regular annual service satisfaction surveys, to understand the needs and expectations of customers, review the overall performance of products and services, and strengthen the cooperative relationship with customers.</li> </ol>
Corporate Governance	Policies and laws are followed	Continue to keep abreast of the changes in various domestic and foreign policies and regulations related to operations, and regularly collect information on relevant laws and regulations and policy changes on the government laws and regulations open website every month to ensure that the company's business activities are in compliance with laws and regulations.
	Strengthen the functions of directors	<ol style="list-style-type: none"> <li>1. Plan relevant refresher courses for directors and provide the latest regulations for directors every year.</li> <li>2. Purchase directors' liability insurance for directors to protect them from lawsuits or claims.</li> </ol>
	Stakeholder communication	<ol style="list-style-type: none"> <li>1. The company analyzes the important issues that stakeholders are concerned about.</li> <li>2. Establish various communication channels to reduce confrontation and misunderstanding, set up an investor mailbox, and the spokesperson will handle and respond to it.</li> </ol>
	Changes in interest rates and exchange rates	<ol style="list-style-type: none"> <li>1. Pay attention to the interest rate and capital changes in the domestic and foreign markets at any time, and closely monitor the company's long-term and short-term capital flow and demand changes.</li> <li>2. Establish medium/long-term financial operation scheduling and adopt a dynamic natural hedging mechanism to reduce the risk impact of market changes. Adjust the company's capital structure and funding sources in a timely manner to avoid interest rate fluctuations and improve the efficiency of capital utilization.</li> </ol>
	Professional ethics	Formulate various codes of ethical conduct, establish good corporate governance and risk control mechanisms, and formulate relevant preventive measures accordingly, and implement policies to promote ethical management.
	Raw material supply and sales	<ol style="list-style-type: none"> <li>1. Establish a second supplier mechanism or seek to replace raw materials for key raw materials required for operation, and conduct supplier audits according to the annual audit plan every year to ensure stable supply and reduce the risk of material shortage.</li> <li>2. Establish a raw material inventory control mechanism, set the amount of safety stock, and keep abreast of the production and marketing needs and the supply of market materials, and prepare materials in advance if necessary.</li> <li>3. Establish long-term and good mutual trust and cooperative relations with suppliers, and adjust production and marketing plans in a timely manner to ensure that customer delivery time is met, customer satisfaction is improved and market demand is met.</li> </ol>
	Information security	<ol style="list-style-type: none"> <li>1. Define relevant authorizations for system permission control, data access, firewall protection and system control to avoid unauthorized modification or access and ensure the security of the company's intellectual property.</li> <li>2. Regularly review and update the network information security defense and response mechanism, strengthen the availability of information equipment, ensure system availability, and reduce information security risks.</li> <li>3. Hold information security education and training to establish employees' awareness of information security and strengthen their sense of responsibility.</li> </ol>



## 3 Quality and Trust service

**3.1 Supply chain management**

**3.2 Product quality and safety**

**3.3 Customer relationship services**

**3.4 Information security management**



## 3.1 Supply chain management

### Supplier overview

Supplier collaboration is important for sustainable operations. Syn-Tech have developed comprehensive supply chain management guidelines and evaluations, including screening new suppliers, supplier evaluation, and supplier audits for growth and sustainability between Syn-Tech and its suppliers. Syn-Tech's suppliers primarily include raw materials, facility equipment and instruments, waste disposal services, and engineering contractors, totaling 221 companies in 2023. Among these, raw materials and facility equipment suppliers are the most critical supplier categories. As a professional manufacturer of API, we place strict demands on the quality of raw material supply to ensure product stability. Once a raw material supplier is selected, they are required to cooperate based on production needs, establishing a long-term partnership. Additionally, the company has established alternative suppliers that meet quality requirements and maintains appropriate order volumes to ensure a stable supply of raw materials. The table shows the supplier and contractor status in the past three years:

The type of contract	Sourcing region	In 2021		In 2022		In 2023	
		Number of Suppliers	Proportion of the purchase amount to the total purchase amount	Number of Suppliers	Proportion of the purchase amount to the total purchase amount	Number of Suppliers	Proportion of the purchase amount to the total purchase amount
Labor (Contracted and service)	domestic	58	31.64%	82	49.57%	110	31.6%
	abroad	0	0	0	0	0	0
property (Raw material)	domestic	84	13.25%	58	15.65%	61	23.87%
	abroad	18	40.42%	15	28.85%	24	36.26%
engineering (Architecture & Equipment)	domestic	61	8.8%	40	4.70%	25	7.86%
	abroad	2	5.89%	2	1.24%	1	0.42%
total		223	100%	197	100%	221	100%



## Supplier Management and Evaluation

Syn-Tech's supplier management policy is to comply with regulations, promote green procurement, and establish partnerships with suppliers based on integrity. In addition to urging suppliers to achieve stable quality, timely delivery, and enhanced competitive advantages, we also require them to implement management practices related to employee welfare, environmental protection, and workplace safety and health, in order to fulfill our corporate social responsibility. Together, we aim to build a stable and sustainable supply chain for active pharmaceutical ingredients. Supplier management is a key component of our sustainable business practices. We incorporate environmental protection, labor rights, occupational safety and health, social environment, and corporate governance regulations into our supplier social responsibility requirements. Through an annual supplier evaluation, we assess overall supplier performance based on our existing manufacturer evaluation guidelines and supplier grading standards. Key suppliers are audited on-site annually, with a focus on quality assurance capabilities to establish long-term partnerships. We also encourage suppliers to adhere to the corporate social responsibility standards we promote, ensuring that raw material supplies meet both our quality and corporate social responsibility requirements. In addition to the aforementioned supplier selection process, we have implemented a "Supplier Environmental Management and Corporate Social Responsibility Questionnaire" to strengthen the screening mechanism for our supplier partners. This effort aims to reduce any negative environmental or social impacts, ensuring that suppliers meet labor conditions, environmental practices, and operate with integrity. Through these measures, we strive to practice sustainable management responsibilities, build a comprehensive quality and supplier management system, and enhance the overall competitiveness of our supply chain.

To assess the environmental and corporate social responsibility (CSR) management practices of suppliers, Syn-tech issues a "Supplier Environmental Management and Corporate Social Responsibility Questionnaire" every two years. This requires suppliers engaged in procurement transactions to conduct internal self-assessments, encouraging them to focus on ethical conduct, environmental protection, health and safety, and labor rights. Through rigorous internal procedures and supplier categorization, Syn-tech strictly monitors the selection, evaluation, and approval of raw material, packaging material, and equipment/instrument suppliers. For quality control, supplier audits are conducted regularly in accordance with standard operating procedures (SOPs). These audits include internal assessments, quality document reviews, and on-site inspections, all of which are 100% completed.

The company follows the Labor Standards Act as a guideline and has established the "Labor Rights and Labor Conditions Management Procedures" to protect employees' rights. Additionally, we have implemented the "Employee Health Management Procedures," which include regular health check-ups to monitor and manage employee health. Preventive measures for occupational diseases, health management, health promotion, and other relevant actions are also taken.

Although the company does not have a labor union, we have established effective labor-management communication and grievance channels. Regular labor-management meetings are held to enhance communication, reduce conflicts, and build consensus, fostering a mutually beneficial relationship between labor and management. In 2023, no labor-related human rights violations or labor disputes were reported.

In 2022, due to the COVID-19 pandemic and in accordance with our biennial supplier environmental and CSR management survey, Syn-tech did not send audit personnel to assess environmental criteria at supplier sites. However, we plan to issue the "Supplier Environmental Management and Corporate Social Responsibility Questionnaire" in 2024 to evaluate how our existing suppliers address negative environmental impacts, ensuring their environmental and CSR management meets Syn-tech's standards. Regarding SASB supply chain management, we confirm the participation in the Rx-360 International Pharmaceutical Supply Chain Alliance audit program or an equivalent third-party audit program. This includes ensuring that (1) physical facilities and (2) first-tier supplier facilities are audited to guarantee the integrity of supply chain quality and pharmaceutical ingredients. Syn-tech is not a member of the Rx-360 International Pharmaceutical Supply Chain Alliance.

Syn-tech strictly monitors the selection, evaluation, and approval of raw material, packaging material, and equipment/instrument suppliers through rigorous internal procedures and supplier categorization. For quality control, supplier audits are conducted regularly following SOPs. These audits include internal assessments, quality document reviews, and on-site inspections, all of which are 100% completed.



Implementation	
Screening new suppliers	<ol style="list-style-type: none"><li>1. Have a legal company registration and ISO certification.</li><li>2. Evaluate supplier quality/environment/production capacity/occupational safety/social responsibility.</li><li>3. Those who meet the requirements of the company will be listed as qualified suppliers and implement follow-up management.</li></ol>
Supplier evaluation	<p>Score based on the comprehensive performance of the supplier assessment mechanism: quality/packaging labeling/delivery time/cooperation/report completeness. Manufacturers whose evaluation scores do not meet the standards will stop purchasing or cancel the qualification of qualified suppliers, and if they still have to choose partners, they will be tightened for sampling inspection. The implementation in 2023 is as follows:</p> <ol style="list-style-type: none"><li>1. Complete the annual evaluation of 133 qualified suppliers.</li><li>2. Due to the impact of the COVID-19 epidemic, the implementation of the annual audit of qualified suppliers has been suspended.</li><li>3. Completed 1 construction safety and health education and training meeting for contractors and corporate social responsibility policy advocacy meeting.</li><li>4. Complete the construction safety and environmental assessment of 88 contractors.</li></ol>
Supplier ratings	<ol style="list-style-type: none"><li>1. According to the evaluation and grading, the annual supplier audit is carried out.</li><li>2. Counseling and improvement according to the audit results, and providing appropriate assistance and education to meet the company's requirements.</li></ol>
Supplier training	Every year, we advocate the company's environmental safety and health policy, corporate social responsibility policy and related corporate social standard management requirements.
Labor hours	In accordance with the Labor Standards Act, the Company has established procedures to protect the human rights of employees by establishing procedures for the regulation of labor rights and working conditions, including the prohibition of forced labor, the prohibition of coercion, detention or other illegal means to compel employees to perform labor, and the prohibition of withholding part of employees' wages, benefits, property or documents to force employees to continue working in the company
Occupational health	Establish "Employee Health Management Procedures". Hold regular labor health examinations to understand and observe the health status of employees, and prevent occupational disease health management, health promotion and other corresponding measures.
Labor-management aspects	We has perfect labor-management communication and grievance channels, and regularly holds labor-management meetings to enhance communication between labor and management, reduce confrontation and build consensus, and create a win-win situation between labor and management; In addition, there are departmental meetings, monthly meetings, weekly meetings and irregular discussion meetings to achieve full communication and effective problem solving.





# 3.2 Product Quality and Safety

## Quality Assurance

Syn-tech values pharmaceutical quality and safety to ensure compliance with regulatory standards. The company participated in Taiwan 1<sup>st</sup> National Healthcare Quality Award (NHQA) competition and the only API manufacturer to win two prestigious honors: the Overall Pharmaceutical Manufacturer Award and Single Product Award (Chlorzoxazone). Additionally, Syn-tech has obtained ISO 9001: 2015 Quality Management System certification, which affirms the high quality of our products. Furthermore, we have also achieved ISO 14001: 2015 Environmental Management System certification and ISO 45001: 2018 Occupational Health and Safety Management System certification. Syn-tech is the only API manufacturer in Taiwan to get ISO 9001, ISO 14001, and ISO 45001 system certifications at the same.

Statistics on products or services that have obtained safety certification		
The name of the product or service item	Safety specification certification	Provide the percentage of products or services that have been evaluated by the customer
APIs	1. GMP Good Manufacturing Practice for Pharmaceuticals 2.ISO 9001 Quality Management System 3. ISO 14001 Environmental Management System 4. ISO 45001 Occupational Health and Safety Management System Certification	100%
Note: Percentage = (Total amount of products or services evaluated by the customer / Total amount of products or services provided to the customer) * 100.		





## Product label

The manufacturing, processing, repackaging and packaging, labeling, storage and transportation of APIs produced by our company comply with the regulations such as the "Pharmaceutical Affairs Act", "Good Manufacturing Practices for Pharmaceuticals", and "Regulations of Medicament Manufacturer Inspection" standards. A drug manufacturing license is obtained after passing inspection by the Taiwan Food and Drug Administration. The labeling on drug packaging follows the provisions of the "Regulations for Registration of Medicinal Products". Labeling are regarded as a part of the process and should be carried out in accordance with the operating procedures of Good Manufacturing Practices for APIs. It is published in accordance with matters approved by the central competent authority. During the life cycle of product and service information and labeling, each product produced and marketed by our company will provide the customer with a product COA (Certificate of Analysis) and affix it in a standard packaging format approved by the Ministry of Health and Welfare. The label discloses necessary information and details the name of the raw drug, manufacturing date, shelf life and storage conditions. The labeling and instructions are 100% meet the product labeling specifications and the regulatory requirements of the pharmaceutical industry.

In 2023, there were no violations of regulations or voluntary protocols related to health, safety and marketing impact. There are also no penalties were imposed for violations of the marketing and labeling of products and services.

## Research and Development

The pharmaceutical industry is a high level of technology. R&D technology is related to the industry can be upgraded. Syn-tech invests considerable R&D expenses and manpower every year. We are committed to the new products development, the production technology improvement, the product quality improvement and the market competitiveness continuously. We also set a short-term plans and long-term plans as the basis for the company's sustainable operations. R&D expenses were approximately 37,906 million in 2023 which was increase 4.90% compared with 2022. In the future, we will continue to invest in research and development, improve technical capabilities and set long-term goals for development of the API market.

<b>Short-term plans</b>	<ol style="list-style-type: none"><li>1. New drugs whose patents are about to expire, combined with the preparation factory, and marketed internationally.</li><li>2. Cooperate with well-known manufacturers at home and abroad to develop and produce key intermediates or APIs, and market them internationally.</li><li>3. Synthesize new compounds with academic research institutes, provide pharmacological tests, and develop new drugs.</li><li>4. Sustainable operation creates employment opportunities and enhances the international status of China's pharmaceutical industry.</li><li>5. Stable and strong marketing system, develop new markets and new customers, and be in line with international standards.</li></ol>
<b>Long-term planning</b>	<ol style="list-style-type: none"><li>1. Research and development of new technologies and new drugs.</li><li>2. Further cooperate with major domestic and foreign pharmaceutical manufacturers to open up a broader international market.</li><li>3. API technology is extended to formulation-based APIs to add added value.</li><li>4. Conduct more in-depth research on the powder technology of APIs to achieve the goal of safety, stability and effectiveness.</li><li>5. Plan to cultivate professional talents to meet the needs of the company's development.</li><li>6. Feed back to the countryside, benefit the people, and develop new drugs to always work hard for human health.</li></ol>



R&D expenses and development technology achievements in 2023	
Item	Invest in R&D and develop successful technologies or products
Research and development expenditures	NTD 37.906 million
Number of new product registrations	2 pcs
Number of licenses	2 pcs

Syn-tech has focused on quality, environmental protection, and safety. Implement the principle of taking from the environment, giving back to the environment. This approach ensures the operation growth and benefit society.

The importance of a commitment to quality	
1.	With high-quality corporate culture, sincerity and pragmatism, innovation and development as the business philosophy.
2.	The development of characteristic products, similar process technology, production in the same factory, products in line with the most advanced API PIC/S GMP standards.
3.	The implementation of ISO 9001, continuous improvement, and PIC/S GMP complement each other, resulting in the creation of excellent product quality.
4.	ISO 14001 & ISO 45001 management system sustainability is promoted. Both production and environment take account into safety and health to meet the international trend.
5.	Continued effectiveness of the international validation of the management system: (1) ISO 9001:2015 quality management system certification (2) ISO 14001:2015 environmental management system certification (3) ISO 45001..2018 Safety and Health Management System Certification
6.	Develop APIs expire within 5~10 years or have expired or potential with high technical difficulty
7.	Increase the product additive value
8.	Integration API and preparation factory integration, particularly with Standard Chem & Pharm Group's affiliated enterprises. Pass the US FDA inspection and get the DMF of European, American and Japanese, to the international market.



## 3.3 Customer relationship services

### Customer Satisfaction Survey

In order to ensure the quality of customer service, the company sets up a customer service hotline and formulates customer satisfaction indicators. According to the customer satisfaction policy and conducts surveys in December every year. To understand customer needs and expectations, review the overall performance of products and services, and strengthen relationships with customers. The company uses statistical analysis of 4 major aspects and 10 survey indicators as the goal of continuous improvement. The overall average customer satisfaction survey is 9.32 in 2023. We will continue to improve and enhance the quality of products and services to achieve the expected improvement goals.

Customer satisfaction survey implementation and process	
<b>Purpose</b>	Establish a customer-oriented quality system and business philosophy. Use an objective monitoring system to comprehensively evaluate customer satisfaction with the company's products or services. Understand the gap between customer needs and expectations. Operation management and improvement is as the basis and achieve corporate sustainable operation.
<b>Respondents</b>	Every year, send a questionnaire to the top ten customers the sale and make statistics on the number of valid replies
<b>content</b>	1. Four major survey objectives are quality and reliability, technology and support, communication and service, and shipment and delivery. 2. Ten survey indicators include the service attitude of the business representative, the professionalism of the reply to the questions, the handling of customer complaints, the quality of the products, the promptness and effectiveness of the technical documents provided, the packaging of samples, the appearance of the product packaging, the timeliness of the delivery of goods, the provision of ship-related documents, and the overall image of Syn-tech.
<b>Results</b>	Collecting valid replies and imported into the satisfaction of customer complaint handling. Making a "Customer Satisfaction questionnaire" for the continuous and find improvement measures.



## Customer Complaint Mechanism Handling

To understand customer needs through satisfaction surveys and comprehensive tracking mechanism for customer complaints. To ensure the customer complaints are handled properly and resolved. To provide the best product quality and service to customers. Syn-tech values every customer opinion. The customer complaints and opinions to help us continue to improve. In order to effectively provide customer satisfaction services and improve the handling of customer complaints. The company analyzes customer information about products or services in accordance with the "Customer Complaint Handling Procedure". To ensure that the customer complaints are resolved through systematic and standardized handling processes. The opinions can be effectively communicated, processed and responded. Corrective and preventive measures can be implemented in time. To enhance customer loyalty and consolidate customer trust. Create a mutual benefit and trust corporate operating environment. There are 10 customer complaints were occurred in 2023. Relevant departments have promptly handled and responded to customer complaints to meet customer needs and service quality.

Consumer Grievance Procedures		
1.	<b>Customer complaints are received and handled</b>	If the customer is not satisfied with the information, the sales department will collect the complaint information after a preliminary understanding, fill in the "Customer Complaint Report Form" after understanding the situation and customer needs, and respond to the customer within 3 working days.
2	<b>Determination and disposition of the nature of customer complaints</b>	After the sales supervisor determines the cause of the complaint, the quality assurance supervisor confirms: (1) It is of a business nature, and the solution proposed to the customer will be closed and filed if the customer accepts it. (2) It is of a quality nature, and it is transferred to the quality assurance department, and the relevant departments will investigate and deal with it.
3	<b>Customer complaint analysis, investigation and improvement</b>	The quality assurance supervisor will convene a meeting to conduct root cause analysis in conjunction with the investigation team of relevant departments according to the analysis of the cause of customer complaints and the report form of handling counter measures.
4	<b>Corrective prevention and abnormal recovery</b>	Based on the investigation results, the department formulates improvement measures and carries out corrective and preventive measures. After the investigation results are confirmed and approved by the quality assurance department, the business department responds to the customer.

## Customer privacy protection

To ensure the quality of the company's products and customer service, the company has established "Confidential Information Management Measures" to regulate relevant personnel and have the obligation to maintain confidentiality and safety. When conducting business activities, all information and documents exchanged must comply with the confidentiality contract commitments and take information protection measures. Access rights are set for basic customer information and related technical documents, and only relevant authorized staff have review qualifications to prevent the leakage of important customer information. At the same time, the importance of information security is not regularly promoted to improve employees' correct understanding of the protection of confidential information. Concept and vigilance, and signing confidentiality agreements with customers or information suppliers to ensure the security of customer information, system equipment and networks to protect customer privacy. In addition, customer information management is based on the "Customer Information Creation Operation" in ERP system. The usage rights are limited to the sales department. Since 2016, we also have purchased life science comprehensive liability insurance to increase product protection. Although the company's products (APIs) are not directly used in the consumers, we have formulated "Personal rights protection operations" regarding customer, supplier and employee rights policies and complaint procedures. The relevant complaint procedures are all standardized. They are publicized in the company's monthly meetings and announced on the company website. There was no customer information leakage, theft or loss in 2023.





### 3.4 Information security management

The information center of the Company is an independent unit that is not affiliated with the user. There is an information supervisor and a professional information officer. Their responsibility is formulating information security policies, establishing information security management plans, planning and implementing information security operations, regularly reviewing information security policies, and reporting to the board of directors on a regular basis. Every year, the audit office conducts an information security audit in accordance with the internal control system- computer cycle. If the audit finds the deficiency, the audited unit is required to provide improvement plans and specific actions then regularly track the improvement results to reduce information security risks. During the reporting period till the end of 2023, the company has no business damage and impact caused by major information security incidents.

#### Information Security Policy

1. Ensure the confidentiality and integrity of information assets. 2. Ensure that data access is regulated according to the department's functions. 3. To ensure the continuous operation of the information system. 4. Prevent unauthorized modification or use of data and systems. 5. Regularly carry out education and training to jointly maintain information security. 6. Conduct regular audits to ensure the implementation of information security.

