

2024

ESG REPORT



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Message from the Chairman

Development of New Drugs, Care for Life, Implementation of Governance, Pursuit of Sustainability

Microbio Co., Ltd. espouses the core values of “integrity, innovation, and love.” We forge partnerships with integrity, pioneer blue oceans through innovation, and give back to society with love. Under a steady business strategy, we have established a healthcare domain that encompasses the four dimensions of new drug development, medical-grade health supplements, investments in biotechnology, and organic products.

Our R&D and sales teams have entered the international market with diversified product strategies based on the exclusive anaerobic symbiosis fermentation technology to maximize the value of the microecological technology platform. We have obtained the drug license for our self-developed “MICRSOY oral solution” and continue to develop new indications. In 2024, in the international journal Gut Microbes, we announced that “MICRSOY oral solution” is able to enhance the anti-cancer effects of anti-PD-1 antibodies. In addition, we also obtained positive results on the unblinding of the exploratory clinical trial for late-stage non-small cell lung cancer completed at the end of the year. Microbio’s gut microbiome product Symbiota® also received the U.S. GRAS (Generally Recognized as Safe) Independent/Self-affirmed safety conclusion in 2024. This represents a significant step towards global market access for the Company’s products. Our subsidiary, Cotton Field Organic, focuses on organic and healthy brand value and aims to strengthen its omnichannel strategy (OMO, Online-Merge-Offline) by expanding its store network. As of 2024, it operated 80 stores.

We also continue to invest resources in promoting ESG to advance towards the sustainable vision of “Healthy Life and Sustainable Co-prosperity”. In 2022, we established the Sustainable Development Committee at the Board of Directors level in order to oversee matters and implementation outcomes related to the corporate governance, environmental sustainability, social inclusion and sustainable information disclosure, thereby driving ESG management in a top-down manner and further exceeding the requirements outlined in the Financial Supervisor Commission’s “Sustainable Development Roadmap” and “Sustainable Development Action Plan.” Starting from 2023, subsidiaries included in the consolidated financial statements have been included in the scope of greenhouse gas inventory and verification. In addition, carbon emissions have been reduced through the methods of energy-saving equipment procurement for production processes, products and offices. To enhance the credibility of sustainability information, we have commissioned an independent third-party organization to verify our sustainability report since 2022. Furthermore, in 2024, we also received the “Corporate Sustainability Report Golden Award” from the “Taiwan Sustainable Energy Research Foundation”. The incessant efforts of all staff members have been recognized with four consecutive rankings in the “top 5% of the TPEx-listed category” and our third consecutive listing in the top 10% of TWSE- or TPEx-listed companies in the “non-financial and non-electronics industry with a market capitalization over NT\$10 billion” of the annual Corporate Governance

Evaluations conducted by the Taiwan Stock Exchange Corporation (the results of the 11th evaluations were published by TWSE in May 2025), demonstrating Microbio’s remarkable achievements in corporate governance and sustainability.

With continuous R&D and innovation as its driving force, Microbio upholds the philosophy of ethical management and implements sustainable development while giving back to society. We aim to promote the development of innovative drugs globally, to expand preventive healthcare for sub-health conditions, to establish a high-quality, employee-focused enterprise, and to protect the sustainable global environment, thereby maximizing the corporate value and shareholder equity with best effort.

Microbio Co., Ltd.
Chairman

陈维文



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About This Report

Thank you for taking the time to review the 2024 Corporate Sustainability Report (hereinafter referred to as “this Report”) released by Microbio Co., Ltd. (hereinafter referred to as “Microbio”). Microbio continues to engage with stakeholders and, based on the principle of materiality analysis, implements strategies and actions in corporate governance, social responsibility, and environmental protection, aligning with international sustainability trends. Microbio hopes this Report will serve as an internal management tool for ESG performance and as an important platform for engaging with stakeholders, disclosing the company's practices towards sustainable development to the public. Microbio will continue to listen to the needs of stakeholders and looks forward to ongoing attention to the company's actions and providing valuable feedback and suggestions, working together to create sustainable shared value.