The status of the implementation of the information and communication security management plan		
Date of execution	Execution content	Frequency of execution
Daily	Check the system logs of each network service	Once / Day
Daily	Backup	Once / Day
Monthly	E-mails	Once / Month
2023/07/28	Information and communication security audit	Once / Year
2023/11/21	Information security education and training	Once / Year
2023/12/13	Emergency response and recovery drills	Once / Year
2023/12/15	Information security policy review meeting	Once / Year
2023/12/27	Report to the Board of Directors	Once / Year

Information security management plan	
Manage Items	Specific management methods and investment resources
Computer equipment management	<ol style="list-style-type: none"> <li>The company's computer host, application servers and other equipment are set up in a dedicated computer room, and the computer room keeps entry and exit records Inventory.</li> <li>The computer room is equipped with independent air conditioning to maintain the operation of computer equipment in an appropriate temperature environment; and place the dry powder Fire extinguishers, which can be used for fires caused by general or electrical appliances.</li> <li>The host of the computer room is equipped with uninterruptible power and voltage stabilization equipment to avoid system downtime caused by abnormal power failure, or to ensure temporary shutdown it will not interrupt the operation of the computer application system when it is powered on.</li> </ol>
Internet Management	<ol style="list-style-type: none"> <li>Set up a firewall.</li> <li>Both the server and the computer client are installed with endpoint protection software (with anti-virus and anti-hacking functions).</li> <li>The use of all network services is carried out in accordance with the information security policy.</li> <li>Regularly check the System Log of each network service item to track the abnormal situation.</li> </ol>
Data access management	<ol style="list-style-type: none"> <li>The computer should be kept by a special person, and the account and password must be set up, and the password must meet the complexity requirements and be carried out regularly alter.</li> <li>Different access rights are granted according to the function.</li> <li>The transfer personnel will cancel the original authority.</li> <li>Remove or overwrite confidential and sensitive information and copyrighted software before the equipment is scrapped.</li> </ol>
Strain resilience mechanisms	<ol style="list-style-type: none"> <li>Establish a system backup mechanism and implement off-site backup.</li> <li>Drill the disaster recovery plan once a year from time to time, and select the reference point of the restoration date by the backup media which is stored on the system host to ensure the correctness and validity of the backup media.</li> </ol>
Training and auditing	<ol style="list-style-type: none"> <li>Advocate information on information security at any time, and regularly implement education and training to improve employees' awareness of salary and security.</li> <li>Conduct regular information security audits and inspections every year.</li> </ol>



## **4 Sustainable environmental protection**

### **Management policy**

**4.1 Climate change adaptation methods**

**4.2 Greenhouse gas management**

**4.3 Water resources management**

**4.4 Energy management**

**4.5 Waste management**





## ● Management policy

Material Theme: Emissions	
GRI indicator correspondence	GRI 305 emissions
Significance to Syn-tech	Face to the climate change, Syn-Tech corporate fulfills social responsibility for emission management, cooperates with the net-zero pathway and climate change response law. Completes greenhouse gas inventory verification and carbon reduction. Reduce the risk of operating costs and improve the competitiveness of products on sustainability issues.
Impact and Influence	<ul style="list-style-type: none"> <li>● Environmental Aspects - Actual/Positive Impacts: Regularly implement environmental monitoring (including waste water and air pollution), implement circular economy and carbon reduction.</li> <li>● Environmental Aspects - Potential/Negative Impacts: When the environmental monitoring and assessment is not carried out based on environmental regulations and standards. It is easy to ignore the ecological environment and enable to prevent it immediately. If ignored the ecological environment, it will be led to negligence in environmental management. We will face supervision and fines from government agencies.</li> <li>● Economic Aspect - Practical/Positive Impact: Abides the regulations, management of greenhouse gas emissions and honestly declares the number of emissions. Formulates greenhouse gas inventory related operations to effective management the gases emitted in the company's operations to meet the requirements of ISO 14064-1:2018.</li> <li>● Economic Aspect - Potential/Negative Impact: If the company fails to comply with the emission standards and carbon reduction requirements, it will face legal penalties and loss of property or goodwill.</li> <li>● Human Rights Aspect - Practical/Positive Impact: Emphasize corporate social responsibility, improve human rights protection and reduce inequality/discrimination.</li> <li>● Human Rights Aspects - Potential/Negative Impacts: If the enterprise does not emphasize the corporate social responsibility, it would be failed to fulfill due integrity, ethics, neglects the protection of human rights and equality in the workplace. It is easy to affect the perception of the company by the public and stakeholders and lead to the destruction of the company's image and affect its goodwill.</li> </ul>
Policy/Strategy	<ul style="list-style-type: none"> <li>● Greenhouse gas emissions: The Company has formulated the "Greenhouse Gas Inventory and Quantification Operation Guide" to ensure that the inventory and reporting of greenhouse gas emissions can comply with the principles of relevance, consistency, integrity, transparency and accuracy, so as to effectively manage the Company's greenhouse gas inventory and quantification operations and ensure compliance with ISO 14064-1:2018 requirements.</li> <li>● Energy Conservation and Emission Reduction Policy: Formulate "Energy and Resource Use Management Procedures" to manage and control energy use and greenhouse gas emissions to achieve the goal of saving electricity, natural gas, water and other waste.</li> </ul>
Objectives and objectives	The Company's greenhouse gas emissions are based on 2022 and the short-term goal is complied with the Tainan City Net Zero Sustainable City Management Autonomy Regulations. When the electricity consumption is up to 800 kWh, it would be used green energy with at least 10%. Following the climate change response method, the medium- and long-term goal is to achieve net-zero greenhouse gas emissions at all sites by 2050.
Manage the evaluation mechanism	The emissions management is conducted by third-party verification annually based on ISO 14001 internal management review process.
Performance & Adjustment	<ol style="list-style-type: none"> <li>1. Complete ISO 14064-1 Greenhouse Gas Inventory and Verification Statement of 2023.</li> <li>2. Total amount of Greenhouse gas emissions are 8,891.4654 CO<sub>2</sub>e in 2023.</li> <li>3. Improvement the key equipment efficiency gradually. Implement energy conservation and carbon reduction actions at all levels of the working.</li> <li>4. At present, the electricity consumption has not reached 800 kilowatts, so it is not implemented.</li> </ol>
Prevention or Remedial Measures	Reviewing the overall carbon reduction effectiveness every year and formulating emission reduction strategies. If the reduction results are not expected, the company also actively procures renewable energy then seeks communication and cooperation with relevant units.



## 4.1 Climate Change Resilience and Adaptation

The global climate change is becoming increasingly significant and become a major concern for countries. It not only causes serious harm to the living environment but also has a substantial impact on business operations and finances. SYN-TECH has established a Sustainability Committee to promote the management of sustainability policies and issues. Through the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the company aims to effectively manage the risks and opportunities arising from climate change.

Climate Change Financial Risk Assessment Scale (1/2)	
<b>Governance unit</b>	<p>The "Sustainability Committee" is a part-time unit responsible for promoting sustainable development within the Company. General Manager is the chairman and the Deputy General Manager of the Synthesis Department is the Director General. Both of them take responsible for formulating the Company's sustainable development policies, related management guidelines and promotion plans. Each department heads and members are responsible for the communication and implementation of various promotion matters or issues. Compile the sustainable development implementation results every year, and report to the board of directors at least once a year.</p> <p>The Company has submitted the results of the implementation of promoting sustainable development on August 3, 2023. It is including (1) the implementation of corporate governance, (2) the implementation of sustainable environmental operations and improvement actions, (3) the effectiveness of workplace health, safety and health management to promote the improvement of implementation, and (4) the implementation of friendly workplace maintenance.</p> <p>By regularly on the implementation of sustainable development report, the Board of Directors continuously monitors the implementation and effectiveness of sustainable business matters. He could make the committee to review and adjust the management strategy when necessary.</p>
<b>Risk Category</b>	<ol style="list-style-type: none"> <li>1. Potential carbon risks directly or indirectly increase the company's operating costs.</li> <li>2. It increases the company's operating costs risk to regulate those users with a contracted capacity of more than 800 kilowatts to set up more than 10% of the solar photovoltaic system.</li> <li>3. Flooding in lower terrain affects production, resulting in financial losses and increased operating costs.</li> <li>4. High temperature and water crisis, increased electricity consumption would affect the allocation of process water and production. It would be increasing operating costs.</li> </ol>
<b>Opportunity Category</b>	<ol style="list-style-type: none"> <li>1. Understand the changes in environmental protection laws and regulations in domestic and foreign and the trend of energy conservation and carbon reduction.</li> <li>2. Enhance resilience to natural disasters.</li> <li>3. Save electricity and cost down.</li> </ol>
<b>strategy</b>	<ol style="list-style-type: none"> <li>1. From 2023, the company will conduct regular inventory and verification of greenhouse gas emissions in accordance with the "ISO 14064-1" greenhouse gas inventory standard. Then establish relevant carbon reduction measures based on the inventory results to reduce the impact of the company's operations.</li> <li>2. Purchase meets the energy-saving label products and select high-efficiency equipment to reduce the environment impact of the company's operation.</li> <li>3. The company has set up waterproof gates in low-lying locations to reduce the probability of business interruption and losses. Pay attention to heavy rainfall, high temperature drought and power supply alarms.</li> <li>4. Cooperate with the adjustment of the company's environmental protection behavior, enhance the environmental protection concept of employees, regularly educate and publicize, enhance the concept of water and electricity saving of employees, and pass on the possible losses in the form of commercial insurance.</li> <li>5. Continuously implement the annual internal audit plan, and conduct operational process audits for compliance with environmental laws and regulations to ensure that key risks have been properly managed and the internal control system can operate effectively.</li> </ol>
<b>Risk management</b>	<ol style="list-style-type: none"> <li>1. The company has set up a working group of cross-departmental risk and opportunity management to take responsibility to the assessment operation and listing the company may face the climate risks and opportunities. Compiling the "Risk and Opportunity Assessment Form" and "Risk and Opportunity Management Countermeasure Table". Confirming the risk and opportunity process, evaluation level of each department and formulating the risk and opportunity assessment report. After reviewed by the quality/environmental and safety and health management representative then submitted it to the general manager for approval the assessment risk level. They also provided the necessary resources to the unacceptable risk level.</li> <li>2. The results of the "Risk and Opportunity Assessment Form" would be report to the Board of Directors. To establish the corresponding management measures/institutionalized documents in the "Risk and Opportunity Management Countermeasure Table". When the risk project is high risk, the responsible department must formulate a management plan and implement improvements.</li> </ol>



## Climate Change Financial Risk Assessment Scale (2/2)

<b>Indicators and Targets</b>	<p>The Company's transition plan to manage climate-related risks is as follows:</p> <ol style="list-style-type: none"> <li>1. Energy management: Purchase the energy-saving label product and select the high-efficiency equipment. Improve the key equipment efficiency, reduce energy consumption, implement energy-saving and carbon-reduction actions. Strengthen colleagues the energy-saving concepts and habits and promote the promotion and carry out the energy-saving measures of all units. Controlling the air-conditioning temperature and turn off the unwanted lights, the electrical or equipment power in summer. To save electricity and reduce the impact of the company's operation on the environment.</li> <li>2. Air pollution: Air pollution prevention and control equipment is set up to meet the emission standards of laws and regulations. To ensure the normal operation of the prevention, control equipment, regularly inspect, maintain relevant facilities and equipment to avoid environmental pollution. To ensure the normal operation of environmental monitoring equipment, complete the inspection, declaration of all chimneys, handle the application for license change, installation, operation, change and extension in accordance with the law.</li> <li>3. Water resources: Improve the process production efficiency, reduce water consumption and improve the water recovery rate. Count the tap water consumption every month to confirm the water consumption situation. Continue to advocate and implement water conservation. To establish relevant water response measures in advance due to the local water supply situation.</li> <li>4. Wastewater Management: Wastewater collection, treatment and improvement are carried out by dedicated personnel. The company's various processes, daily life, inspection and research sites waste (sewage) water can be discharged in accordance with the requirements of current environmental protection laws and regulations. After proper treatment, the discharge water is tested to effectively check and control every day. Taking preventive management measures to reduce environmental pollution loading.</li> <li>5. Waste Management: Waste reduction or increase the recycling rate of waste through process improvement. First, the waste treatment principle is the reuse in the factory, then recycling manufacturer to carry out the resource recovery and treatment operation. Set up a classified recycling area then training internal employee with resource recovery and classification publicity. Finally, handling the waste incineration or burial by the qualify clean-up manufacturer to reduce the impact on the environment.</li> </ol>
<b>Financial Implications</b>	<ol style="list-style-type: none"> <li>1. Climate change may lead to fluctuations in the price of energy and raw materials, which will increase production costs.</li> <li>2. The company emits about 8,891.4654 tons of carbon emissions of greenhouse gases this year. When the carbon tax policy will be implemented and it expected cost a carbon tax is NTD 2,667,440/per year (tax amount of NTD 300/per ton (estimated amount)).</li> <li>3. If the company's facilities or assets are damaged by a climate event, and the resulting in a decrease in the value of the assets or the need to add or repair facilities and equipment.</li> <li>4. It may cause customers transfer orders due to supply chain disruption and product delivery delay or inability to deliver and resulting in reduced demand and lower revenue.</li> </ol> <p>1. The company need to increase capital expenditures for the climate change risk. It will be affecting the cash flow and capital items in the future and affect the overall plan.</p>
<b>Greenhouse Gas Inventory Program</b>	<p>It is handled with the sustainable development roadmap of listed companies issued by the Financial Supervisory Commission.</p> <p>The Company is a "consolidated statement subsidiary of listed companies with a capital of less than 5 billion". The greenhouse gas inventory schedule is in the fourth stage and it should be completed in 2027 then verified in 2029. The company had started the inventory and verification plan in 2023 and successfully got the verification statement on May. 30, 2023. The results of the inventory were presented to the Board of Directors on Aug. 3, 2023.</p>
<b>External assurance or assurance</b>	<ol style="list-style-type: none"> <li>1. All of the company's factories are managed in accordance with ISO 14001 to establish an environmental management system and continue to pass third-party verification. The latest certificate is valid from July 12, 2022 to July 11, 2025.</li> <li>2. According to the verification process and procedures conducted by Taiwan Methodist International Quality Assurance Verification Co., Ltd., there is sufficient evidence to show that the greenhouse gas declaration of Syn-tech Synthetic Industry Co., Ltd. It presents the greenhouse gas data and related information in a substantive, correct and fair manner, and is prepared in accordance with ISO 14064-1:2018, and meets the reasonable assurance level of the verification agreement.</li> </ol>



## 4.2 Greenhouse gas management : Greenhouse Gas Inventory

Since 2015, our company has been conducting greenhouse gas self-inventory based on the international energy management inventory method. First, identifying greenhouse gas emissions then promotes the establishment of greenhouse gas inventory operations and management. In 2022, it is qualified included the wastewater treatment emission sources. In 2023, it is qualified by third parties to conduct ISO14064-1 verification. To ensure compliance with the reasonable level by the Environmental Protection Agency of Executive Yuan. The greenhouse gases data is in an impartial manner and compliance with greenhouse gas inventory standards. Due to the change in the up flow anaerobic sludge bed (UASB) emissions quantification method this year, the emissions caused by the change have exceeded the significance threshold. In order to maintain the consistency of the report, our company's self-inventory has been reset in 2023 as the base year. The total amount of greenhouse gas emissions was 8,891.4564 metric tons CO<sub>2</sub>e in 2023. We can grasp the emissions, gradually improve the efficiency of key equipment use, reduce energy consumption, and implement energy-saving and carbon-reduction actions at all levels of the working environment, starting from life. Strengthen the energy-saving concepts, habits of colleagues, promote the promotion and implementation of energy-saving measures in each unit. To reduce greenhouse gas emissions and contribute to the environment and the sustainable development. Greenhouse gas-related emission data and third-party verification statements are uploaded to our company's official website (<https://www.syn-tech.tw/Corporate Governance/Corporate ESG Related Information/Greenhouse Gas Emissions and Reductions>), which is consistent with our company's internal and external to share relevant information with external stakeholders.

Greenhouse gas emission intensity			
Quantitative indicators	2021	2022	2023
Scope 1: Direct greenhouse gas emissions (Tonne CO <sub>2</sub> e)	1,089.1027	9,306.5296	3,003.2013
Scope 2: Indirect greenhouse gas emissions (Tonne CO <sub>2</sub> e)	2,935.8163	2,988.4131	3,916.0544
Scope 3: Other greenhouse gas emissions (Tonne CO <sub>2</sub> e)	0	2,222.3657	1,973.2097
Total greenhouse gas emissions (metric tons CO <sub>2</sub> e). (Scope 1 + Scope 2 + Scope 3).	4,024.9190	14,517.3084	8,891.4654
Annual output of products (metric tons)	279.07	285.44	406.37
Greenhouse gas emissions intensity (metric tons CO <sub>2</sub> e/production).	14.42	50.85	21.88
Remarks: 1. The emission coefficient is calculated according to version 6.0.4 of the latest announcement data of the Energy Bureau of the Ministry of Economic Affairs (IPCC Sixth Assessment Report). 2. Foreign Purchase Power Citation Department, Public Notice of the Energy Bureau, 2020/0.502kgCO <sub>2</sub> e;2021/0.509kgCO <sub>2</sub> e;2022/0.495 kgCO <sub>2</sub> e; 2023/0.494 kgCO <sub>2</sub> e. 3. Greenhouse gas emissions intensity (metric tons CO <sub>2</sub> e ÷ organization-specific metric) = total emissions / annual production of products (metric tons). 4. Greenhouse gas emissions: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O) and hydrofluorocarbons (HFCs). 5. The data for 2022-2023 has been verified by a third party, including: employee commuting, upstream and downstream distribution and transportation, etc.			



Harmful gas emission standards and monitoring values in the past three years						
Test items	2021		2022		2023	
	Emissions (kg)	Emission Standards (ppm)	Emissions (kg)	Emission Standards (ppm)	Emissions (kg)	Emission Standards (ppm)
Volatile organic compounds VOCs	25,240.12	0	15,881.35	0	37,073.30	0
Total suspended particulates TSP	8.52	30	6.15	30	8.33	30
Sulfur oxide Sox	59.55	50	33.02	50	39.25	50
Nitrogen oxides NOx	929.54	100	554.57	100	806.28	100
Remarks: Significant gases such as nitrogen oxides (NOx), sulfur oxides (Sox), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), suspended particulates (PM) and other gas emission standards specified in the relevant regulations.						



### 4.3 Water resources management

Our company's operations are located in Xinying District, Tainan City, and its water resources risk is medium to low. Tap water is the main water supply source from the Wushantou Reservoir. We continue to promote and implement water conservation, pay attention to the local water supply situation, and establish relevant water situation response measures in advance. Water consumption in 2023 totaled 71.96 million liters, a decrease of 20.48 million liters compared to 2022. Our company continues to promote the maximization of water efficiency to improve process production efficiency, reduce water consumption and increase water recovery rate. The annual water consumption in the factory is 0.09 million liters. Also, the water recycling rate in 2023 is 10.8 million liters, and the water density is 0.1771 million liters.

Statistics of water resources in the past three years			
Yearly	2021	2022	2023
Water withdrawal (million liter)	84.64	92.44	71.96
Recycled water consumption in the plant (million liter)	0	0	0.09
Water Recycling ate(%)	0	0	10.8
Annual output of products (metric ton)	279.07	285.44	406.37
Water density	0.3033	0.3239	0.1771

#### Notes:

1. Water recycling rate = in-plant recycled water consumption / (water intake + in-plant recycled water consumption) \* 100%.
2. Water intensity is calculated as water withdrawal (million liter) / organization-specific measure



## Wastewater discharge

Syn-Tech has a wastewater treatment system. Domestic sewage and process wastewater in the factory are treated in a diversion manner through appropriate sewage treatment facilities. They are treated until they meet the discharge water quality requirements of the local competent authority and then discharged. They meet the discharge water quality standards and have no impact on the discharged water body. The significant impact does not involve the conservation of animal habitats or the risk of habitat destruction. Key nodes and discharge outlets in the wastewater treatment process are equipped with continuous water quantity monitoring facilities to monitor and record changes in water quality and quantity. The in-plant water quality laboratory performs self-tests every week, and cooperates with regular outsourced water quality inspections every six months to establish relevant water quality analysis trends.

Statistics of waste water discharge from various operating sites in the past three years			
Operational bases	2021	2022	2023
Xinying District, Tainan City	60,819	62,116	69,850

Wastewater discharge standards and monitoring values in the past three years						
Test items	2021		2022		2023	
	Emission Standards (ppm)	Annual average monitored value (ppm)	Emission Standards (ppm)	Annual average monitored value (ppm)	Emission Standards (ppm)	Annual average monitored value (ppm)
Chemical Oxygen Demand (COD)	100	33.6	100	41.4	100	33
Biochemical Oxygen Demand (BOD)	30	4.3	30	4.5	30	1.75
Suspended Solids (SS)	30	4.2	30	3.6	30	5.05





## 4.4 Energy Management

Syn-Tech's energy consumption composed of purchased electricity, natural gas ,gasoline and a small amount of diesel. In order to reduce the environmental impact of the greenhouse effect, energy saving measure is imported. Energy-saving equipment is given priority during the equipment procurement and construction stage, improvement of equipment efficiency and production processes are considered. According to inventory statistics, the total energy consumption in 2023 was 58,149.86 GJ, with purchased electricity accounting for 49.08%, gasoline 0.01%, diesel 0.11%, and natural gas 50.79%.

Statistics of energy consumption used in the past three years				
Item	Unit	2021	2022	2023
Electricity usage	kWh	5,767,812.00	5,871,145.68	7,927,235.60
	GJ	20,764.12	21,136.12	28,538.05
Gasoline usage	L/year	126.40	184.20	265.11
	GJ	4.12	6.01	8.66
Diesel usage	L	15,537.00	3,670.25	1,890.00
	GJ	546.06	128.99	66.47
Natural gas usage	m <sup>3</sup>	557,418.00	559,712.28	881,839.274
	GJ	18,657.90	18,734.69	29,536.68
Annual output of products	Metric ton	279.07	285.44	406.374
Total energy consumption	GJ	39,972.20	40,005.81	58,149.86
Energy intensity	GJ/Output (Metric Tons).	143.23	140.15	143.09

Notes:

1.Statistics in this table are as of December 31, 2023。 2.The calorific value of electricity is converted to 1kWh = 0.0036GJ。 3.The source of the conversion factor is calculated based on the EPD's gas emission factor management table version 6.0.4, which is 7,800 kcal/L for gasoline; diesel 8,400 kcal/L; natural gas 8,000 kcal/m<sup>3</sup>; 1 kcal=4.1868 KJ。



## Energy Saving and Carbon Reduction Action

In line with our company's sustainable business philosophy and in response to the government's energy conservation and carbon reduction measures, Syn-Tech gradually improves the efficiency of key equipment use, reduces energy consumption, and implements energy conservation and carbon reduction actions at all levels of the working environment. Starting from life, strengthen colleagues' concepts and habits of energy conservation and carbon reduction, and promote the promotion and implementation of energy conservation and carbon reduction measures in all units to reduce greenhouse gas emissions and contribute to the environment and the sustainable development of enterprises.

Promote specific measures for energy conservation and carbon reduction	
1	Cooling tower fans of wastewater treatment and cooling water transfer pumps are equipped with an automatic temperature control system to reduce the operating time of the facility and achieve power saving efficiency.
2	The air conditioning temperature in the office area is controlled at 26-28 degrees Celsius to reduce the burden of environmental.
3	During the lunch break, the lights in the office are turned off to reduce energy use.
4	High-power energy-saving lamps are used to save electricity for lighting.
5	Climbing stairs instead of taking the elevator is encouraged, which is good for physical and mental health and reduces energy waste.
6	Paper cups are not provided at the meeting to reduce waste generation.
7	Photocopied paper is reused on both sides to reduce paper consumption and waste of resources.

Measure	Practice
Wastewater treatment and cooling facilities are equipped with automatic temperature control systems	Since 2022, the wastewater treatment and cooling facility has introduced an automatic temperature control system, which can reduce the operation of the water tower fan motor for cooling by about 4 hours per day on average, and reduce the total electricity consumption by 19,060.3 kWh in 2023. Calculation: $(17.5\text{hp} \times 746\text{W}) \times 4 \text{ hours} \times 365 \text{ days} / 1000 = 19,060.3 \text{ kWh (degree)}$ .
Install solar panels Electrical equipment	1. Since 2017, solar panels have been installed to reduce carbon emissions.
Adopt green procurement and replacement of energy equipment	In 2023, Syn-Tech will invest a total of TWD 953,615, including 3 Class 1 energy efficiency water dispensers and 7 Class 1 energy efficiency inverter air conditioners, all of which have energy-saving label certificates. In terms of energy management, compared with the fixed frequency equipment of the same capacity in the same year, the specific benefits of the newly purchased air-conditioners can save about 4,173 kWh of electricity consumption per year, effectively reducing the electricity cost of enterprises, reducing our company's energy consumption and greenhouse gas emissions.



## 4.5 Waste management

### Material Usage

Syn-Tech provides professional R&D, manufacturing and sales services for APIs. The APIs are packaged and supplied to pharmaceutical factories for processing intended dosage forms. The main bulk packaging materials are paper barrels, cartons, antistatic PE bags, HDPE plastic barrels, etc. The standard packaging material designed to decrease the loading space for transportation, increase transportation volume to reduce energy consumption. Currently, there are no recycled materials used, but new products and packaging materials.

Packaging materials used in the past three years			
Renewable raw materials			
Item	2021	2022	2023
Paper buckets	40,000	49,480	52,832
Carton	1,653	360	2,860
PE bag	9,560	10,400	25,337
PE barrels	2,880	636	3,894
Plug (iron)	54	60	66
Non-renewable raw materials			
safety belt	14.94	13.17	95
Plug (plastic)	10.95	11.64	31
Label	83.57	91.37	151
Remarks:			
1. Material types include: natural resources, such as ore, iron, wood; plastic pellet; lubricating oils, elements or parts in machines; packaging materials. 2. Non-renewable refers to resources that cannot be replenished in a short period of time, such as: metals, minerals, oil; Renewable means that it will grow again after harvesting.			



## Waste disposal

Syn-Tech's general industrial waste is approximately 74% in 2023, including sludge produced by the wastewater treatment system, non-hazardous waste organic solvents produced by the production process, wastewater, residual of distillation, waste air, buckets and domestic waste generated by employees' daily activities. Hazardous industrial waste is approximately 26%, process waste liquid is mainly. Waste is mostly treated by incineration or thermal treatment, combined with direct burial or different treatment methods such as reuse, biological, physical, chemical, washing, etc., all of which are entrusted to qualified removal and treatment agencies licensed by the Environmental Protection Agency according to clean up. There were no leaks in 2023 during the reporting period.

Waste statistics			
Waste Group Formation	Harmful/non-harmful	Off-site (off-site processing).	
project		Waste generation (ton)	Processing
C-0301 Waste Fluid	Harmful	184.390	Recycling: Reuse for the general case
C-0301/C-0399Waste liquid	Harmful	374.620	Incineration (excluding energy recovery): incineration treatment and heat treatment
C-0301/C-0201/C-0202Waste liquid	Harmful	277.780	Other disposal operations: chemical treatment, physical treatment
B-0399 Waste Barrel	Harmful	2.590	Other disposal operations: for washing treatment
Class R waste paper, waste plastic, scrap metal	Non-harmful	41.160	Recycling
D-1504 Waste Fluid	Non-harmful	308.170	Incineration (excluding energy recovery)
D-1801/D-0701/D-0299 Garbage/plastic/wood	Non-harmful	92.830	Incineration (excluding energy recovery)
D-2409 Waste Drug	Non-harmful	14.880	Incineration (excluding energy recovery)
D-0901 sludge	Non-harmful	718.700	Incineration (excluding energy recovery): heat treatment
D-0901 sludge	Non-harmful	174.810	bury
D-2403 disposes activated carbon	Non-harmful	44.980	bury
D-0901 sludge	Non-harmful	138.960	Other disposal operations: biological treatment
D-2399: Empty bucket	Non-harmful	32.950	Other disposal operations: for washing treatment
D-1506 wastewater	Non-harmful	815.300	Other disposal operations: outsourced treatment of wastewater



Syn-Tech's waste disposal control operation	
General Waste	It is mainly sent to a private treatment institution for processing, or handled in accordance with the relevant regulations on resource recovery and reuse by the waste disposal method.
Hazardous industrial waste	The transportation will be handled by qualified Grade A private waste treatment institutions or handled in accordance with the relevant regulations on reuse, and continue to promote source management, reduce solvent usage or increase the recovery rate of mother liquor through process improvement, so as to reduce the output of process waste liquid.



## **Inclusive Society Commitment**

### **5.1 Employee Overview and Relations**

### **5.2 Salary and Welfare Measures**

### **5.3 Talent Development and Training**

### **5.4 Healthy and safety workplace**

### **5.5 Social care practice**



## Management policy

## Major Theme: Labor-Employer Relationship (Employee Recruitment, Training and Retain).

GRI indicator correspondence	GRI 401 Labor-Employer Relationship
Significance to Syn-Tech	Establishing a positive labor-employer relationship can create a stable work environment. When employees feel respected, treated fairly, and involved in decision-making, they are more-loyalty to company, reducing the loss of human resources. Good labor-employer relationship also can increase employee satisfaction and loyalty to their jobs, which can lead to increased productivity and efficiency.
Effect and Impact	<p><b>Economic Aspect - Practical/Positive Impact:</b> With the goal of improving company's operating performance and competitiveness, attaching importance to harmonious relationships to employees, providing employees with diversified and good benefits. Through employee training can improve the skill and knowledge level of employees, continuously cultivate and develop employees' creativity and problem-solving ability, can promote innovation and improvement of company. Effective employee training can help organization improve internal expectations and retain, as well as increase employee satisfaction and loyalty. Good labor relations can establish a stable working environment, reduce labor-management dispute, and promote cooperation and team spirit.</p> <p><b>Economic Aspect - Potential/Negative Impact:</b> Recruiting, training and developing employees can be a significant capital investment. If these inputs are not properly rewarded, it will have a negative impact on our company's finance. If the recruitment process is not properly, it may lead to the unsuitable candidates join in company, which will have a negative impact on company's business operation.</p> <p><b>Human Right Aspect - Practical/Positive Impact:</b> An effective recruitment and training program ensures that company provide equal employment opportunities, regardless of gender, race, age, or other identity characteristics.</p> <p><b>Human Right Aspect - Potential/Negative Impact:</b> Improper management and excessive work stress can lead to physical and mental health problems.</p>
Policy/Strategy	<p><b>Compensation and Benefit Policy:</b> We ensure fair wages aligned with job responsibilities and market standards, offering benefits such as holiday gifts, subsidies, insurance, and wellness activities to enhance employee satisfaction and well-being.</p> <ul style="list-style-type: none"> <li>● <b>Respect and Fairness:</b> We enforce policies that ensure fair treatment and respect for all employees, with anti-discrimination measures and complaint mechanisms.</li> </ul>
Objectives	<p><b>Short-term:</b> Attract potential candidates through clear job positioning, diverse recruitment channels and cooperate with educational institutions.</p> <p><b>Medium-term:</b> Implement training programs to enhance employee skill and progress.</p> <p><b>Long-term:</b> Build an attractive corporate image through offering good compensation and benefits.</p>
Manage the evaluation mechanism	<p>To evaluate the effectiveness of recruitment, focus on the recruitment period, cost, channel and candidate quality. This will involve statistical analysis, case studies, and interviews to measure the performance of recruitment strategies.</p> <p>Recruitment Policy:</p> <ol style="list-style-type: none"> <li>1. Develop a structured and transparent recruitment process, covering job descriptions, recruitment channels, and information acquisition way.</li> <li>2. Ensure fairness and inclusivity in the recruitment process, eliminating any bias or discrimination.</li> </ol>





	<p>3. Build a skilled recruitment team with the expertise to select candidates who align with our company's needs and culture.</p> <p>Personnel Management:</p> <p>Employee Education and Training: We provide career development opportunities and training programs to enhance employees' professional skills.</p> <p>Fair Remuneration and Benefits: We ensure equitable compensation and benefit that correspond to employee contributions.</p> <p>Satisfaction and Culture: We prioritize employee satisfaction by create a positive work culture and healthy working environment.</p> <p>We will also hold monthly meetings to gauge employee satisfaction in areas such as corporate culture, work environment, benefits, career development, and management support. These sessions provide valuable feedback to evaluate the management performance.</p>
<b>Performance &amp; Adjustment</b>	<p>According to the statistics of 104 Manpower Bank, the turnover rate of traditional industries increased from 14.7% in 2021 to 23.0% in 2022, showing a clear growth trend in the turnover rate. However, our company's turnover rate showed an opposite trend, decreasing from 11.52% in 2021 to 10.68% in 2022 and then to 9.42% in 2023. This shows that our turnover rate has not only continued to decline, but is also significantly lower than the average turnover level in other traditional industries.</p>
<b>Prevention or Remedial Measures</b>	<p>Precautions:</p> <p>Interview and assessment: Use effective interview and assessment tools, such as behavioral interviews, aptitude tests to assess the candidate's abilities, adaptability t, and potential.</p> <p>Reference Checks: Rigorous reference checks are conducted to ensure that the candidate's credential and reputation.</p> <p>Employee Training Programs: Provide opportunities for employee growth, such as training, education and internal promotion system, to enhance employees' career prospect and enthusiasm.</p> <p>Create a positive work environment: Provide a good working conditions, reasonable workload, and work-life balance.</p> <p>Remedy:</p> <p>Employee Care and Support: Ensure that management maintains good communication with employees, pays attention to employees' problems and needs, and provides necessary support and assistance.</p> <p>Compensation and Benefit: Regularly review and adjust compensation and benefit to remain competitive and meet employee's expectations and needs.</p>



Major Theme: Employee Diversity & Equal Opportunity	
GRI indicator correspondence	GRI 405 Employee Diversity & Equal Opportunity
Significance to Syn-Tech	Diverse teams bring different perspectives, experiences and expertise, promote creativity and innovation. Employees with different backgrounds and perspectives are able to offer different ways of thinking, resulting in new ideas and problem-solving approaches that drive our company forward and maintain a competitive in the market.
Effect vs. impact	<p><b>Economic Aspect-Practical/Positive Impact:</b> In addition to attracting talents from different backgrounds, cultures and skills to join our company, expanding our company's talent pool and knowledge reserve, and improving the diversity and professional quality of the team Promoting diversity and equal opportunities can not only attract talents from different backgrounds but also enhance our company's brand value and competitiveness.</p> <p><b>Economic Aspect - Potential/Negative Impact:</b> In order to achieve diversity and equal opportunities, companies may need to invest more resources in recruitment and training, including job advertisements, interviews, training courses, etc. If a company fails to comply with relevant laws and regulations in the process of achieving diversity and equal opportunity, it may face legal risks and legal action, which can affect our company's reputation.</p> <p><b>Human Right Aspect - Practical/Positive Impact:</b> Actively implement diversity and equal opportunity policies can help protect employees' rights, such as safety, health, wages and benefits, etc., so as to protect the basic human rights of employees, and improve work efficiency.</p> <p><b>Human Right Aspect - Potential/Negative Impact:</b> Company's promotion of diversity and equal opportunities may lead to opposition and resistance from some employees, especially those who are uneasy about change or feel that their rights and interests are being compromised, which can lead to internal conflict and antagonism.</p>
Policy/Strategy	<p><b>Equal Employment Opportunity Principle:</b> To implement equal employment opportunity, our company does not discriminate anyone on the basis of race, gender, age, religion, disability or other characteristics.</p> <p><b>Training and development:</b> Ensure that training and development opportunities are provided to all employees to enhance their professional skill.</p> <p><b>Provide an equal working environment:</b> Ensure that the working environment is free and open, and there is no discrimination or harassment.</p> <ul style="list-style-type: none"> <li>● <b>Equal pay and benefits:</b> Ensure that employees are treated equally in terms of compensation and benefits. Ensure that employees of different genders, ethnicities, or other characteristics are paid fairly for the same work and position.</li> </ul>



<b>Objectives</b>	<p><b>Short-term goals:</b> Implement diverse team projects: Encourage and facilitate collaboration among employees of different backgrounds and abilities on projects. Promote diversity and collaboration in the team and increase mutual learning and understanding. Review the remuneration mechanism: Review the remuneration to ensure the implementation of the principle of fairness and equality, and ensure that all employees have equal treatment.</p> <p><b>Medium-term goals:</b> Equal Opportunities for Promotion: Ensure that all employees have a fair opportunity for promotion without discrimination or prejudice. Diversity and Inclusion: Build a diverse and inclusive work culture that encourages employees to be who they are in the workplace and provides equal opportunities for development.</p> <p><b>Long-term goals:</b> Interaction with employees: Establish positive communication and feedback mechanisms that enable employees to express their opinions, provide advice, and participate in important decisions.</p> <ul style="list-style-type: none"><li>● Build a diverse team: Ensure that the team composition is diverse and that leverages the value of different backgrounds and perspectives.</li></ul>
<b>Assessment mechanism</b>	<p><b>Promotion:</b> Evaluates a company's equality promotion opportunities. Analyze the employees with different demographics in the promotion process to judge if there is potential bias or inequality.</p> <p><b>Complaint Mechanism and Investigation Procedures:</b> Our company has developed a "Personal Rights Protection Practice " to enable employees to anonymously report any misconduct or discrimination in respect of diversity and equal opportunity. Our company will conduct appropriate investigation procedures and take appropriate actions based on the results of the investigation.</p> <p><b>Policy Development and Revision:</b> Our company has policies that clearly state its commitment to equal opportunities for employees and prohibit discrimination and unfair treatment. This includes policies on recruitment, promotion, training, compensation, work assignment, etc.</p> <p><b>Provide training and education:</b> Our company provides training and education to enhance employees' awareness of equal opportunities and promote their understanding of diversity values. This can include training on gender equality, racial equality, accessibility, cultural sensitivity, and more.</p> <ul style="list-style-type: none"><li>● <b>Foster an inclusive work environment:</b> Create an inclusive work environment that encourages employee participation and contributions from different backgrounds and perspectives. This can be achieved by promoting cultural exchanges, hosting multicultural events, building diverse teams, and working across sectors.</li></ul>
<b>Performance &amp; Adjustment</b>	<p>In 2023, a total of 11 employees in our company have been promoted, of which 5 are women, accounting for 45% of the total number of promotions. This shows that SYN-TECH has made significant progress of gender equality. Our company provides promotion opportunities based on the performance of employees, and considers the manpower requirements of each department, and committed to create a open and transparent promotion environment to ensure that every employee can receive development and promotion opportunities fairly.</p>



<p><b>Prevention or Remedial Measures</b></p>	<p><b>Establish fair recruitment and promotion procedures:</b> Ensure fairness in the recruitment and promotion process and avoid discrimination and bias.</p> <p><b>Establish an internal complaint mechanism:</b> Our company has enacted the "Personal Rights Protection Workplace Violence Practice " to establish an effective internal complaint mechanism so that employees can relieved report misconduct or unequal work situations. Ensure the confidentiality and impartiality of the complaint process and take appropriate action to deal with complaints.</p> <p><b>Listen and Acknowledge:</b> Valuing employee responses and listening to their opinions and concerns. Confirm the existence of inequalities they raise, and conduct surveys and gather relevant information.</p> <ul style="list-style-type: none"> <li>● <b>Raise awareness among supervisors and employees:</b> Provide training and resources to increase awareness and sensitivity of supervisors and employees to equal opportunities. For example anti-discrimination training and diversity leadership training.</li> </ul>
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Major Theme: Training & Education	
GRI indicator correspondence	GRI 404 Training and Education
Significance to Syn-Tech	Employees are the most important asset of our company, and training all kinds of talents can not only enhance personal professional knowledge and strengthen skills, but also enhance our company's competitiveness and achieve sustainable development goals.
Policy/Strategy	<p>Training in quality concepts, environmental protection, safety and health hazard risk awareness and understanding.</p> <p>Training operational skills and gain new knowledge and strengthen technical skills.</p> <p>Training all kinds of talents and enhance expertise, improve our company's international competitiveness.</p>
Effect and Impact	<p><b>Economic Aspect - Practical/Positive Impact:</b> The professional skills and knowledge of employees can reduce the error rate, increase productivity, reduce costs, create economic value and protect the rights and interests of shareholders, thereby improving our company's profit.</p> <p><b>Economic Aspect - Potential/Negative Impact:</b> If the professional skills and knowledge of employees are insufficient, the wrong operation will affect their own safety make equipment damage and reduce the production volume, increase the cost and reduce our company's profit.</p> <p><b>Human Right Aspect - Practical/Positive Impact:</b> Our company formulates education and training program related to its functions to employees in their professional skills and knowledge, enhance their professional capabilities to facilitate the execution of operations, and also create our company's competitiveness and enhance operational value.</p> <p><b>Human Right Aspect - Potential/Negative Impact:</b> If our company does not actively cultivate the professional ability and knowledge of employees, it will not only low professional skills of the staff, but also affect our company's competitiveness in the industry, which is not conducive to the development of our company's operations.</p>



<b>Objectives</b>	<p><b>Short-term goals:</b></p> <ul style="list-style-type: none"><li>● Construct and implement annual education and training plans, and the training achievement rate of the project is more than 70%.</li><li>● Nurturing staff job functions and establishing a Subject Matter Expert system; Abbreviated as SME)</li></ul> <p><b>Medium-term goals:</b></p> <ul style="list-style-type: none"><li>● Construct and implement annual education and training plans, and the training achievement rate of the project is more than 80%.</li><li>● Strengthen technical talents and cultivate key knowledge and skills experts (SME) in the synthesis department, quality assurance department, quality control department and sales department to improve the quality, efficiency and effectiveness of work.</li></ul> <p><b>Long-term goals:</b></p> <ul style="list-style-type: none"><li>● Construct and implement annual education and training plans, and the training achievement rate of the project is more than 90%.</li><li>● Provide relevant professional knowledge training opportunities for various departments, and obtain professional technical certificates.</li><li>● Our company has continuously strengthened technical talents, cultivated key knowledge and skill experts (SME) in the R&amp;D department, general affairs department, and financial management department, implemented the quality management of pharmaceutical industry, built and improve the pharmaceutical quality system PQS, achieved quality assurance, safety first, and carried out environmental safety and health as a high-quality enterprise with ESG sustainable operation and development.</li></ul>
<b>Assessment mechanism</b>	<ul style="list-style-type: none"><li>● The financial management department will count the monthly implementation according to the annual education and training plan and provide the status of goal achievement.</li><li>● The SME evaluation method is once a year, and the report is made in the middle of the year, and the department heads fill in the feedback form after the appropriateness assessment as the basis for future reinforcement, and appropriate rewards will be given after passing in the future.</li></ul>
<b>Performance &amp; Adjustment</b>	<p>In 2023, a total of 11,046 people received professional training with 14,308 training hours. A total of 3,654 people were trained in environmental safety and health with 5,791 training hours.</p> <p>Our company's annual education and training implementation is divided into internal training and external training, the implementation rate of internal training is 98%, and the achievement rate of external training is 78%.</p> <p>A Subject Matter Expert system has been established, abbreviated as SME.</p> <ul style="list-style-type: none"><li>● The financial management department provides the implementation of education, training and performance evaluation every six months. and The heads of each department conduct performance evaluation and review the implementation status, the unfinished part is continuously carried out and appropriately adjusted.</li></ul>
<b>Prevention or Remedial Measures</b>	<p>Short-term goals have been met. However, for the unfinished part of the annual education and training plan, we will continue to carry out personnel training.</p>