» Report Disclosure Scope

The disclosed information is centered around our sustainability performance. In contrast to the previous report, information on subsidiaries has also been included in this report based on its relevance for our operations and the degree of impact on material topics in our chapters on corporate governance, health care, safe workplace, social inclusion, and environmental protection in accordance with consolidated financial reporting principles, and only exclude subsidiary established for investment or fiscal and tax purposes, such as Microbio Pharmaceutical Co., Ltd. These subsidiaries include Cotton Field Organic Co., Ltd. (hereinafter referred to as “Cotton Field Organic”), and Microbio (Shanghai) Co., Ltd. (hereinafter referred to as “Microbio (Shanghai)”), which is consistent with the affiliates listed in the organizational chart provided in the annual report (for more information on operating sites please refer to Attachment 1). Detailed descriptions are provided in the main text or notes of this report where information or date pertaining to subsidiaries is adjusted or estimates are involved. In future reports, we will continue to expand the scope of disclosure of subsidiary information. Disclosed financial data which has been extracted from published annual reports, has been attested by a CPA and is presented in New Taiwan dollars as the unit of measurement. The environmental and social dimensions data has been compiled and organized independently by competent departments and confirmed by the department supervisors. The presented data has been calculated in accordance with internationally accepted standards and indicators.

» Reporting Basis

Publishing Institution	In Accordance With Standards
Global Reporting Initiative, GRI	GRI Standards 2021
Sustainability Accounting Standards Board, SASB	Biotechnology & Pharmaceuticals
Taiwan Stock Exchange, TWSE	Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies
Task Force on Climate-related Financial Disclosures, TCFD	Recommendations of the Task Force on Climate related Financial Disclosures (Including four major aspects: governance, strategy, risk management, indicators and goals)
United Nations, UN	Sustainable Development Goals, SDGs

» Report Disclosure Period

Microbio has been preparing and disclosing its annual sustainability report since 2020. The information disclosed in this report covers the period from January 1, 2024, to December 31, 2024. Certain achievements from 2021 to 2023, have also been included to ensure the continuity and completeness of the data on sustainability. Additionally, both Chinese and English electronic versions of the report are available for download in the "ESG" section of the company's official website for stakeholders.

Publication date of the current issue: August 2025
Publication date of the previous issue: August 2024

Microbio's official website

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» Report verification

Data Category	Standard	Certifying Organization
ESG report	AA1000 Type 2 Moderate Assurance Level	AFNOR ASIA, LTD.
Financial data	Annual financial report	Deloitte
Environmental data-Carbon Footprint Verification	ISO 14067:2018	SGS Taiwan
Environmental data- Greenhouse Gas(GHG) Inventory	ISO 14064:2018	DNV Taiwan

» About Microbio

Microbio Co., Ltd was founded in May 2000. The headquarters and laboratory are located in Nangang District, Taipei City, with an additional office in Zhongzheng District, Taipei City, and a manufacturing facility in Longtan District, Taoyuan City. Microbio espouses the core values of "Integrity, Innovation, and Love" paired with a firm commitment to its corporate mission of "Developing New Drugs and Caring for Life" The Company actively develops innovative international new drugs to address unmet medical needs in clinical settings with a focus on cancer, liver disease, and chronic diseases. Microbio has acquired two new drug licenses for "Chemo Young MICRSOY oral solution" and "Herbiron". In addition to in-house research, development, and manufacturing of new drugs, Microbio has gradually built a healthcare domain encompassing the four major biotechnology-related dimensions: new drugs development, medical-grade health supplements, investments in biotechnology, and organic products. This has been achieved through a stable business strategy and by harnessing resources of industry, academia, and research communities.

Our subsidiary, Cotton Field Organic, established in February 2008 and headquartered in Zhongzheng District of Taipei City, is a key subsidiary of Microbio and primarily engages in the businesses of organic food sales, business consulting services, and magazine (journals) publication. Cotton Field Organic has established a customer-centric brand and leads the domestic retail industry with the highest proportion of organic products, becoming the most professional organic retail chain brand in Taiwan. As of the end of 2024, Cotton Field Organic has 80 directly operated stores, making it the organic chain with the highest market share in Taipei and New Taipei City.