**Major Theme: Occupational Health and Safety**

GRI indicator correspondence	GRI 403 Occupational Health and Safety
<b>Significance to Syn-Tech</b>	<p>APIs is a high-tech industry, and all processes from product development to production are strictly managed and controlled. In order to practice the concept of safety and health, we have established a comprehensive management system. We continuously strive to improve our processes and reduce impact on the environment, and health and safety to meet our commitment.</p>
<b>Effect vs. impact</b>	<p><b>Environmental Aspects - Actual/Positive Impacts:</b> The implementation of occupational safety and health measures can reduce the negative impact of industrial production on the environment. For example, reducing industrial accidents and chemical spills can reduce pollution of soil, water and air, and protect the health of the ecological environment. In addition, the adoption of environmentally friendly technologies and manufacturing processes can also reduce the consumption of natural resources in industrial production, contributing to sustainable development.</p> <p><b>Environmental Aspects - Potential/Negative Impacts:</b> If our company does not comply with health-related laws and regulations and comply with environmental norms, it will lack planning and management in the process of operation, which will easily lead to chemical leakage, indirectly cause damage to the ecology and environment, and face government audit penalties.</p> <p><b>Economic - Practical/Positive Impact:</b> Good occupational health and safety practices contribute to increased productivity and efficiency. Reducing accidents and occupational disease patients at work can reduce production line downtime and reduce production interruptions, resulting in cost savings. In addition, a safe and healthy work environment can help increase employee job satisfaction and loyalty, which in turn improves productivity and product quality.</p> <p><b>Economic Aspect - Potential/Negative Impact:</b> In the event of a serious accident, it can lead to temporary production interruptions, failure to deliver goods on time, loss of customers, government fine or lawsuit from complainants, resulting in significant costs. Seriously damage our company's reputation and brand image, and also affect the trust of customers and investors. A major safety incident may force a company to temporarily shut down will affect our company's operating.</p> <p><b>Human Rights Aspect - Practical/Positive Impact:</b> Occupational safety and health measures are one of the important means to protect the rights and interests of workers. Ensuring the safety and health of workers at work is a manifestation of respecting and guaranteeing their fundamental human rights. Good occupational health and safety measures can protect employees from occupational diseases and work-related injuries, ensuring that their lives and health are fully respected and protected.</p> <p><b>Human Rights Aspects - Potential/Negative Impacts:</b> If our company does not comply with the occupational safety laws and regulations, and does not carry out occupational safety education and training to protect the health and safety of employees. That may cause occupational accidents to damage human rights and face penalties under occupational safety laws, which not only makes our company bear the medical expenses of personnel but also cause insufficient personnel and production line shutdown. Damages our company's image and affects the impression of the public</p>
<b>Policy/Strategy</b>	<ul style="list-style-type: none"> <li>● Comply with the government's environmental safety and health laws and regulations, maintain environmental quality, and achieve the goal of zero disasters.</li> <li>● Implement green design, strive for process safety in the R&amp;D process, avoid the use of hazardous raw materials, and if it cannot be avoided, select less hazardous raw materials, and continue to improve the process to reduce the amount of waste water and waste.</li> <li>● energy conservation and resource utilization; Waste materials should be reduced, recycled or reused, waste water and waste gas should be properly disposed of in the production process, and pollution prevention should be done.</li> </ul>





	<ul style="list-style-type: none"><li>● pledge to prevent injuries and diseases; Assess and identify potential hazards in the workplace, and do a good job in safety and health risk control and management.</li><li>● Strengthen the awareness of environmental safety and health of all employees, and implement the implementation of environmental safety and health policies.</li></ul>
<b>Objectives</b>	<p>In accordance with our "Health and Safety Policy", we are committed to providing and maintaining a good workplace and environment that complies with health and safety regulations. We constantly strive to improve and do our best to reduce hazards that can lead to fire, loss of safety, property damage, and injury to persons. We continue to promote the latest versions of our ISO 14001 and ISO 45001 management systems to achieve our goals in terms of health and safety management.</p> <p><b>Aim for zero accidents and zero pollution.</b></p> <p><b>Occupational Accident Statistics:</b> In FY2023, the disaster index of occupational disasters for employees will be reduced to "zero".</p> <p><b>Contractor occupational accidents:</b> Contractor accidents will maintain a record of "zero" accidents in 2023.</p> <p><b>Short-term goals</b></p> <p>Implement occupational safety and health education and training to improve employees' safety awareness and safety operation skills. Strengthen safety inspections and potential risk inspections to eliminate workplace risks timely.</p> <p>Establish a sound occupational accident reporting and investigation mechanism, analyze the causes of accidents, and formulate effective preventive measures.</p> <p><b>Medium-term goals</b></p> <p>Implement ISO 45001 occupational safety and health management system certification and continuously improve safety management. Strengthen the safety and management of contractors.</p> <p>Carry out occupational health check, regularly check the physical condition of employees, and detect and prevent occupational diseases in a timely manner.</p> <p><b>Long-term goals</b></p> <p>Achieve the safety and health goals of zero accidents and pollution, and establish our company's safety culture.</p> <p>Continuously optimize the safety management process and use new technologies to improve the level of safety management.</p>
<b>Assessment mechanism</b>	Continuously carry out the verification and re-evaluation of the ISO 45001 occupational safety and health management system, and conduct internal audits twice a year in accordance with our company's internal audit procedures.
<b>Performance &amp; Adjustment</b>	In FY2023, due to the occurrence of 1 accidental disabling accident and 3 false alarm accidents, the safety and health performance indicators were not met, and they were improved through corrective and preventive measures.
<b>Prevention or Remedial Measures</b>	Establish an occupational safety and health management plan, continuously improve through the following measures to do the best to reduce foreseeable hazards that may lead to fire, safety loss, property damage, and personal injury, and ensure workplace safety through corrective and preventive action procedures for adjustment and prevention: 1. Identify, assess, and manage hazards in the work environment or operations. 2. Manage machinery, plant or appliances and implement preventive measures. 3. Marking and general knowledge of dangerous and harmful substances. 4. Plan and implement sampling strategies, measurement and monitoring of hazardous working environments.





## 5.1 Employee Overview and Relations

### Human Resources Distribution

Syn-Tech actively creates a happy workplace and provides a comprehensive work environment and development opportunities. In 2023, the total number of employees is 223, including 201 full-time employees and 22 temporary employees. All employees are full-time, with no dispatched personnel or external delegates. Additionally, there are four non-employee security personnel responsible for factory safety and personnel entry and exit control. Their work does not involve high-risk tasks.

**Overview of the number of employees in Syn-Tech in 2023**

Region/Type		female	male	total
Taiwan	Number of employees	79	144	223
	Number of full-time employees	79	122	201
	Number of temporary employees	0	22	22
	Number of full-time employees	79	144	223

**Remark:**

1. The number of people in this table is as of December 31, 2023.
2. Domestic refers to Taiwan, while Overseas refers to areas outside Taiwan (e.g., the United States, Vietnam, etc.).
3. Employee: An individual who has an employment relationship with the organization in accordance with the laws of the country or relevant applicable requirements (employees with labor insurance in Taiwan).
4. Full-time position: An individual who has signed an indefinite-term contract.
5. Temporary: Individuals who have signed a fixed-term contract.
6. Full-time: Individuals whose working hours, as defined under the Labor Standards Act, do not exceed 8 hours per day and 40 hours per week in Taiwan.
7. Calculations in this table are based on the person/full-time equivalence method.

**Company Non-Employee Worker Information**

Worker type	Contractual relationship with our company	Total number of workers
Security guards	Forwarders	4



To strengthen harmonious relationships with the local community and maximize job stability for employees, most of them are Taiwanese residents. Our company's senior management, at the associate manager level or above, consists of 8 individuals, with 75% (6 people) based in Tainan City, 12.5% (1 person) in Kaohsiung City, and 12.5% (1 person) in Changhua County. The management team consists of local professionals who possess relevant knowledge and experience, demonstrating our commitment to valuing local talent. We believe localized management can better understand and address local market needs while fostering closer connections with the community.

Due to the characteristics of the industry and the demands of the operating environment, the proportion of men in on-site production units is high. By gender, there are 144 men, accounting for 65%, and 79 women, accounting for 35%. The age distribution is dominated by those aged 30 to 50, with 157 people, representing 70% of the total workforce. By job classification, management positions make up 22%, while non-management positions account for 78%.

We regularly review workforce composition to maintain the competitiveness of industrial expertise. Employee academic qualifications are primarily concentrated in bachelor's and master's degrees, accounting for 77% of all employees.

Distribution of employee positions in the past three years					
annual			2021	2022	2023
Project/Gender		age	Number	Number	Number
Supervisors	male	Under 30 years of age	0	1	0
		30-50 years old	12	16	22
		51 years of age or older	8	7	9
	female	Under 30 years of age	0	0	0
		30-50 years old	7	11	8
		51 years of age or older	4	8	10
Total number of supervisors			31	43	49
Non-master manager	man	Under 30 years of age	31	23	27
		30-50 years old	48	78	79
		51 years of age or older	6	9	7
	female	Under 30 years of age	9	3	4
		30-50 years old	32	41	48
		51 years of age or older	8	9	9
Total for non-primary management			134	163	174
Total number of full-time employees			165	206	223

## Notes:

1. This table is statistical as of December 31, 2023.
2. Our company defines the deputy team leader and above as the person in charge
3. The statistical area is the number of senior executives of our company in Taiwan.



**5.3 Talent recruitment and flow**——As of the end of 2023, Syn-Tech Company added 38 new employees, accounting for 17.04% of the total workforce. Meanwhile, the total number of resigned employees was 21, representing 9.42% of all employees. Among these 21 resigned employees, 5 were retired employees, accounting for 2.24% of all employees.

Regarding voluntary resignations, there were 0 senior managers, 1 mid-level manager, 4 professionals, and 11 other employees. Our company has no cases of involuntary resignation, with the main reasons for resignation being natural retirement or personal choice.

Syn-Tech places great importance on employee care and is committed to providing an excellent working environment where employees can work and develop with peace of mind. Our goal is to ensure that every employee feels supported and valued within the company and has long-term and stable career development opportunities.

The total number and proportion of new employees in the past three years												
annual	2021				2022				2023			
gender	man		female		man		female		man		female	
Age/Item	Number	Newcomer rate (%)	Number	Newcomer rate (%)	Number	Newcomer rate (%)	Number	Newcomer rate (%)	Number	Newcomer rate (%)	Number	Newcomer rate (%)
Under 30 years of age	5	3.03	0	0	14	6.80	1	0.49	10	4.48	4	1.79
30-50 years old	2	1.21	0	0	27	13.11	12	5.83	14	6.28	8	3.59
51 years of age or older	0	0	0	0	5	2.43	4	1.94	2	0.90	0	0
Total number of new entrants	7				63				38			
Total number of employees	165				206				223			
Total New Entrant Rate (%)	4.24				30.58				17.04			

Notes:

- 1.The number of new employees does not account for those who left during the year.
- 2.The rate of new male (female) employees in this age group = the number of new male (female) employees in this age group during the current year / the total number of employees as of the end of the current year.
- 3.Total new employee employment rate = the number of new employees in the current year / the total number of employees as of the end of the year.



## The total number and proportion of employees who have left our company in the past three years

annual	2021				2022				2023			
gender	man		female		man		female		man		female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
Under 30 years of age	9	5.45	1	0.61	9	4.37	2	0.97	4	1.79	2	0.90
30-50 years old	8	4.85	0	0	6	2.91	3	1.46	9	4.04	2	0.90
51 years of age or older	1	0.61	0	0	2	0.97	0	0	3	1.35	1	0.45
Total number of separations	19				22				21			
Total number of employees	165				206				223			
Total Turnover Rate (%)	11.52				10.68				9.42			

## Notes:

1. The number of people in this table is as of December 31, 2023.
2. Categories of employees leaving our company are defined as resignation, dismissal, retirement, and voluntary retirement.
3. Turnover rate of male (female) employees in this age group = the number of male (female) employees in this age group who left our company in the current year / the total number of operating offices at the end of the current year.
4. Total employee employment rate = number of employees who left our company in the current year / total number of employees operating at the end of the year.



### Diverse workplace inclusion

Syn-Tech is committed to creating an equal and inclusive working environment that fully respects and values employees with diverse gender identities. We provide training and education to enhance understanding and respect for gender issues, establish an anti-gender harassment mechanism, strengthen labor-employer relations, and promote labor-management coordination.

Our company has established "Labor Human Rights and Labor Conditions Standard Management Procedures" to explicitly prohibit child labor, forced labor, and the use of physical, psychological, or verbal punishment. Measures are in place to protect employees' rights to equal employment, and we are committed to providing fair salaries and benefits to all employees. Salary standards are determined based on ability, experience, and job requirements while ensuring compliance with the Law on the Protection of the Rights and Interests of Persons with Disabilities.

The working environment is equipped with barrier-free facilities, and we actively hire employable individuals with disabilities, providing equal employment opportunities. We are dedicated to promoting employee development and well-being, contributing to the realization of a more just and inclusive society.

In 2023, our company employed 3 individuals from minority or disadvantaged groups, accounting for 1.35% of the total workforce. Female employees and female senior managers comprised 35.43% and 11.11%, respectively.

Employment status of employees of diverse ethnic groups in the past three years					
annual			2021	2022	2023
Project/Gender		age	Number	Number	Number
Minorities or vulnerable groups	man	Under 30 years of age	0	0	0
		30-50 years old	0	1	1
		51 years of age or older	1	1	1
	female	Under 30 years of age	1	0	0
		30-50 years old	0	1	1
		51 years of age or older	0	0	0
Note: Minority or vulnerable groups: groups with certain conditions or characteristics (e.g., economic, physiological, political, social) may experience greater severity of negative impacts as a result of their organizational activities than the general population.					

Employee ethnicity indicators		
category	Percentage of total employees (%)	Proportion of managerial positions (%)
Nationality of the Republic of China	91.03	98.0
Foreign nationality	8.97	2.0
Note: Our company defines the management rank as deputy team leader or above.		



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Women's Diversity Indicators			
index	2021 (%)	2022 (%)	2023 (%)
Women account for the total number of employees	36.4	34.9	35.43
Women make up all supervisors	31.6	41.7	36.73
Women make up the majority of supervisors	35.5	46.5	42.5
Women make up senior executives	14.3	12.5	11.11

Other diversification metrics		
category		Proportion of total employees (%)
People with disabilities		0.90
All employees	Age group: < 30 years old	13.90
	Age group: 30~50 years old	70.40
	Age group: > 50 years old	15.70



### Minimum Notice Period for Operational Changes

To protect employees' work rights, our company adheres to Articles 11, 16, and 38 of the Labor Standards Act. Under the following circumstances, the company may terminate employment relationships after providing prior notice to employees:

1. In the event of business closure or transfer of ownership.
2. During periods of financial loss or business contraction.
3. When work is suspended for more than one month due to force majeure.
4. When the nature of the business changes, necessitating a reduction in personnel, and no suitable alternative positions are available.
5. When an employee is unable to perform assigned duties despite not being at fault.

The company shall not terminate employment contracts during periods specified under Article 50 (work stoppage) or Article 59 (medical leave) of the Labor Standards Act unless natural disasters or other factors make continued operation impossible, and approval is obtained from the competent authorities.

When terminating employment following the above provisions, the notice period will follow these guidelines:

1. Employees with three months to less than one year of service will be given a 10-day notice.
2. Employees with one year to less than three years of service will be given a 20-day notice.
3. Employees with three or more years of service will be given a 30-day notice.

After receiving notice, employees may take leave during working hours to seek other employment. Leave hours may not exceed the equivalent of two working days per week, and wages will be paid during the leave period.

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### Special Leave Policy

Following the Labor Standards Act, the company provides employees with annual special leave as detailed below:

1. Employees are entitled to special leave based on their continuous years of service:
  - **Over six months but less than one year:** 3 days of special leave.
  - **One year but less than two years:** 7 days of special leave.
  - **Two years but less than three years:** 10 days of special leave.
  - **Three years but less than five years:** 14 days of special leave.
  - **Five years but less than ten years:** 15 days of special leave.
  - **Over ten years:** An additional 1 day per year, up to a maximum of 30 days total.
2. Service years are calculated from the date of hire to the day before the corresponding anniversary in the following year.
3. Employees may schedule their special leave. However, the company reserves the right to adjust leave schedules based on operational needs or upon mutual agreement with employees.
4. For unused special leave at the end of the year or upon contract termination, the company will compensate employees with wages. The company will also inform employees annually of their leave entitlement, the remaining unused leave, and the amount of compensation provided for unused leave days.





## 5.2 Salary and Welfare Measures

Our company's starting salary for both men and women complies with the minimum wage stipulated by the Labor Standards Act. However, salary adjustments are still based on factors such as seniority, work performance, and job responsibilities, resulting in differences in salary ratios by position.

In terms of management positions, the pay gap between men and women is significant because the number of male employees at the manager level and above far exceeds that of female employees. Specifically, among male employees in indirect personnel roles, there is 1 general manager, 1 assistant manager, and 3 managers in high-level positions, whereas female employees only occupy 1 manager position, which is comparatively lower in rank. As a result, the salary ratio of female employees is lower than that of male employees.

Salary ratio for each position	Number		Total Annual Salary (NT\$)		Salary ratio	
	woman	man	woman	man	woman	man
management	21	30	25,106,868	43,987,854	1	1.23
Non-managerial	58	114	41,729,069	76,950,191	1	0.94
Direct personnel	18	96	11,813,972	68,455,581	1	1.09
Indirect personnel	61	48	55,021,965	52,482,464	1	1.21

### Remarks:

1. Female-to-male salary ratio (annual salary ratio): The average annual salary of women in this category divided by the average annual salary of men in this category.
2. The definition of indirect personnel in our company generally refers to employees working in non-production departments, such as the general affairs department, sales department, and R&D department.



Our employees enjoy fair and equal opportunities, treatment, and respect in the workplace, free from any discrimination or unfair practices. Regardless of race, gender, age, sexual orientation, religion, disability, or other identity characteristics, everyone has the right to participate equally, grow, and be treated fairly in the work environment.

In compliance with the International Labor Organization's Convention on the Establishment of Minimum Wages, the average salary of male junior employees at our company is 2.13 times the local minimum wage. Following the principles of fairness and justice, we ensure that every employee receives equitable remuneration under the same working conditions. Gender is not a determining factor in salary decisions. Employees are compensated equally based on their work performance, contributions, and job requirements. As a result, the average salary of female junior employees at our company is 2.27 times the local minimum wage. Currently, our company does not employ junior staff of other genders.

Country	The ratio of the standard salary of male entry-level personnel to the local minimum wage	The ratio of the standard salary of female entry-level personnel to the local minimum wage
Taiwan	2.13	2.27

Country	The ratio of our company's highest-paid individual's annual total remuneration to the median annual total remuneration of employees (excluding the highest-paid individual).	The ratio of the increase in the annual total remuneration of the highest-paid individual of our company to the total annual remuneration of the employee (excluding the highest-paid individual).
Taiwan	6.25	1.02

Remarks:

1. The Chairman is not considered the highest-paid individual unless he also holds the position of General Manager or Chief Executive Officer.
2. The formula for calculating the annual median salary ratio is:  
Annual salary of the individual with the highest annual salary of the year / Annual salary of the individual with the median annual salary of the year.
3. The formula for calculating the annual salary increase rate is:  
Percentage increase in the annual salary of the individual with the highest annual salary of the year / Percentage increase in the annual salary of the individual with the median annual salary of the year.

### Employee Retirement System

Our company adheres to the pension system outlined in the "Labor Standards Act." Pension payments are calculated based on the years of service and the average salary during the six months before retirement. Additionally, the company allocates 3% of employees' monthly salaries to a retirement reserve, which is deposited into a dedicated pension account at the Bank of Taiwan. By the end of March each year, the company calculates the total amount of pensions payable for the current year and verifies that retirement reserves are fully allocated, ensuring the protection of retired employees' rights and benefits.

In compliance with relevant regulations, our company engages an actuary to evaluate and calculate labor retirement reserves and to provide an actuarial report. For employees covered under the pension system of the "Labor Pension Ordinance," the company allocates 6% of the employee's



monthly salary to their account with the Labor Insurance Bureau to determine pension benefits.

In addition to pensions, our company also offers employees retirement plans and benefits. We have established the "Employee Welfare Fund Subsidy Measures," under which employees approved for retirement who apply within one month before their retirement will be presented with a gold ring as a token of recognition and appreciation.

### Improve employee benefits

To foster a friendly workplace, care for employees' well-being, and promote the emotional and physical health of colleagues, Syn-Tech implements a variety of welfare measures to help employees maintain a healthy work-life balance. The company has established the "Employee Welfare Fund Subsidy Measures" under legal requirements and formed an Employee Welfare Committee. Representatives selected by all employees oversee the management and appropriate use of welfare funds.

All-employee welfare subsidies and group leisure activities are planned and promoted based on the resolutions of regular Welfare Committee meetings. Additional manpower and funding for various annual activity plans are provided as needed to encourage employees to engage in legitimate leisure activities, enjoy entertainment, relieve stress, and foster a harmonious and positive labor-management environment.

To express gratitude to long-serving employees for their dedication and contributions, Syn-Tech also provides seniority service rewards and a comprehensive retirement system. The company offers the following employee benefits:

1	Establish an employee welfare committee, allocate a full amount of welfare funds and monthly welfare funds, and handle various welfare measures for employees.
2	Our company's welfare subsidies include: marriage/birthday/three festival gifts, maternity/funeral/sickness hospitalization/further study/travel subsidies, retirement/senior consolation, etc.
3	Organize year-end lottery activities and hold domestic travel activities for employees from time to time, and actively participate in Standard Group's annual Standard activities to enhance the interaction and physical and mental health of employees.
4	In accordance with the law, various insurances are provided, including labor insurance, national health insurance, pension allocation, and additional group insurance and overseas travel safety insurance for business trips to protect the work and life safety of employees.
5	Employees are entitled to family care leave, paternity/examination leave, menstrual leave, breastfeeding time, childcare leave without pay, pregnancy rest and other related leave, so that employees can balance work and family at the same time. In addition to the employee's leave due to marriage, funeral, illness or other legitimate reasons, it may be handled in accordance with relevant laws and regulations; In addition, our company will give employees special leave twice a month for one hour each time without affecting full attendance and no deduction of pay if they are active in their work, but occasionally have personal matters that need to be handled immediately in person.



## Employee travel activities

### Sun Moon Lake Cycling Tour



### 2023 Year-End Lucky Draw



### 2023 2023 Three-Day Northern Getaway





## Parental Leave and Childcare

Syn-Tech complies with the Gender Equality at Work Act and implements a leave-with-wage-without-wage system for childcare, and both male and female employees who meet the qualifications can apply. Employees who have worked for our company for more than 6 months may apply for childcare leave without pay before their children turn 3 years old, for a maximum of 2 years each time, so that employees can balance their personal work and family life care needs. In 2023, a total of 7 people are eligible to apply for a childcare stay, and a total of 2 people actually applied for a childcare stay. The following table shows the implementation status of Syn-Tech's infant care stay in the past three years:

annual	2021			2022			2023		
Gender/ sum	man	female	sum	man	female	sum	man	female	sum
The number of people who are eligible to apply for childcare stay A	9	0	9	6	2	8	6	1	7
The actual number of people who applied for childcare stay in the current year B	3	0	3	1	1	2	1	1	2
Number of people who should be reinstated in the current year	0	0	0	3	0	3	1	1	2
The actual number of reinstated children in the current year D	0	0	0	2	0	2	0	1	1
Actual number of reinstated persons who have been left to work in the previous year E	0	2	2	0	0	0	2	0	2
Number of people who have worked continuously for one year after resuming work after resuming childcare in the previous year F	0	2	2	0	0	0	2	0	2
% of childcare leave and reinstatement rate in the current year (D/C)	0	0	0	66.67	0	66.67	0	100	50
Childcare retention rate in the current year (F/E)	0	100	100	0	0	0	100	0	100

### Remarks:

Number of people who should be reinstated: Refers to the number of individuals expected to return to work in the year after a period of unpaid leave.

Number of retained personnel in 2023: Refers to the number of individuals who returned to work in 2022 and were still employed as of December 31, 2023.

% of the current year's childcare retention and reinstatement rate: Calculated as the actual number of individuals who resumed work after childcare leave during the current year divided by the number of individuals who were expected to be reinstated during the current year (D/C).

% of childcare retention rate in the current year: Calculated as the number of individuals who continued to work for one year after resuming work from childcare leave in the previous year divided by the actual number of individuals who returned to work after childcare leave in the previous year (F/E).





## 5.3 Talent Development and Training

### Career development training

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Our company bases its training programs on employees' career development goals. Before the end of each year, we evaluate and analyze the professional skills and technical expertise required for all manpower levels, considering the needs of each functional department. Based on this analysis, we develop an annual education and training plan. Training courses and assessments align with these plans, and yearly implementation review reports are compiled to serve as a foundation for continuous improvement.

To encourage employees to remain diligent and enhance their knowledge, the company has established on-the-job training subsidy measures, which can be applied for on a regular or irregular basis. In 2023, a total of 11,046 career training sessions were conducted, encompassing 14,308 hours of training at a total cost of 374,292 NTD.

To further support employees in strengthening their professional skills and obtaining certifications, the company has implemented a "license subsidy issuance method," which considers the difficulty level of obtaining various licenses. Currently, in addition to certifications for air, water, waste, poison, and noise management personnel, the program covers over 20 occupational safety, health, and related certifications.

The following table outlines the four major aspects of our company's talent training initiatives:



item	illustrate
Newcomer training	1. General Training: Guide newcomers to become familiar with corporate culture, workplace environment, and work regulations. 2. Professional Training: Before officially starting work, employers will arrange for the teaching of relevant operational knowledge and norms. This includes the GMP system, supply chain safety, specifications related to hazardous substances, process operations, and the automated inspection and maintenance of machinery and equipment. This helps new employees quickly adapt to the workplace.
Professional Functional Training	In accordance with the requirements of the position, it is essential to enhance the work knowledge and operational skills necessary for the effective performance and development of personnel across all levels. This includes the reinforcement of management knowledge and leadership capabilities among supervisors at all tiers. Key areas of focus should encompass Good Manufacturing Practices (GMP), occupational safety and health, and various management functions. Through ongoing learning initiatives, the aim is to elevate the skills and competencies of employees, thereby improving business performance and enhancing the overall competitiveness of the organization.
External education and training	Based on business needs, supervisors may assign relevant colleagues to attend external technical seminars and training. This can include obtaining relevant operational licenses to strengthen personal and professional knowledge, improve technical expertise, and enhance operational safety.
Internal education and training	Engaging external instructors or utilizing internal instructors through supervisors or external training colleagues can facilitate the sharing and dissemination of their knowledge and experiences, thereby enhancing employees' understanding of Good Manufacturing Practices (GMP), human rights education, and management principles.

Project/Category		Managerial positions		Non-managerial positions	
Unit/Gender		man	woman	man	woman
Total number of people	person-times	1,797	887	5,720	2,609
Total number of training hours	hour	2,304.900	1,229.350	6,777.750	3,312.900
Average number of training hours	Hours/person	1.280	1.390	1.180	1.270
Fees for Courses	NTD	374,292			

Notes:

1. The data in this table reflects the number of people as of December 31, 2023.
2. (Total number of managerial staff + total number of non-managerial staff) = Total number of employees at the operating base.
3. (Total number of direct employees + total number of indirect personnel) = Total number of employees at the operating base.
4. Average total training hours = Total number of training hours /Total number of trainees.





To cultivate diverse talents and enhance employees' professional knowledge and adherence to company standards, our company organizes various internal education and training programs annually. Additionally, employees are encouraged to apply for external training based on their individual work needs, with all course and training fees covered by the company. The following plans are provided for employee functional training:

1. Training Plan:

Our company offers a variety of training opportunities, including internal training, external courses, and seminars. These initiatives are designed to enhance employees' professional skills and knowledge, thereby improving their capabilities and work performance.

2. Internal Promotion:

Our company prioritizes internal employees for job promotions based on their work performance and abilities, encouraging them to continuously learn and excel for personal and professional growth.

3. Internal Transfer:

Opportunities for internal transfers allow employees to switch between different roles and functions within the organization. This broadens their expertise in various areas, offering greater potential for future development.

4. On-the-Job Training:

Employees are encouraged to pursue further education during their holidays, with subsidies provided by the company. This not only fosters a spirit of diligence and self-improvement but also helps employees achieve both personal and career growth.

5. Retirement and Re-Employment:

Upon reaching retirement age, our company offers re-employment opportunities based on organizational needs. Retirees are also invited to company events, such as year-end or New Year dinners, to maintain their connection with the company.



item	Number of shifts	Total number of passengers	Total hours	Total Cost (RMB)
Training for new recruits	33	33	683	0
GMP training	149	5,655	5,553	85,110
Environmental safety and health training	96	3,654	5,791	70,124
Professional skills training	107	1,233	1,734	212,047
Managerial competence training	7	77	91	2,728
Human rights training	3	3	9	0
other	5	391	447	4,283
total	400	11,046	14,308	374,292

Education and training records





### Performance Appraisal Management

Performance management is essential to the organization and development of our company. We have established clear management procedures and work rules, aiming to implement a comprehensive and fair performance management system. This system includes assessment procedures, personnel promotion mechanisms, bonuses, salary increases, and reward and punishment measures. These initiatives are designed to stimulate employees' potential and encourage continuous improvement in work performance, ultimately enhancing corporate competitiveness.

Except for foreign employees, who are exempt from assessments, all employees are subject to performance evaluations. These evaluations are conducted monthly, quarterly, and annually, and are based on criteria such as workability and contributions.

In 2023, some employees did not complete their training as scheduled, and arrangements will be made for make-up training sessions. All employees must pass the assessments, and there are no instances where the assessment completion rate falls below 100%.

Assessment Statistics				
item	management	Non-managerial	Direct personnel	Indirect personnel
Proportion of male employees assessed	0.670	0.690	0.880	0.400
Percentage of female employees who are assessed	0.330	0.310	0.120	0.600

Note: If the assessment rate does not reach 100%, please explain the exclusion object and reason (e.g. chairman, new employees less than three months old).



## Talent Recruitment and Retention

Syn-Tech adheres to government labor laws and corporate labor human rights regulations in its recruitment and employment practices, providing equal employment opportunities and a fair working environment. Talent selection is based on personal professional abilities and academic experience, without discrimination based on race, gender, age, place of origin, religion, political affiliation, marital status, appearance, sexual orientation, or physical and mental disabilities.

Our company has established clear and standardized systems for promotion, assessment, training, rewards, and disciplinary measures to encourage employees to develop their strengths continuously, thereby enhancing the company's competitiveness. We are committed to promoting fairness and reasonableness in all operations, prioritizing the protection of employees' rights and interests in the workplace.

All employees have the right to voluntarily terminate their employment relationship at any time following the law. Manpower adjustments and job transfers are conducted in compliance with the Labor Standards Act, other applicable laws, and our company's internal control systems. After prior notice or notification, supervisors engage in full communication with the parties involved before proceeding following relevant operating regulations.

item	content
Talent Acquisition	Our company collaborates with universities to establish a robust talent pool by offering internship opportunities. Young university interns often bring innovative thinking and fresh perspectives, injecting vitality and creativity into our organization. Their contributions inspire new ideas and problem-solving approaches. Internships also provide students with the chance to familiarize themselves with our company's culture, values, and work environment while acquiring practical skills and knowledge. This collaboration enhances our visibility and reputation among students, attracting more outstanding candidates for internships. We also post job openings on 104 Manpower Bank, providing comprehensive company information such as introductions, cultural values, and benefits, enabling top talent to gain a well-rounded understanding of our organization and make informed job application decisions.
Talent retention	Our company values employee opinions and needs, fostering open communication channels to listen to their ideas and feedback. We care about employees' personal and professional development by offering learning and growth opportunities, such as professional training, to meet their career development needs. This approach ensures employees feel they have the opportunity to grow and advance within our organization, thereby improving job satisfaction and reducing the likelihood of seeking external opportunities.



## 5.4 Healthy and safe workplace

### Environmental Safety and Health Management

To fulfill its social responsibilities regarding environmental protection and employee safety and health, our company adheres to domestic occupational safety and health laws, complies with international ISO 45001 standards, and implements a dynamic cycle process of "planning, implementation, inspection, review, and continuous improvement." In May 2023, our company's certification was renewed by AFNOR International. To ensure the effective operation of the occupational safety and health management system, external verification agencies conduct annual audit certifications, guaranteeing the robustness and integrity of our health, safety, and environmental protection management mechanisms.

The scope of Syn-Tech's occupational safety and health management system encompasses production and non-production sites, areas, equipment, and both routine and non-routine operational activities within our company's jurisdiction. This includes all workers, activities of off-site units entering our factories and workplaces, activities of off-site units providing facilities and equipment for our operations, and operations conducted by contractors and their workers within our jurisdiction.

Measures for the safety and health of employees(1)	
Device security management	In order to ensure the intrinsic safety of operation, the company requires explosion-proof design and safety protection of production machinery and equipment from the beginning of source procurement, and implements regular inspection, repair and preventive maintenance system in daily production operations to maintain the good use efficiency of machinery and equipment and ensure that the workplace maintains a high level of safety. All operations are controlled by standard operating procedures, and personnel must receive relevant safety operation training to avoid accidents caused by improper operation, and at the same time, safety labeling and protective measures are also strengthened to reduce environmental risk factors.
Chemical Operations Management	In accordance with the operation and management of chemical use specifications and relevant government regulations, uphold the principle of intrinsic safety, establish a list of hazardous chemicals, store and clearly label incompatible chemicals, and inform relevant employees of hazards. Highly hazardous chemicals are controlled in independent compartments, and the reduction management of "if you can do not use it", we seek appropriate and safe alternatives, and continue to optimize and improve the manufacturing process to reduce storage and reduce the use of hazardous chemicals. If it is necessary for the manufacturing process, relevant protective measures should be set up at the operation site and appropriate personal protective equipment should be provided to reduce the risk of personnel exposure.
Monitoring of the working environment of labor	In order to grasp the overall distribution of hazardous exposure to the working environment, all places where dust and organic solvent operations are carried out are regularly monitored by qualified testing institutions every year to grasp the actual working environment of employees and assess the exposure risk of hazard factors. If the monitoring results show abnormalities, we will monitor the abnormal areas and start working environment improvements. The 2023 test results showed that all of them met the standards and there was no risk of exposure to employees.

Measures for the safety and health of employees(2)	
Safe work control	For high-risk operations (fire, confined space, construction at height, hanging, etc.), the company has clearly defined safety management measures, and requires personnel to follow the SOP process, and relevant operations must be approved by senior supervisors before they can be operated. Before construction, the site environment must be investigated, and safety protection measures must be required to improve the awareness of personnel operation crisis and complete the safety inspection before construction operations. During construction, the construction quality is maintained by the supervisors/safety guards, and the safety personnel are responsible for supervising the safety of the overall project operation.
Occupational safety and health training	In order to effectively improve the safety of the workplace environment in the factory, establish the emergency response ability of all employees, and implement relevant safety and health education and training, including: internal/external training courses, new and in-service personnel training courses, etc. On March 17, 2023 and September 15, 2023, the Company held two emergency response drills, including emergency response team, emergency evacuation, emergency rescue, fire drill and other trainings to establish the emergency response capability of all employees and reduce the loss caused by disasters, with a total of 3,654 person-times of environmental safety and health training, with a total of 5,791.5 training hours.
Exception prevention and control	Perfect safety management is the foundation of safe production, in order to implement industrial safety management and ensure the basic occupational safety of employees, the company continues to implement walking management, enhance the awareness of environmental safety and health of colleagues, inspectors at all levels use inspection and audit to check whether the safety and health requirements are indeed implemented, senior executives at all levels can also review the existing environment and safety management with higher standards, if unsafe behaviors or unsafe environments are found, they will be improved in real time to eliminate actual or potential hazards and risks, so as to prevent disasters. Maintain the safety of the company's property and personnel.



## Occupational Safety and Health Organization

To implement effective occupational safety and health management, the company has established an "Occupational Safety and Health Management Committee" in compliance with relevant laws and regulations. Chaired by the General Manager, the committee oversees the company's safety and health initiatives. Meetings are held quarterly to discuss, coordinate, and recommend measures related to labor safety and health, including occupational safety policies, workplace environment monitoring, health promotion management, related education and training, and other pertinent matters. Employees actively participate in occupational safety and health activities through the input of labor representatives.

In 2023, the Occupational Safety and Health Management Committee convened a total of four meetings, comprising 15 members, including 6 labor representatives, accounting for 40% of the committee. This exceeds the legal requirement that labor representatives constitute at least one-third of the total membership.

### Key Focus Areas of the Occupational Safety and Health Management Committee:

1. Continuously promote a safe working environment and prevent occupational hazards.
2. Enhance safety inspections and audits of the workplace environment.
3. Provide regular education and training to improve employees' safety and health awareness.







## Occupational safety prevention mechanism

If SYN-TECH employees have concerns about workplace safety and health, they can fill out the "Improvement Proposal Form" if they have specific suggestions for improving environmental safety and health management or other matters. After review by the department head, the traffic management representative will convene relevant departments for discussion, and the general manager will confirm the handling process. Alternatively, employees can convey their concerns to employee representatives for discussion in the Quality and Environmental Safety and Health Management Committee, where matters will be handled according to the committee's resolutions.

Departments, units, or individuals who excel in environmental safety and health work or propose specific constructive opinions on such matters are publicly commended and rewarded annually to boost overall morale and support the environmental safety and health management operations.

Corrective and preventive measures will be implemented if the company's processes, activities, or services fail to comply with the occupational safety and health management system, or in the event of false alarm incidents or actual accidents.

To protect all employees from physical or mental harm due to illness or abuse while performing their duties, the company explicitly declares that it will not tolerate workplace bullying by any management or supervisor. Furthermore, the company will not tolerate any unlawful infringement of employees' rights by fellow employees, customers, caregivers, or strangers in the workplace.

The main focus of the Occupational Safety Committee is to carry out the work	
1.	Continue to promote a safe working environment and occupational accident prevention.
2.	Continue to promote safety inspections and audits of the working environment.
3.	Regular education and training to enhance employees' awareness of safety and health.

The company's workplace illegal infringement consultation and complaint channels	
The unit responsible for the appeal	General Manager's Office
Complaint hotline	06-636-2121#213
Grievance fax	06-635-1165
Dedicated e-mail address for appeals	shelly.liang@ <a href="http://syn-tech.com.tw">syn-tech.com.tw</a>





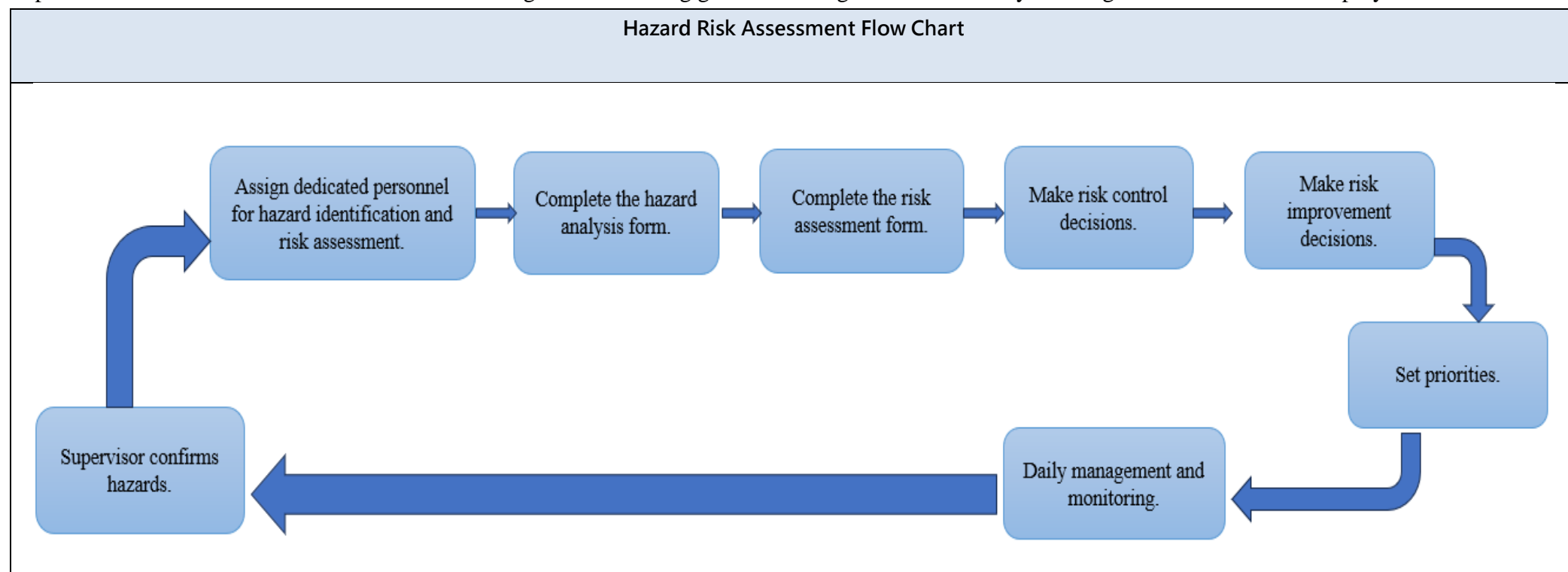
## Emergency management

SYN-TECH places great emphasis on emergency handling and immediate notification procedures, striving to eliminate potential workplace risks through hazard identification and environmental safety and health inspection mechanisms. The factory conducts automatic inspections and ensures that all fire-fighting equipment remains in a standby state at all times through regular maintenance checks.

In the event of an accident or abnormal incident, abnormal notification and emergency response procedures are activated. A dedicated emergency response command center is established for managing major industrial safety accidents. An emergency response plan is formulated, and corresponding measures are implemented. Employees are required to report accidents immediately upon occurrence, triggering a structured and systematic response management mechanism. This ensures that the severity of the incident is minimized.

Accidents are controlled based on their severity, with subsequent root cause analysis, investigations, and reviews conducted to implement necessary improvements. These measures are aimed at achieving the overarching goal of creating a safe and healthy working environment for all employees.