Our subsidiary - Microbio (Shanghai) Co., Ltd., established in February 2004 has its headquarters and a factory located in Songjiang District of Shanghai City. Microbio (Shanghai) has acquired numerous licenses for new drugs in China, Hong Kong, and Macao, such as ON101 for the treatment of diabetic foot ulcers, FB825 for the treatment of allergic asthma, and FB704A for the treatment of neutrophilic asthma. In addition, for the new drug for diabetic foot ulcers, Fespixon, drug approval from the China National Medical Products Administration (NMPA) for the Class 1.1 natural medicine new drug registration certificate was obtained in November 2023, making it the first new drug specialized for diabetic foot ulcers in China.

• Feedback and Contact Microbio

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Company Name	Microbio Co., Ltd.
Market Type	TPEX-listed Company
Industry Type	Biomedical
Ticker Symbol	4128
Main Business	New Drug Development, Health Supplement
Chairman	Chen, Tzen Wen
President	Chen, Tzen Wen
Domicile	18F-1, No. 3, Park St. Nangang Dist., Taipei City
Capital Amount	NT\$ 5,881,706,000
Total Employee	As of December 31, 2024 Microbio Co., Ltd: 137; Microbio Co., Ltd and subsidiaries of consolidated financial statement: 709
Consolidated Revenue	NT\$ 1,722,852,000 in FY2024
Sales Market	Mainly in Taiwan and the health supplement products also expand to overseas markets
Sales Volume	FY2024: Health supplement products/Organic foods : 11,808,549 Units (including bottle, can, box, pack) Pharmaceutical products: 26,157 boxes

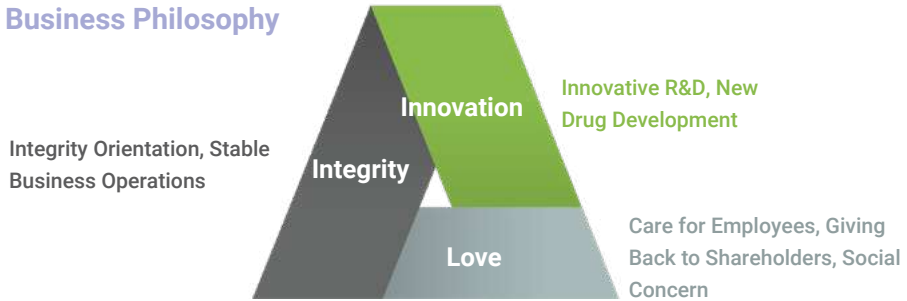
» Business Philosophy

In addition to its deep commitment to the corporate mission of "Developing New Drugs and Caring for Life" and investments in relevant R&D efforts, Microbio strives to gradually fulfill its corporate social responsibility and realize its core corporate values of "Integrity, Innovation, and Love". The Company places equal emphasis on corporate development, furthering the rights and interests of all shareholders, fulfillment of corporate social responsibility, and care for life through a three-pronged approach of "integrity-based alliances, innovative expansion of blue ocean strategies, and giving back to society in a spirit of compassion".

Microbio's firm conviction is that corporate social responsibility not only connotes sustained corporate development & profitability and accountability toward shareholders and employees, but also concrete environmental and social contributions based on core corporate capabilities and values. The goal is to realize the ideals of symbiosis, co-existence, co-prosperity, and shared beauty for this piece of land and future generations.