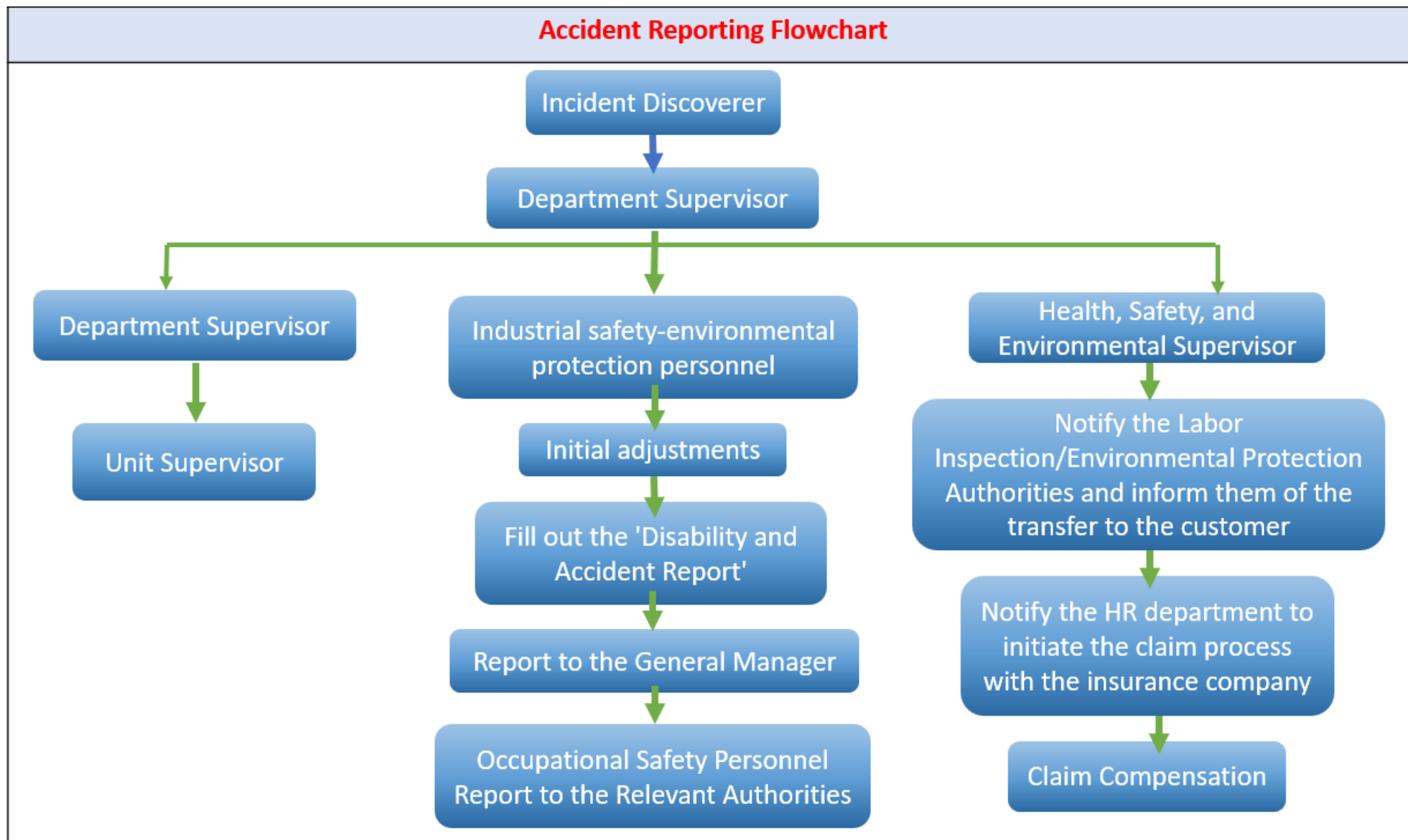
Hazard Risk Assessment Flow Chart





To enhance our employees' emergency response capabilities in handling accidents, our company regularly conducts emergency response and fire drills. These drills simulate sudden incidents such as chemical spills, earthquakes, and fires that may arise during operations. The objective is to ensure employees are thoroughly prepared to respond effectively to various crises within the plant. Through these exercises, we aim to bolster overall emergency awareness and improve our plant's disaster response and mitigation capabilities.

project	content
Hazard identification and risk assessment at work	<p>The employees in the department responsible for selection undergo training on occupational safety and health hazard identification and risk assessment. A designated person is appointed to oversee hazard identification and risk assessment. Each unit investigates routine and non-routine operational processes, analyzes potential operational hazards within the scope of operations, and evaluates possible hazards or losses outside this scope. They also consider potentially affected objects, harmful substances, and vectors. The analysis and identification of major safety and health hazards serve as the foundation for establishing safety and health goals and plans.</p> <p>Based on the specifics of the operational processes and potential hazard losses, the probability level (F) and severity level (S) are determined, and a risk matrix value is assessed. Matrix values of A, B, and C are identified as major risks requiring improvement, while D and E are considered minor or low risks, which remain under control. Reviews are conducted at the end of each year for potential revisions, and re-evaluations occur every five years.</p>
Occupational disaster treatment and tracking	<p>In addition to complying with legal procedures for occupational accidents, all accident reporting follows the "Accident Notification and Investigation Handling Procedures." The on-site discoverer reports directly to the supervisor and the industrial safety office. The supervisor then escalates the report as necessary while implementing correct and effective response strategies and procedures to minimize personal injury, property loss, and environmental impact caused by the accident.</p>
Accident investigation and analysis	<p>In the event of an incident, the department head convenes relevant personnel and industrial safety officers, conducting an accident investigation and analysis with the labor representative. Post-incident, the head proposes corrective measures in the "Disability and Accident Report" and evaluates whether these measures can effectively mitigate future risks. The General Affairs Department and the HR unit consider filing and follow-up claims with the insurance company, as well as addressing attendance and bereavement matters.</p>





## Environmental, safety and health improvement plan

To achieve continuous improvement and enhance environmental protection and workplace safety, each year, the responsible departments propose improvement plans based on the current status of environmental, health, and safety (EHS) conditions. These plans are then implemented after approval. In 2023, the following improvements were proposed: operable HAZOP hazard analysis, improvements to the hazardous waste storage facilities, replacement of the BR-08 reaction tank and BC-08 centrifuge in Plant B, purchase of a new BR-18 reaction tank for Plant B, VOCs reduction in the M04 process, installation of additional transformers at the second and third substations, and improvements to the NBOZ process, totaling 8 items. The benefits of these improvements are as follows:

policy	target	Improvement programs	Achieve real benefits
Assess and identify potential hazards in the workplace, and do a good job in safety and health risk control and management	Identify the prevention and protection control measures, reduce the operational risk	Operability: HAZOP Hazard Analysis	The GFH and RBPZ processes have completed the operability hazard analysis, and formulated relevant protection/control measures to ensure the safety of personnel and equipment in the operation procedures and avoid accidents; RVX development plans have been suspended due to cost considerations.
	Reduce the potential risk of industrial waste storage	Improvement of industrial waste storage facilities	Set up a dedicated storage place for recycling empty barrels, and set up interception ditches and drainage collection facilities to improve the overall storage space and reduce the potential risk of storage.
	Improve the operation efficiency of the equipment	Factory B BR-08 reaction tank BC-08 centrifuge is replaced and updated	Improve the working environment to ensure that the equipment can maintain 100% operational efficiency under the operation of time, increase the safety of equipment control, and achieve zero disaster risk control.
Save energy and make good use of resources	Maintain electricity safety and energy conservation, and reduce the load of transformers during peak power periods	The second and third transformer stations were equipped with additional transformers	After the readjustment of the power consumption of the equipment in the substation, the transformer has been complied with the safety load specification, improving the overall power safety and reducing the risk of industrial safety.
Properly dispose of waste water from the production process and do a good job of pollution prevention	Reduce the $\text{SO}_4^{2-}$ concentration entering the wastewater pool to make $\text{H}_2\text{S} \leq 50$ ppm	Newly purchased BR-18 reaction tank from Factory B	This case will be implemented until 2024, and the process will be adjusted at this stage, and the $\text{SO}_4^{2-}$ concentration will be controlled by adjusting the inflow of process wastewater at this stage, and the $\text{H}_2\text{S}$ discharge status will be monitored on a daily basis.
Properly dispose of process exhaust gas and do a good job in pollution prevention	Reduce air pollution emissions by 10%	M04 process VOCs reduction	The case will be implemented until 2023, and the operation permit will be re-applied, and the follow-up test and testing operations will be carried out after the Environmental Protection Bureau approves it.
Implement green design, continue to improve the manufacturing process, and reduce the amount of waste water and waste	Process optimization to reduce process waste production	NBOZ process improvement	After the process improvement, the total yield of NBOZ increased by 53.6%, and the waste in the reaction stage of NBOZ2 was reduced to zero, successfully reducing the harm to the environment and achieving the goal of process improvement.



### Occupational safety and health training

All employees across the company are required to undergo occupational safety and health training. Two emergency response drills were conducted on March 17, 2023, and September 15, 2023. These drills included training on emergency response teams, emergency evacuation, first aid, and firefighting, aimed at building emergency response capabilities and reducing the losses caused by disasters. In addition, regular safety and health education and training are carried out, including internal and external training courses, as well as training for new hires and current employees, to effectively improve workplace safety in the plant. **In total, 3,654 person-times of training were conducted in 2023, with a total of 5,791.5 training hours.**



Statistics on occupational safety and health training		
Training area	The name of the training project	Number of trainees
in-house	Emergency response drills	378
	Hazard general education training	190
	Safety and health education and training for new recruits	38
	Education and training related to safe operation	1,050
	Other related environmental safety and health education and training	1,960
Off-site	Education and training related to environmental safety and health	38
Remarks: 1. Includes employees and non-employees whose work and/or workplace is under the control of the organization. 2. Workers who are not employees but whose work and/or workplace are under the control of the organization, such as contractors and outsourcers such as security personnel, cleaning personnel, construction personnel, etc. 3. Occupational safety and health-related education and training here includes general training or training for specific occupational hazards and dangerous situations.		





## Employee health and safety

To ensure the safety and health of employees, regular health check-ups are conducted for both general and special hazardous operations to monitor and manage employee health. Preventive measures for occupational diseases and other necessary actions are taken. This applies to all employees, with special health check-ups provided for those engaged in high-risk jobs. Employees with abnormal health check-up results undergo hazard factor assessments, and their health is continuously monitored and managed. In addition to providing guidance on physical health, psychological health support (e.g., stress management) is also offered when needed. For special health check-ups, most results fall under Level 1 management (comprehensive judgment with no abnormalities), requiring only regular health check-ups thereafter.

A summary of the number of employees and the cost of health check-ups	
General health check-ups	
Check the items	1. General examination 2. Visual acuity examination 3. Hearing examination 4. Urine examination 5. Routine blood examination 6. White blood cell classification 7. Liver function test, 8. Alcoholic hepatitis, 9. Hepatitis B test, 10. Renal function test, 11. Gout test, 12. Renal function test-urea nitrogen, 13. Renal function test-glomerular filtration rate, 14. Diabetes test, 15. Blood fat test, 16. Hyperlipidemia, 17. Physician consultation, 18. Liver cancer examination, 19. Bowel cancer examination, 20. X-ray examination, 21. Intraocular pressure examination, 22. Bone density test, 23. Abdominal ultrasound, 24. Breast ultrasound, 25. Body composition analysis
Number of people to be inspected	184
Inspection fee (thousand NTD)	136.9
Special health check-ups	
Check the items	1. Noise operation 2. Carbon disulfide operation 3. Dimethylformamide operation 4. N-hexane operation 5. Benzene operation 6. Arsenic and its compounds 7. Manganese and its compounds 8. Dust operations 9. Chromic acid and its salts 10. cadmium and its compounds
Number of people to be inspected	53
Inspection fee (thousand NTD)	0
Note: The special health examination fee is paid by the Labor Insurance Bureau, so the examination fee is 0 NTD.	





## Employee health promotion

Employees are the company's most valuable asset. At SYN-TECH, we uphold a people-oriented philosophy. In accordance with the "Labor Health Protection Regulations," designated medical staff regularly visit the plant to provide on-site medical services, manage employee health, and implement relevant health promotion programs. We also hold periodic health seminars to help individuals monitor their health. During the reporting period, four on-site health service sessions were held each month, providing employees with health consultations and interviews to stabilize and promote their physical and mental well-being. The company's measures for promoting employee health are as follows:

Implementation of employee health promotion and measures	
project	content
Medical services	SYN-TECH prioritizes employee health by providing regular on-site visits from licensed occupational health doctors and medical personnel. These visits focus on work injury prevention, hazard identification, health consultations, and health education to promote well-being and ensure workplace safety.
Clean water	The company maintains high standards for drinking water safety by regularly cleaning and disinfecting equipment, replacing filters, and conducting quarterly professional water quality inspections. Test results and maintenance records are posted visibly for transparency.
Work environment detection	According to the characteristics of the operation site, all factories are entrusted with qualified testing institutions to carry out environmental monitoring every year, assess the potential exposure risk of chemicals, and grasp the overall environmental hazard exposure distribution.
External monitoring and certification	SYN-TECH participated in and was awarded the "Healthy Activation Label" and "Safe Place Certification" by the National Health Administration of the Ministry of Health and Welfare, which provides a smoke-free workplace environment for the company, provides employees with a healthy and safe working environment, and actively participates in a healthy and safe workplace.
Diversified health and happiness	<b>Family &amp; Activities:</b> Organizes family day events and staff trips. <b>Maternal Care:</b> Provides lactation rooms and supports pregnant employees with a friendly workplace environment. <b>Stress &amp; Health Talks:</b> Offers seminars on stress management and health promotion. <b>Fitness Facilities:</b> Free gym access for employees during breaks and off-duty hours. <b>Health Monitoring:</b> Tracks health check results and encourages self-management for abnormal findings. <b>Implementation of a Smoke-Free Workplace:</b> In compliance with relevant regulations under the "Tobacco Hazard Prevention Act," our company actively promotes the harmful effects of smoking on health. Designated smoking areas are provided, and any violations of the smoking policy are subject to fines to deter improper smoking behaviors.





### Occupational disabling injuries

During the reporting period, a total of one occupational accident occurred in our company. An employee was injured when he tried to dodge a stopped truck on the way to work and collided with the motorcycle in front of him. Therefore,

In order to strengthen personnel's concept and awareness of work safety, department heads have promoted traffic safety during morning meetings and implemented various safety management matters to reduce risks. By the end of 2023, employees

The total working hours are 439,876. The company has no cases of occupational diseases caused by work, and there are no fatal accidents due to work-related injuries.

Occupational injuries of employees in the past three years				
category	project	In 2021	In 2022	In 2023
Total man-hours	Women always experience working hours	120,811	131,084	153,744.2
	Men are always working hours	221,817	232,964	286,132.4
	Total hours elapsed	342,628	364,048	439,876.6
The number of fatalities caused by occupational injuries	Number of female deaths	0	0	0
	Number of deaths among men	0	0	0
	The total number of deaths	0	0	0
Number of serious occupational injuries (excluding fatalities)	The total number of serious occupational injuries among women	0	0	0
	The total number of serious occupational injuries among males (times).	0	0	0
	The total number of serious occupational injuries (times).	0	0	0
Number of recordable occupational injuries (including fatalities and serious occupational injuries)	The total number of occupational injuries (times) among women	2	0	1
	The total number of occupational injuries (times) for males	0	1	0
	The total number of persons with occupational injuries (times).	2	1	1
% fatality rate due to occupational injuries		0	0	0



<b>Serious Occupational Injury Rate %</b>	5.88	2.74	2.27
<b>Recordable Occupational Injury Rate %</b>	5.88	2.74	2.27

Notes: 1. Fatality rate due to occupational injuries = (number of fatalities due to occupational injuries / hours worked) \* 1,000,000. 2. Serious occupational injury ratio = [number of serious occupational injuries (excluding fatalities)/hours worked] \* 1,000,000. 3. Recordable occupational injury ratio = [Number of recordable occupational injuries (including fatalities and serious occupational injuries)/working hours] \* 1,000,000. 4. Serious occupational injury refers to an occupational injury that cannot be restored within 6 months. 5. Recordable occupational injuries do not include those caused by commuting to and from work.



### Contractor safety management

SYN-TECH manages contractor safety and social responsibility through the "Contractor Environmental, Health, and Safety Management Procedure."

Contractors must sign a safety agreement, submit insurance certificates, and complete online safety training before entering the plant. Prior to work, contractors notify the requesting department, which must approve the work through a registration form and co-signing process. High-risk work (hot work, confined spaces, etc.) requires special permits and inspections. In 2023, there were no violations or accidents involving contractors.

Contractor management is introduced into the online management system	
1.	Before the contractor enters the factory for construction, he or she must submit relevant information online: such as insurance, license qualifications, and pass the education, training and assessment, and obtain the certificate after passing the audit, before applying to enter the factory and implementing the contractor management.
2.	Strengthen access control management: Contractors can display whether the application for entering the factory is complete and whether they are allowed to enter the factory after swiping the card in the guard room.
3.	Apply online for construction to reduce the time for subpoena.

生泰合成工業承攬商管理系統	
 <b>生泰合成工業股份有限公司</b> SYN-TECH CHEM. & PHARM. CO., LTD.	 職安室
	 員工專區
 承攬商管理區	
 警衛室管理區	
 承攬商員工專區	



## 5.5. Social Responsibility Initiatives

Social care is a completely selfless act and an indispensable part of everyone's life in modern society. To fulfill corporate social responsibility and give back to the community, Syn-Tech demonstrates its commitment through actions, conveying goodwill and care to society. The company works to improve the learning environment for disadvantaged children, fosters good communication and interaction with local communities, and supports the development of local organizations.

project	Content of the execution situation
Neighborhood patrol care	<p>1. Local residents can submit environmental or safety concerns through the village chief. During our inspections, any abnormalities are communicated to residents and reported to environmental authorities for investigation. In 2023, we conducted 257 inspections, with most issues related to air odors, which were determined not to be caused by our operations.</p> <p>2. If there is an abnormality in community safety, we will take the initiative to inform the neighborhood and investigate and deal with the colleagues of the Environmental Protection Division, and understand and communicate with the mayor, the neighborhood chief or the neighborhood residents near the community to understand and communicate with the issues of concern. Corporate social responsibility for mutual assistance.</p>
Local community care	<p>1. Long-Term Commitment to Supporting Education for Underprivileged Children in Remote Areas: Our company has consistently prioritized the education of disadvantaged children in rural communities. In 2023, we sponsored the after-school program at Houbi Junior High School, assisting young athletes in realizing their dreams of participating in international competitions.</p> <p>2. Our company regularly contributes to local community groups such as the Xinying District Tuku Community Development Association, Dahong Community Development Association, the Maoshe Community Rejuvenation Temple, and the Tuku Li Tuan'an Temple. Additionally, we encourage our employees to actively participate in local community activities. The total amount donated to these organizations has exceeded NT\$200 thousand.</p>
Charitable donations	We continue to donate to organizations such as the Taiwan Association for the Visually Impaired, Taipei Pearl Sailing Foundation, Genesis Social Welfare Foundation, Taiwan Environmental Information Association, Fan Dao-Nan Cultural Foundation, Taipei Medical University, and the Taiwan Bio-Industry Development Association. The total amount donated to these organizations exceeds NT\$300,000.
Public Welfare Sponsorship	<p>1. Support for Vulnerable Children in the Local Community: The company also pays close attention to vulnerable children in the local community, regularly donating receipts and cash donations to the Tainan North Family Support Center.</p> <p>2. After each Zhongyuan Pu Du and Yuexia Festival, the company donates items such as cookies and instant noodles to support children from impoverished families. The total number of donated goods has exceeded 400 boxes.</p>

### Charity Event and Photos





# Appendix

**Appendix 1: GRI Sustainability Reporting Standards Comparison Table**

**Appendix 2: SASB Sustainability Accounting Standards Comparison Table**

**Appendix 3: Sustainability Disclosure Indicators – Chemical Industry**

**Appendix 4: Climate-Related Information Comparison Table for Listed and OTC Companies**



## Appendix I: GRI Sustainability Reporting Standards Comparison Table

Notices of Use	SYN-TECH Chem. & pharm. Industry Co., Ltd. reports the information cited in the GRI Content Index Table for the period from January 1 to December 31, 2023, with reference to the GRI Guidelines.
GRI 1 use	GRI 1: Basics 2021
GRI Industry Standards apply	N/A

GRI Code Categories/Topics	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
1. Organizing and reporting practices					
GRI 2 General Disclosure 2021	2-1	Organizational details	1.1 Meet SYN-TECH	7	
	2-2	Entities included in organizational sustainability reporting	About this report:	3	
	2-3	Duration, frequency and contact person for coverage	About this report:	3	
	2-4	Information recompilation	About this report:	3	
	2-5	External assurance/assurance	About this report:	3	
2. Activities & Workers					
GRI 2 General Disclosure 2021	2-6	activities, value chains, and other business relationships	1.1 Meet SYN-TECH 1.2 Products and Services	7 10	
	2-7	employee	5.1 Employee profile relationship	57	
	2-8	Workers who are not employees	5.1 Employee profile relationship	57	
3. Governance					
GRI 2 General Disclosure 2021	2-9	Governance structure and composition	2.1 Governance organization	22	
	2-10	Nomination and selection of the highest governance list	2.1 Governance organization	22	
	2-11	The chairman of the highest governance unit	2.1 Governance organization	22	
	2-12	The role of the highest governance unit in overseeing impact management	2.1 Governance organization	22	
	2-13	Head of impact management	2.1 Governance organization	22	
	2-14	The role of the highest governance unit in perpetual reporting	2.1 Governance organization	22	
	2-15	conflict of interest	2.1 Governance organization	22	
	2-16	Communicate key milestones	2.1 Governance organization	22	
	2-17	The collective intellect of the highest governance unit	2.1 Governance organization	22	
	2-18	Performance evaluation of the highest governance unit	2.1 Governance organization	22	
	2-19	Remuneration Policy	2.1 Governance organization	22	
	2-20	Compensation Decision Process	2.1 Governance organization	22	
	2-21	Total annual remuneration ratio	5.2 Remuneration and welfare	61	



GRI Code Categories/Topics	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
			measures		
4. Strategy, Policy and Practice					
GRI 2 General Disclosure 2021	2-22	A statement on the sustainability strategy	Chairman's words	4	
	2-23	Policy Acceptance	2.3 Regulatory Compliance	31	
	2-24	Incorporate Political Commitment	2.3 Regulatory Compliance	31	
	2-25	Procedures for remedying negative shocks	2.1 Governance organization	22	
	2-26	A mechanism for seeking advice and raising concerns	2.3 Regulatory Compliance	31	
	2-27	compliance	2.3 Regulatory Compliance	31	
	2-28	Membership in public associations	1.1 Meet SYN-TECH	7	
5. Stakeholders agree					
GRI 2 General Disclosure 2021	2-29	Stakeholders agree on the policy	1.3 Stakeholder communication	12	
	2-30	Group Agreements	-	-	There is no group agreement
Theme-specific guidelines: 200 series (economic themes).					
Market position					
GRI 202 Market Position Theme Revealed 2016	202-1	The ratio of standard wages for frontline workers of different genders to the local minimum wage standard.			
	202-2	Proportion of local residents employed as senior management			
Indirect economic shocks					
GRI 203 Indirect Economic Shock Theme Revealed 2016	203-1	Infrastructure investment and the development and impact of support services	-	-	There is no investment in infrastructure
	203-2	Significant indirect economic shocks	-	-	
Procurement Practices					
GRI 204 Procurement Practices Theme Disclosure 2016	204-1	Proportion of procurement spend from local suppliers	3.1 Supply chain management	40	
Anti-corruption					
GRI 205 Anti-Corruption Theme Revealed 2016	205-1	Operations that have conducted corruption risk assessments	2.3 Regulatory Compliance	31	
	205-2	Communication and training on anti-corruption policies and procedures	2.3 Regulatory Compliance	31	
	205-3	Identified incidents of corruption and actions taken	2.3 Regulatory Compliance	31	
Anti-competitive conduct					
GRI 206 Anti-competitive Conduct Theme Exposed 2016	206-1	Legal action against competitive conduct, antitrust and monopolistic conduct	-	-	None
Tax					
GRI 207 Tax Subject Management Disclosure 2019	207-1	Tax policy	2.3 Regulatory Compliance	31	
	207-2	Tax governance, control and risk management	2.4 Risk Management	31	
	207-3	Stakeholder communication and management of tax-related issues	2.3 Regulatory Compliance	31	
GRI 207 Tax Topics Revealed	207-4	Country-by-country reports	-	-	No country





GRI Code Categories/Topics	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
2019					reports
Theme-Specific Guidelines: 300 Series (Environmental Themes)					
material					
GRI 301 Material Theme Reveal 2016	301-1	The weight or volume of the material used	4.5 Waste management	52	
	301-2	Use recycled materials	4.5 Waste management	52	
	301-3	Recycling of products and their packaging materials	4.5 Waste management	52	
energy					
GRI 302 Energy Theme Reveal 2016	302-1	Energy consumption within the organization	4.2 Energy management	51	
	302-2	Energy Consumption Amount outside the organization	4.2 Energy management	51	
	302-3	Energy intensity	4.2 Energy management	51	
	302-4	Reduce energy consumption	4.2 Energy management	51	
	302-5	Reduce the energy demand for products and services	4.2 Energy management	51	
Water and Discharge Water					
GRI 303 Water & Effluent Theme Management Revealed 2018	303-1	Mutual impact of shared water resources	4.4 Water Resources	50	
	303-2	Management of drainage-related shocks	4.4 Water Resources	50	
GRI 303 Water & Effluent Theme Revealed 2018	303-3	Water withdrawal	4.4 Water Resources	50	
	303-4	Displacement	4.4 Water Resources	50	
	303-5	Water consumption	4.4 Water Resources	50	
Biological diversity					
GRI 304 Biodiversity Theme Disclosure 2016	304-1	The operations owned, leased, or managed by the organization or in its vicinity are located in environmental protection areas or other areas of high biodiversity value	-	-	Not in the ecological reserve
	304-2	activities, products and services, which have a significant impact on biodiversity	-	-	
	304-3	Protected or restored habitats	-	-	
	304-4	Among the habitats affected by the operation, species that have been included in the IUCN Red List and the National Conservation List	-	-	
Waste					
GRI 306 Waste Theme Management Disclosure 2020	306-1	Waste generation has a significant impact on waste	4.5 Waste management	52	
	306-2	Management of significant impacts related to waste	4.5 Waste management	52	
GRI 306 Waste Theme Reveal 2020	306-3	Waste generation	4.5 Waste management	52	
	306-4	Disposal and transfer of waste	4.5 Waste management	52	
	306-5	Direct disposal of waste	4.5 Waste management	52	
GRI 306 Waste Water and Waste Themes Revealed 2016	306-3	Serious leaks	4.5 Waste management	52	No serious leaks



GRI Code Categories/Topics	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
<b>Supplier environmental assessment</b>					
GRI 308 Supplier Environmental Assessment Topic Disclosure 2016	308-1	Screen new suppliers using environmental criteria	3.1 Supply chain management	40	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.1 Supply chain management	40	
<b>Theme-Specific Guidelines: 400 Series (Social Themes)</b>					
<b>Labor/Employee Relations</b>					
GRI 402 Labor/Management Relations Theme Disclosure 2016	402-1	Minimum notice period for changes in operations	5.1 Employee profile relationship	57	
<b>Non-discrimination</b>					
GRI 406 Non-Discrimination Theme Revealed 2016	406-1	Incidents of discrimination and corrective actions taken by the organization	5.1 Employee profile relationship	57	
<b>Freedom of association and consultation with associations</b>					
GRI 407 Freedom of association and consultation with associations Theme Reveal 2016	407-1	Locations or suppliers that may be at risk of freedom of association and group bargaining	2.3 Regulatory Compliance	31	
<b>child labour</b>					
GRI 408 Child Labor Theme Revealed 2016	408-1	Significant risks associated with the use of child labor at our operations and suppliers	5.1 Employee profile relationship	31	No child labor is employed
<b>Forced or compulsory labor</b>					
GRI 409 Forced or Compulsory Labor Theme Revealed 2016	409-1	Operations and suppliers with significant risk of forced and compulsory labor incidents	3.1 Supply chain management	31	
<b>Preservation Practices</b>					
GRI 410 Preservation of Practical Theme Disclosure 2016	410-1	Preservation personnel are trained in human rights policies or procedures	-	-	-
<b>Indigenous rights</b>					
GRI 411 Indigenous Rights Topics Revealed 2016	411-1	Incidents involving violations of the rights of indigenous peoples	-	-	Not involved
<b>Local communities</b>					
GRI 413 Local Community Theme Reveal 2016	413-1	Operational activities agreed upon by the local community, impact assessment and development plan	5.5 Practice social care	76	
	413-2	Operations that have a significant actual or potential negative impact on the local community	5.5 Practice social care	76	



GRI Code Categories/Topics	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
<b>Supplier Social Assessment</b>					
GRI 414 Supplier Social Assessment Theme Disclosure 2016	414-1	Use social criteria to screen new suppliers	3.1 Supply chain management	40	
	414-2	Negative social shocks in the supply chain and actions taken	3.1 Supply chain management	40	
<b>Public Policy</b>					
GRI 415 Public Policy Theme Disclosure 2016	415-1	Political contributions	-	-	No politics Donation expenditures
<b>Customer health and safety</b>					
GRI 416 Customer Health & Safety Topics Revealed 2016	416-1	Assess the impact of product and service categories on health and safety	3.2 Product quality and safety	41	
	416-2	Incidents of non-compliance with health and safety regulations relating to products and services	3.2 Product quality and safety	41	
<b>Marketing &amp; Labeling</b>					
GRI 417 Marketing & Labelling Theme Disclosure 2016	417-1	Requirements for product and service information and labeling	3.2 Product quality and safety	41	
	417-2	Failure to comply with laws and regulations related to information and labeling of products and services	3.2 Product quality and safety	41	
	417-3	Incidents in which regulations relating to marketing communications are not followed	3.2 Product quality and safety	41	
<b>Customer Privacy</b>					
GRI 418 Customer Privacy Topics Revealed 2016	418-1	Complaints of substantiated invasion of customer privacy or loss of customer information	3.3 Customer Relationship Services 3.4 Information and communication security management	44 45	



## Major topics

GRI Number	Issues	Industry code number	numbering	GRI Code Disclosures	Corresponding chapters	page number	Omissions/Notes
GRI 3:major themes 2021	Management policy	-	3-1	The process for deciding on material topics	1.4 Identification and analysis of major themes	16	
GRI 3:major themes2021	Management policy	-	3-2	List of major topics	1.4 Identification and analysis of major themes	16	
Material Theme: Economic Performance							
GRI 3:major themes 2021	Management policy	-	3-3	Material topic management	2. Commitment to an Inclusive Society	21	
GRI 201	Economic Performance Theme Revealed 2016	-	201-1	The direct economic value generated and distributed by the organization	2.2 Operational Performance	31	
		-	201-2	The financial impact of climate change and other risks and opportunities	4.1 Climate change adaptation methods	47	
		-	201-3	Determine benefit obligations and other retirement plans	5.2 Remuneration and welfare measures	61	
		-	201-4	Financial assistance from the government	2.2 Operational Performance	31	
Material Theme: Emissions							
GRI 3:major themes 2021	Management Policy	-	3-3	Material topic management	Fourth, environmental sustainable protection	47	
GRI 305	Emissions Theme Disclosure 2016	-	305-1	Direct (Scope 1) greenhouse gas emissions	4.3 Greenhouse gas management	49	
		-	305-2	Energy indirect (scope 2) greenhouse gas emissions	4.3 Greenhouse gas management	49	
		-	305-3	Other indirect (Scope 3) greenhouse gas emissions	4.3 Greenhouse gas management	49	
		-	305-4	Greenhouse gas emissions intensity	4.3 Greenhouse gas management	49	
		-	305-5	Reduction of greenhouse gas emissions	4.3 Greenhouse gas management	49	
		-	305-6	Emissions of ozone-depleting substances (ODS).	4.3 Greenhouse gas management	49	
Material Theme: Employment-Employment Relations (Employee Recruitment, Development and Retention)							
GRI 3:major themes 2021	Management Policy	-	3-3	Material topic management	5. Inclusive social investment	54	
GRI 401	Employment Relations Theme Revealed 2016	-	401-1	New and former employees	5.1 Employee profile relationship	57	
		-	401-2	Benefits offered to full-time employees, excluding temporary or part-time employees	5.2 Remuneration and welfare measures	61	
		-	401-3	Parenting leave	5.2 Remuneration and welfare	61	



					measures		
Key Theme: Occupational Health and Safety							
GRI 3:major themes 2021	Management Policy	-	3-3	Material topic management	5. Inclusive social investment	54	
GRI 403	Occupational Safety and Health Theme Management Disclosure 2018	-	403-1	Occupational health and safety management system	5.4 Healthy and safe workplace	67	
		-	403-2	Hazard identification, risk assessment and accident investigation	5.4 Healthy and safe workplace	67	
		-	403-3	Occupational health services	5.4 Healthy and safe workplace	67	
		-	403-4	Participation, consultation and communication with workers related to occupational safety and health	5.4 Healthy and safe workplace	67	
		-	403-5	Worker training on occupational safety and health	5.4 Healthy and safe workplace	67	
		-	403-6	Worker health promotion	5.4 Healthy and safe workplace	67	
		-	403-7	Prevent and mitigate the impact of occupational health and safety directly related to business relationships	5.4 Healthy and safe workplace	67	
GRI 403	Occupational Safety and Health Theme Disclosure 2018	-	403-8	Workers covered by the Occupational Health and Safety Management System	5.4 Healthy and safe workplace	67	
		-	403-9	Occupational injuries	5.4 Healthy and safe workplace	67	
		-	403-10	Occupational illness	5.4 Healthy and safe workplace	67	
Key Theme: Training & Education							
GRI 3:major themes 2021	Management Policy	-	3-3	Material topic management	5. Inclusive social investment	54	
GRI 404	Training & Education Theme Reveal 2016	-	404-1	The average number of training hours per employee per year	5.3 Talent development training	65	
		-	404-2	Enhance staff functions and transition assistance programs	5.3 Talent development training	65	
		-	404-3	Percentage of employees who receive regular performance and career development reviews	5.3 Talent development training	65	
Material Theme: Employee Diversity & Equal Opportunity							
GRI 3:major themes 2021	Management policy	-	3-3	Material topic management	5. Inclusive social investment	54	
GRI 405	Employee diversity and equal opportunity Theme Reveal 2016	-	405-1	Governance of the diversity of the unit and employees	5.1 Employee profile relationship	57	
		-	405-2	The ratio of women's basic salary to men's salary	5.2 Remuneration and welfare measures	61	



## Appendix 2: SASB Sustainability Accounting Standards Comparison Table

(Sustainability Accounting Standards Board, SASB)

Industry: Healthcare-Biotechnology & Pharmaceuticals						
Expose the topic	Accounting metrics	category	Annual disclosures	code	Corresponding chapters	page number
Safety of those participating in clinical trials	In different regions of the world, we will discuss how to ensure the quality of medical care and the management process of patient safety	Discussion & Analysis	-	HC-BP-210a.1	not applicable	-
	For clinical trial management and drug active surveillance, the following methods can be adopted: (1) Voluntary Measures (VAI) (2) Officials need to take proactive measures (OAI)	quantify	-	HC-BP-210a.2	not applicable	-
	The total amount of monetary losses resulting from legal proceedings related to clinical trials of drugs in developing countries	quantify	-	HC-BP-210a.3	not applicable	-
Drug licensing	Elaborate on measures and initiatives to promote the use of healthcare products for priority diseases and countries with less underserved health care (as defined by the Drug Licensing Index).	Discussion & Analysis	-	HC-BP-240a.1	not applicable	-
	As a product in the list of pre-qualified medicines in the World Health Organization's Pre-Qualification Programme for Medicines (PQP).	Discussion & Analysis	-	HC-BP-240a.2	not applicable	-
Burden capacity & price	The number of proceedings related to the Simplified New Drug Application (ANDA) proceedings related to the disbursement of payments or the prescribed period of delay in the marketing of the generic drug	quantify	-	HC-BP-240b.1	not applicable	-
	Percentage change in (1) average pricing (2) average net price of the U.S. drug portfolio compared to the same period last year	quantify	-	HC-BP-240b.2	not applicable	-
	Percentage change: (1) Pricing (2) The net price of the product that increased the most compared to the same period of the previous year	quantify	-	HC-BP-240b.3	not applicable	-
The drug is safe	A list of products listed in the U.S. Food and Drug Administration's (FDA) MedWatch Notification System Human Medical Product Safety Alert Database	Discussion & Analysis	-	HC-BP-250a.1	not applicable	-
	The number of deaths associated with the product in the FDA's Adverse Drug Reaction Notification System	quantify	-	HC-BP-250a.2	not applicable	-
	The number of recalls issued in accordance with FDA regulations, and the total number of units recalled	quantify	-	HC-BP-250a.3	not applicable	-



	The total amount of products to be recycled, reused, or disposed of	quantify	-	HC-BP-250a.4	not applicable	-
	Number of FDA enforcement actions taken for current Good Manufacturing Practice (cGMP) violations, by type	quantify	-	HC-BP-250a.5	not applicable	-
Falsified medicines	Detail methods and techniques to maintain product traceability and prevent counterfeiting throughout the supply chain	Discussion & Analysis	-	HC-BP-260a.1	not applicable	-
	Explore procedures for alerting customers and business partners to potential or known risks associated with counterfeit generic medicines	Discussion & Analysis	-	HC-BP-260a.2	not applicable	-
	The number that resulted in searches, seizures, arrests, or criminal prosecutions related to counterfeit medicines	quantify	-	HC-BP-260a.3	not applicable	-
Ethical marketing	The total amount of financial losses incurred as a result of legal proceedings related to the falsification of the sales statement	quantify	-	HC-BP-270a.1	There is no such thing	-
	A statement of ethics for the use of drugs other than those labeled on generic labels	Discussion & Analysis	-	HC-BP-270a.2	not applicable	-
Employee recruitment, development and retention	Explore talent recruitment and retention for scientists and R&D staff	Discussion & Analysis	SYN-TECH follows the provisions of government labor laws and regulations and the company's labor human rights norms in recruitment and appointment, provides equal employment opportunities and environment, and selects all kinds of talents based on personal professional ability and academic experience, regardless of race, gender, age, place of origin, religion, political party, marriage, appearance, sexual orientation, physical and mental disabilities, etc. The company also continues to promote the fairness and reasonableness of various operations, giving priority to protecting the rights and interests of employees, all employees can voluntarily and have the right to terminate their employment relationship at any time in accordance with the law, and the transfer of manpower adjustment is in accordance with the Labor Standards Act and other laws and regulations and the company's internal control system to give notice or notice, and the supervisor will fully communicate with the parties before handling in accordance with the relevant operation regulations.	HC-BP-330a.1	5.3 Talent development training	65
	(1) Self-voluntary turnover rate (2) Non-voluntary turnover rate (a) Higher-level management personnel (b) Middle management (c) Professionals	quantify	Voluntary resignation rate: 7.17% Involuntary resignation rate: 0% (a) Senior managers: 9, accounting for 4.03% of the company	HC-BP-330a.2	5.1. Employee profile relationship	57





	(d) All other persons		(b) Middle managers: 40, accounting for 17.94% of the company (c) Professionals: 50, accounting for 22.42% of the company (d) Other owners: 124, accounting for 55.61% of the company			
Supply chain management	Confirm participation in the Rx-360 International Pharmaceutical Supply Chain Alliance audit program or the equivalent third-party review program (1) Physical facilities and (2) the percentage of Tier 1 supplier facilities to ensure supply chain quality and pharmaceutical ingredient integrity	quantify	Physical Facilities: SYN-TECH is not a member of the RX-360 International Pharmaceutical Supply Chain Alliance program. Percentage of Tier 1 Supplier Facilities: Inside SYN-TECH Pass The department strictly monitors the selection, evaluation and approval of raw materials, packaging materials, and instruments/equipment suppliers in strict procedures and supplier attributes. For quality control, regular supplier audits are conducted in accordance with SOPs, and internal assessment reviews, quality document reviews and on-site audits are adopted to evaluate, all of which are 100% completed.	HC-BP-430a.1	3.1 Supply chain management	40
Business Ethics	The total amount of financial losses resulting from corruption and bribery-related legal proceedings	quantify	No loss	HC-BP-510a.1	2.3 Regulatory Compliance	33
	Elaborate on the Code of Ethics when interacting with healthcare professionals	Discussion & Analysis	SYN-TECH adheres to a high standard of professional ethics in the execution of all business work, and implements the business philosophy of integrity, integrity, fairness, correctness and transparency".Code of Ethical Conduct", which requires the company's relevant stakeholders to meet the standards of professional ethics, as well as the important responsibility of maintaining the company's reputation and complying with laws and regulations, and conducts publicity through regular meetings and employee education and training to guide employees to follow the correct professional ethics. Among them, the content of compliance includes the prevention of conflicts of interest, the avoidance of self-seeking behavior, confidentiality obligations, fair trade, compliance with laws and regulations, and the encouragement to report any illegal or illegal acts, and if there is a violation of the Code of Ethical Conduct, it will be dealt with and punished in accordance with government laws and regulations or relevant internal regulations of the company.	HC-BP-510a.2	2.3 Regulatory Compliance	33
Number of patients treated		quantify	-	HC-BP-000. A	not applicable	-



(1) The number of drugs in the portfolio and (2) the number of drugs under development	quantify	<b>Drugs in the portfolio</b>	<b>Number of medications</b>	HC-BP-000. B	1.2 Products and Services	10
		Anticoagulant	2 pcs			
		Anti-leprocular	1 pc			
		Antiemetic	2 pcs			
		Anti-glaucoma	1 pc			
		Lowers blood pressure	2 pcs			
		Anti-inflammatory, anti-heat and pain-relieving	2 pcs			
		migraine	2 pcs			
		Relieves itching	1 pc			
		Solution	1 pc			
		Cough	1 pc			
		Anti-gastric ulcer	2 pcs			
		Anxiolytic	2 pcs			
		Hyperactivity	1 pc			
		Prostate hypertrophy	1 pc			
		Gas pipe extenders	1 pc			
		Decongestant	1 pc			
		Lowers blood sugar	2 pcs			
		Local anesthetics	1 pc			
		Muscle relaxants	5 pcs			
		Neuroprotection	1 pc			
		excipient	1 pc			
		Vasodilators	1 pc			
		<b>Drug projects in research and development</b>	<b>Number of medications</b>			
		Urinary tract smooth muscle relaxant	1 pc			
		Drugs for overactivity	1 pc			
		Diabetes medications	1 pc			
		Asthma medications	1 pc			



## Appendix 3: Sustainability Disclosure Indicators – Chemical Industry

numbering	index	Types of indicators	Annual disclosures		Corresponding chapters	unit	page
One	Total energy consumption, percentage of purchased electricity, renewable energy utilization rate and total amount of self-generated energy (Note 1).	quantify	Total energy consumption: 58,149.86 GJ Percentage of purchased electricity: 49.08%. Renewable energy use rate: 0%. Total energy consumption for self-consumption: 0%.		4.2 Energy management	billion joules (GJ) Percentage (%)	51
Two	Total water withdrawal, <u>total water consumption</u> , and discharge of waste (sewage) water as required by law or voluntarily disclosed	quantify	Total water withdrawal: 7196 (m³) Total water consumption: 2.11 (m³). Discharge of waste (sewage) water required by law or voluntarily disclosed: 69.85 (m³).		4.4 Water resources management	1,000 cubic meters (m³) Percentage (%)	50
Three	The total amount of hazardous waste produced during the production process of the product as required by laws and regulations or voluntarily disclosed and the percentage of recycling.	quantify	The total amount and percentage of hazardous waste are as follows: The total amount of hazardous waste was 839.38 tons Percentage of recovery: 0% The part of outsourcing: the product produced by the processing manufacturer after the completion of reuse is paint, accounting for 22%		4.5 Waste management	Metric ton(t) Ratio (%)	52
Four	Describe the number and rate of occupational accidents	quantify	Number of occupational accidents: 1 Disabling Damage Frequency: 2.27%.		5.4 Healthy and safe workplace	Ratio (%) quantity	67
Five	Operations that have a significant actual or potential negative impact on the local community.	Qualitative narrative	-		5.5 Practice social care	not applicable	76
Six	Specific and effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	Qualitative narrative	-		3.1 Supply chain management	not applicable	40
Seven	Product production by product category	quantify	Product items	Output ( KG)	1.2 Products and Services	Varies depending on the type of product	31
			Cardiovascular agents	5,794.690KG			
			Muscle relaxants	245,078.500KG			
			Local anesthetics	37,158.801KG			
			Anti-inflammatory, antipyretic and analgesic Respiratory agents	7,122.000KG 706.800KG			



numbering	index	Types of indicators	Annual disclosures			Corresponding chapters	unit	page
			Digestive agents	6,005.180KG				
			Central nervous system agents	2,131.990KG				
			Chemotherapy APIs	23,323.600KG				
			excipient	25,855.500KG				
			Animal medication	2,250,000KG				
			other	1,685.580KG				



## Appendix 4: Climate-Related Information for Listed and OTC Companies

(Task Force on Climate-Related Financial Disclosures, TCFD)

Item	Corresponding Section	page number
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	4.1 Climate change adaptation methods	63
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances (short, medium and long term).	4.1 Climate change adaptation methods	63
3. Describe the financial impact of extreme weather events and transition actions.	4.1 Climate change adaptation methods	63
4. Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	4.1 Climate change adaptation methods	63
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and key financial impacts used should be described.	-	63
6. If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	-	63
7. If internal carbon pricing is used as a planning tool, the basis for pricing should be stated.	-	-
8. If climate-related targets are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress of achieving them each year should be explained; If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or renewable energy certificates (RECs) to be exchanged should be stated.	4.1 Climate change adaptation methods	63
9. Greenhouse gas inventory and assurance and reduction targets, strategies and specific action plans	4.2 Greenhouse gas management Annex 1-1, Annex 1-2	65 128-132

**Appendix 1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the Past Two Years****1-1-1 Greenhouse Gas Inventory Information**

Description:

This section provides the emission volumes (tons of CO<sub>2</sub>e), intensity metrics (tons of CO<sub>2</sub>e per million NTD), and data coverage of greenhouse gas emissions for the past two years.**According to the provisions of the sustainable development roadmap of listed companies, at least it should be disclosed**

<b>Company Information</b> <input type="checkbox"/> Companies with a capital of NTD 100 billion or more (e.g., steel, cement industries): <input type="checkbox"/> Companies with a capital of NT\$50 billion or more but less than NT\$100 billion. <input checked="" type="checkbox"/> Companies with a capital of less than NTD 50 billion.	<b>Disclosure Requirements for Listed Companies</b> <input checked="" type="checkbox"/> Individual entity inventory for the parent company. <input type="checkbox"/> Individual entity assurance for the parent company. <input type="checkbox"/> Consolidated financial report inventory for subsidiaries. <input type="checkbox"/> Consolidated financial report assurance for subsidiaries.
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In accordance with the ISO 14064-1 Greenhouse Gas Inventory Standard issued by the International Organization for Standardization (ISO), SYN-TECH Chem. & Pharm. Industries has established a greenhouse gas inventory mechanism to regularly monitor the company's greenhouse gas emissions annually. The inventory encompasses the Tainan head office to ensure a comprehensive understanding of the use and emissions of greenhouse gases.

The greenhouse gas inventory data for the most recent biennium is summarized based on the Operational Control Act and includes emissions from the Tainan Head Office's operating activities, as outlined below:

Year		2022		2023	
		Emissions (噸 CO <sub>2</sub> e)	Intensity (CO <sub>2</sub> e/)	Emissions (噸 CO <sub>2</sub> e)	Intensity (CO <sub>2</sub> e/)
parent company	Scope 1: Direct greenhouse gas emissions	9,306.5296		3,002.2013	
	Scope 2: Indirect greenhouse gas emissions	2,988.4131		3,916.0544	
	Scope 3: Other indirect greenhouse gas emissions	2,222.3657		1,973.2097	
	subtotal	12,517.3084		8,891.4654	
<b>total</b>		12,517.3084	12.691	8,891.4654	7.978

Note 1: Direct emissions (Scope 1) refer to emissions originating from sources owned or controlled by the company, including emissions resulting from the consumption of electricity, heat, or vapor.

Note 2: The boundaries for Scope 1 and Scope 2 emissions data are defined in accordance with the schedule specified in Article 4-1, Item 2 of the "Operating Regulations for the Preparation and Filing of Sustainability Reports by OTC Listed Companies" (hereafter referred to as the "Regulations"). Other indirect emissions data (Scope 3) may be disclosed voluntarily.

Note 3: The greenhouse gas inventory was conducted in compliance with ISO 14064-1, issued by the International Organization for Standardization (ISO).

Note 4: The emission intensity of greenhouse gases is calculated based on individual business revenue (in NTD million). The scope of data coverage corresponds to Taiwan's operating areas (Tainan Head Office). The organizational-scale measurement is likewise based on individual business revenue.

Note 5: The 2022 emissions data was assured according to the ISO 14064-1 Greenhouse Gas Inventory Standard and verified by a third party.

Note 6: The 2023 emissions data was also assured under the ISO 14064-1 Greenhouse Gas Inventory Standard and verified by a third party.

**1-1-2 Greenhouse gas assurance information**

A Statement of the Most Recent Biennial Assurance, Including Confidence in Scope, Confidence in the Agency, Adherence to Guidelines, and Verified Opinions					
project	annual	In 2022		In 2023	
		Parent company	Subsidiary	Parent company	Subsidiary
Confidence in the scope		SYN-TECH CHEM. & PHARM. Co., Ltd	-	SYN-TECH CHEM. & PHARM. Co., Ltd	-
Confident in the agency		Taiwan Methodist International Quality Assurance Verification Co., Ltd. (BV).	-	Taiwan Methodist International Quality Assurance Verification Co., Ltd. (BV).	-
Adherence to Guidelines		ISO 14064-1 Standard, Guidelines for Greenhouse Gas Emissions Inventory Operations	-	ISO 14064-1 standard, Guidelines for Greenhouse Gas Emissions Inventory Operations	-
Verified Opinions		The Company's 2022 greenhouse gas emissions were verified on April 27, 2023, and met the reasonable assurance level of the verification agreement, as detailed in Annex 1-3 Verification Statement. (Issue Date: 2023/05/30).	-	The Company's 2023 greenhouse gas emissions were verified on April 11, 2024, and met the reasonable assurance level of the verification agreement, as detailed in Annex 1-3 Verification Statement. (Issue Date: 2024/06/12)	-
Note 1: The process shall comply with the schedule specified in Article 4-1, Paragraph 3 of these Operating Regulations.					
Note 2: The Assurance Institution shall conform to the relevant regulations of the Assurance Institution for the Sustainability Report set forth by the Taiwan Stock Exchange Corporation and the Republic of China Securities OTC Trading Center.					

**1-1-3 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans**




Describe the base year for greenhouse gas reduction and its data, reduction targets, strategies, specific action plans, and the achievement of reduction targets.
The year 2023 is the base year for the Company, and the year 2023 is re-established as the base year for the Company's inventory to maintain consistency in the report.
Note 1: This shall be handled in accordance with the schedule specified in Article 4-1, Paragraph 4 of these Operating Regulations.
Note 2: The base year should be the year in which the inventory is completed at the boundary of the consolidated financial report. For example, according to Item 2 of Article 4-1 of these Operating Regulations, a company with a capital of more than 10 billion NTD shall complete the inventory of the consolidated financial report for 113 years in 114; thus, if the company has completed the inventory of the consolidated financial report in advance, the earlier year shall be used as the base year, and the base year shall be calculated by the average of a single year or several years.








## Annex 1-2 Greenhouse Gas Verification Statement

### 2022 Greenhouse Gas Verification Statement: Chinese version

<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>生泰合成工業股份有限公司 台北市新榮區五洲路188號 委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>	<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>生泰合成工業股份有限公司 台北市新榮區五洲路188號 委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>	<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>生泰合成工業股份有限公司 台北市新榮區五洲路188號 委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>
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### 2022 Greenhouse Gas Verification Statement: English version

<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>SYN-TECH CHEM. &amp; PHARM. CO., LTD. No. 188, Kai Yuan Rd., Hsin-Yung, Tainan City 73055, Taiwan Mobile Statement No: TWM-18344337GTC Rev.1</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>	<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>SYN-TECH CHEM. &amp; PHARM. CO., LTD. No. 188, Kai Yuan Rd., Hsin-Yung, Tainan City 73055, Taiwan Mobile Statement No: TWM-18344337GTC Rev.1</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>	<div><p>VERIFICATION OPINION GREENHOUSE GAS EMISSIONS</p><p>SYN-TECH CHEM. &amp; PHARM. CO., LTD. No. 188, Kai Yuan Rd., Hsin-Yung, Tainan City 73055, Taiwan Mobile Statement No: TWM-18344337GTC Rev.1</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p><p>委託驗證編號: TWM-18344337GTC Rev.1 委託驗證日期: 2023/05/23</p></div>
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## 2023 Greenhouse Gas Verification Statement: Chinese version

ASSURANCE OPINION  
GREENHOUSE GAS EMISSIONS

茲證明

## 生泰合成工業股份有限公司

73055 臺南市新營區開元路168號

持有聲明書編號：TWN21082934GT/C Rev.1

台灣衛理國際品保驗證股份有限公司對生泰合成工業股份有限公司所報告的溫室氣體聲明進行了獨立查證，此查證聲明適用於以下描述工作範圍內的相關資訊。

生泰合成工業股份有限公司負責報告溫室氣體聲明，台灣衛理國際品保驗證股份有限公司的責任為對其所報告溫室氣體聲明的準確性，以及用於蒐集、分析和審查資訊的基礎系統和過程提供獨立查證。

## 查證範圍：

- 生泰合成工業股份有限公司（管制編號：R8400630），位於 73055 臺南市新營區開元路 168 號
- 查證期間：2023 年 01 月 01 日至 2023 年 12 月 31 日

## 報告邊界及查證數據：

- 類別 1：直接溫室氣體排放與轉移：3,002.2013 公噸二氧化碳當量
- 類別 2：輸入能源之間接溫室氣體排放：3,916.0544 公噸二氧化碳當量
- 類別 3：運輸之間接溫室氣體排放：88.5354 公噸二氧化碳當量
- 類別 4：組織使用產品之間接溫室氣體排放：1,884.6743 公噸二氧化碳當量

## 查證意見：

依據台灣衛理國際品保驗證股份有限公司所進行之查證過程與程序，有充分證據顯示生泰合成工業股份有限公司之類別 1、2 溫室氣體聲明為實質正確並公正地呈現溫室氣體數據及相關資訊，以及根據 ISO 14064-1:2018 所準備，符合查證協議之合理保證等級。

無證據顯示生泰合成工業股份有限公司之類別 3、4 溫室氣體聲明不為實質正確，未公正地呈現溫室氣體數據及相關資訊，以及未根據 ISO 14064-1:2018 所準備，符合查證協議之有限保證等級。

技術審查：劉志鴻

副總經理：謝佩琦

最初發行日期：12/06/2024

版本發行日期：12/06/2024

Validation and Verification  
V8005聲明書編號：TWN21082934GT/C Rev.1  
版本發行日期：12/06/2024

## 溫室氣體排放與轉移資訊：

生泰合成工業股份有限公司：73055 臺南市新營區開元路 168 號

類別	子類別	說明	tCO <sub>2</sub> e
類別 1： 直接溫室氣體排放與轉移	1.1 固定燃燒之直接排放	—	1,835.1277
	1.2 移動燃燒之直接排放	—	4.1379
	1.3 產業過程產生之直接溫室氣體排放與轉移	—	0.0372
	1.4 人為系統中溫室氣體釋放產生之直接溫室氣體	—	1,162.8985
	1.5 土地利用、土地利用變更及林業之直接溫室氣體排放	—	0.0000
類別 2： 輸入能源之間接溫室氣體排放	2.1 輸入電力之間接排放	地點基準方法*	3,916.0544
	2.2 輸入能源之間接排放	市場基準方法	N.A.
類別 3： 運輸之間接溫室氣體排放	3.1 上游貨物運輸與配送之排放	N.S.	N.A.
	3.2 下游貨物運輸與配送之排放	N.S.	N.A.
	3.3 員工通勤之排放	此類別排放量化使用的活動數據採用量化方法獲得	88.5354
	3.4 客戶和訪客交通之排放	N.S.	N.A.
	3.5 商務旅行之排放	N.S.	N.A.
類別 4： 組織使用產品之間接溫室氣體排放	4.1 輸入貨物之排放	此類別排放量化使用的活動數據採用量化方法上游排放獲得	1,290.4267
	4.2 資本貨物之排放	N.S.	N.A.
	4.3 實體及液體廢棄物處理之排放	此類別排放量化使用的活動數據採用量化方法/專案報告書物處理排放獲得	654.2476
	4.4 營運的使用之排放	N.S.	N.A.
	4.5 使用上述子類別本段及服務的使用之排放	N.S.	N.A.
類別 5： 外使用組織產品之間接溫室氣體排放	5.1 產品的使用階段之排放與轉移	N.S.	N.A.
	5.2 下游租賃資產之排放	N.S.	N.A.
	5.3 產品之生命週期階段之排放	N.S.	N.A.
	5.4 投資之排放	N.S.	N.A.
類別 6： 其他溫室氣體間接溫室氣體排放		N.S.	N.A.

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



## 詳細查證範圍：

- 用於進行查證的查證協議：ISO 14064-1:2018, ISO 14064-3:2019
- 查證期間：2023 年 01 月 01 日至 2023 年 12 月 31 日
- 排放溫室氣體種類：二氧化碳(CO<sub>2</sub>)、甲烷(CH<sub>4</sub>)、氧化亞氮(N<sub>2</sub>O)、氫氟碳化物(HFCs)、全氟碳化物(PFCs)、六氟化硫(SF<sub>6</sub>)、三氟化氮(NF<sub>3</sub>)
- 全球暖化潛勢(GWP)：引用 IPCC 2023 年第六次評估報告
- 外購電力排放係數：引用經濟部能源局民國 113 年公布之 112 年度電力排放係數 0.494 kgCO<sub>2</sub>e/kWh
- 查證排放量的方法：營運控制
- 盤查清冊版本：生泰合成 2023 年溫室氣體盤查登錄表單-1130619
- 盤查報告版本：2023 溫室氣體盤查報告書-生泰合成-1130619

## 查證方法：

依據風險評估及取證計畫，對生泰合成工業股份有限公司進行現場訪視，訪視有關人員，審查其產生的文件證據；於生泰合成工業股份有限公司的辦公室及現場，審查蒐集、查證及分析的方法、資訊系統和數據；以及稽核生泰合成工業股份有限公司用於決定溫室氣體聲明的數據樣本。

## 查證作業實施日期：

- 2024 年 4 月 10 日至 2024 年 4 月 11 日

## 查證小組：

- 主審查員：朱永淳
- 查證員：徐品寬
- 見證查證員：莊媛丹

## 查證聲明：查證聲明書

本查證聲明，包括本文件所述的意見，僅為根據生泰合成工業股份有限公司雙方之查證協議提供，台灣衛理國際品保驗證股份有限公司(Bureau Veritas Certification Taiwan)同意生泰合成工業股份有限公司所報告之溫室氣體聲明使用於 ISO 14064-1:2018 溫室氣體聲明，但不應視為品質保證。本聲明書之內容，在查證聲明書中可能包含生泰合成工業股份有限公司之相關資訊，本聲明書之內容僅供參考，其他個人、團體或公司若未經本行同意或允許，不得將本聲明書之內容用於其他目的。台灣衛理國際品保驗證股份有限公司(Bureau Veritas Certification Taiwan)將生泰合成工業股份有限公司之聲明與相關資訊之關係，符合國際標準之要求。



## 2023 Greenhouse Gas Verification Statement: English version



This is to verify that

**SYN-TECH CHEM. & PHARM. CO., LTD.**

No. 168, Kai Yuan Rd., Hsin-Ying, Tainan City 73055, Taiwan

Holds Statement No: TWN21082934GT/E Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by SYN-TECH CHEM. & PHARM. CO., LTD. for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of SYN-TECH CHEM. & PHARM. CO., LTD. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

**Boundaries of the reporting company GHG emissions covered by the verification:**

- SYN-TECH CHEM. & PHARM. CO., LTD. at No. 168, Kai Yuan Rd., Hsin-Ying, Tainan City 73055, Taiwan
- Period covered by GHG emissions verification: January 1, 2023 to December 31, 2023

**Emissions data verified:**

- Category 1 - Direct GHG emissions and removals: 3,002.2013 tCO<sub>2</sub>e
- Category 2 - Indirect GHG emissions from imported energy: 3,916.0544 tCO<sub>2</sub>e
- Category 3 - Indirect GHG emissions from transportation: 88.5354 tCO<sub>2</sub>e
- Category 4 - Indirect GHG emissions from products used by organization: 1,884.6743 tCO<sub>2</sub>e

**Assurance Opinion:**

Based on the process and procedures conducted, we conclude that the GHG statement for Category 1 and 2 is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018. Levels of Reasonable Assurance in Compliance Verification Agreements.

There is no evidence that the GHG statement for Category 3, 4 is not materially correct and is not a fair representation of GHG data and information and has not been prepared in accordance with the ISO 14064-1:2018 Levels of Limited Assurance in Compliance Verification Agreements.

It is our opinion that SYN-TECH CHEM. & PHARM. CO., LTD. has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Carter Liu, Technical Reviewer  
Original Issue: 12/06/2024Pei Hsu, CER Manager  
Latest Issue: 12/06/2024Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
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Latest Issue: 12/06/2024**Greenhouse Gas Statement:**

- SYN-TECH CHEM. & PHARM. CO., LTD.: No. 168, Kai Yuan Rd., Hsin-Ying, Tainan City 73055, Taiwan

Categories	Subcategories	Remark	ICO <sub>2</sub> e	
Category 1: Direct GHG emissions and removals	1.1 Direct emissions from stationary combustion	—	1,835,1277	3,002.2013
	1.2 Direct emissions from mobile combustion	—	4,1379	
	1.3 Direct process emissions and removals arise from industrial processes	—	0,0372	
	1.4 Direct fugitive emissions arise from the release of greenhouse gases in anthropogenic systems	—	1,162,8985	
	1.5 Direct emissions and removals from Land Use, Land Use Change and Forestry	—	0,0000	
Category 2: Indirect GHG emissions from imported energy	2.1 Indirect emissions from imported electricity	Location based approach	3,916.0544	3,916.0544*
	2.2 Indirect emissions from imported energy	Market based approach	N.A.	
Category 3: Indirect GHG emissions from transportation	3.1 Emissions from Upstream transport and distribution for goods	N.S.	N.A.	88.5354
	3.2 Emissions from Downstream transport and distribution for goods	N.S.	N.A.	
	3.3 Emissions from Employee commuting includes emissions	Extrapolation methods are utilized to obtain the activity data that are used to quantify emissions in this category.	88.5354	
	3.4 Emissions from Client and visitor transport	N.S.	N.A.	
	3.5 Emissions from Business travels	N.S.	N.A.	
Category 4: Indirect GHG emissions from products used by organization	4.1 Emissions from Purchased goods	Energy upstream emissions are quantified to provide the activity data that is required to measure emissions in this category.	1,230,4267	1,884.6743
	4.2 Emissions from Capital goods	N.S.	N.A.	
	4.3 Emissions from the disposal of solid and liquid waste	General and industrial waste, among other types of trash, are among the activities from which the activity data needed to measure emissions in this category is obtained.	654,2476	
	4.4 Emissions from the use of	N.S.	N.A.	

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Assets			
4.5 Emissions from the use of services that are not described in the above subcategories	N.S.	N.A.	
5.1 Emissions or removals from the use stage of the product	N.S.	N.A.	N.A.
5.2 Emissions from downstream leased assets	N.S.	N.A.	
5.3 Emissions from end of life stage of the product	N.S.	N.A.	
6.4 Emissions from investments	N.S.	N.A.	
Category 6: Indirect GHG emissions from other sources	N.S.	N.A.	N.A.

#: N.S.: Non-significant ; N.A.: Not available

**GHG Verification Protocols used to conduct the verification:**

- ISO 14064-1:2018, ISO 14064-3:2019
- Period covered by GHG emissions verification: January 1, 2023 to December 31, 2023
- GHG covered: Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF<sub>6</sub>) and Nitrogen trifluoride (NF<sub>3</sub>)
- Global warming potential (GWP): 2023 IPCC Sixth Assessment Report (AR6)
- Electricity Emission Factor: 2023 Electricity Retailing Utility Enterprise Electricity Carbon Emission Factor (0.494 kgCO<sub>2</sub>e/kWh) published by Bureau of Energy, Ministry of Economic Affairs, R.O.C.
- Approach for consolidating GHG emissions: Operational Control
- GHG Inventory: 19/06/2024
- GHG Report: 19/06/2024

**GHG Verification Methodology:**

- Interviews with relevant personnel of SYN-TECH CHEM. & PHARM. CO., LTD.;
- Review of documentary evidence produced by SYN-TECH CHEM. & PHARM. CO., LTD.;
- Review of SYN-TECH CHEM. & PHARM. CO., LTD. data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions at SYN-TECH CHEM. & PHARM. CO., LTD. Headquarters; and
- Audit of sample of data used by SYN-TECH CHEM. & PHARM. CO., LTD. to determine GHG emissions.

**Verification Team:**

- Lead Verifier: Dylan Chu
- Verifier: Gary Hsu
- Witness Verifier: Lily Chuang

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