• Business Philosophy



1 Sustainability Performance

1.1 Financial Performance

1.2 Management and Sustainability Performance



1.1 Financial Performance

» Consolidated Financial Statements

Currency: NTD thousand

Item	2021	2022	2023	2024
Operating Revenue	1,782,038	1,721,848	1,591,392	1,722,852
Gross Profit	739,368	691,295	603,882	676,082
Net Operating Income	(1,161,372)	(278,854)	(505,498)	(451,143)
Non-Operating Income and Expenses	929,503	430,680	(872,371)	(827,245)
Net Income for the Period (attributable to shareholders of parent company)	49,422	211,197	(1,179,876)	(1,100,803)

Note: Consolidated financial data includes subsidiaries such as Microbio (Shanghai) Co., Ltd., Microsoy International Inc., Microbio Pharmaceutical Co., Ltd., and Cotton Field Organic Co., Ltd. On November 22, 2024, the Company disposed of its equity interest in Microsoy International Inc., resulting in the loss of control over the company. Accordingly, Microsoy International Inc. has been excluded from the consolidated financial statements starting from the date control was lost.



» Tax governance

• Tax Governance Policy

In response to the trend of international tax governance and to fully ensure compliance with tax laws and regulations, Microbio formulated the "Tax Governance Policy" in November 2022, which was announced and implemented after being approved by the Chairman. The Company and subsidiaries included in the consolidated financial statements shall comply with the above Tax Governance Policy in the course of handling various tax affairs.

Tax Governance Policy	
Regulatory compliance	Fulfill the social responsibility of paying taxes according to the tax laws and regulations of each country of operation.
Information transparency	Disclose tax information through public channels to ensure information transparency.
Risk control	Tax-related risks and impacts are assessed for transactions and decisions.
Tax management	We do not use tax structures that have no commercial substance, nor shift profits to regions with low tax burdens or tax havens.
Transfer pricing	Commercial substance principles, arm's length principles, and tax compliance principles shall comply with the International Transfer Pricing Principles promulgated by the Organization for Economic Cooperation and Development (OECD).
Specialty cultivation	Education and training are provided to enhance the professional knowledge of tax personnel to assess and respond to changes in tax laws.
Mutual trust and communication	Establish a sound communication relationship with the donation and collection authority to communicate tax issues in a timely manner.

• Tax Risk Control

Changes in tax laws and regulations will affect the Company's operating activities. Microbio's main operations and manufacturing activities are in Taiwan, and thus it is mainly subject to the tax laws of the government of the Republic of China. To effectively manage tax risks, we closely monitor domestic and foreign policy and legal changes that may impact on the Company's finances, collect information, analyze possible tax impacts, and formulate corresponding countermeasures. For information on income tax, please refer to Appendix 6.

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1.2 Management and Sustainability Performance

» ESG Highlights

Environment
(E)

- The Microbio Longtan Plant has continued to pass certification audits for ISO 14001:2015 Environmental Management Systems. Our measures and actions in the fields of air pollution, wastewater treatment, and waste and toxic substance contamination prevention, and emissions are in compliance with applicable legal requirements.
- The Longtan Plant has installed monitoring meters, and energy-saving diagnostics have been implemented for retail locations, in order to systematically promote energy review and management.
- The subsidiary Cotton Field Organic has completed the e-commerce logistics packaging material reduction project, achieving a 12% reduction in the average packaging material weight per package compared to 2023.
- The operating office uses PEFC photocopy papers, and Cotton Field Organic's new products use FSC color boxes, in order to implement sustainable packaging and ecological conservation.
- The Group's whole-year total waste recycle/reuse volume has reached 61.2 tons. We have also set an overall goal to gradually increase the resource utilization ratio to 70% by 2030, in order to effectively promote a circular economy.
- Strengthening of TCFD disclosures: We now integrate water resource risk assessment and supply chain resilience analysis, and incorporate biodiversity dependency identification, in order to enhance our relevance within the industry and strengthen our climate risk management and forward-looking capabilities.

Social
(S)

- We participated in the "Lighting Up the Two-Tone Pink Ribbon" event organized by the Taiwan Breast Cancer Alliance and promoted volunteer leave to encourage employees to participate in social welfare activities.
- We also organized the Cotton Field Organic Golden Cotton Award to promote the sustainable development of the industry, allowing consumers to further understand and trust organic agricultural products.
- The Microbio Longtan Plant has passed the certification audit for ISO 45001:2018 Occupational Health and Safety Management Systems, building a healthy and safe workplace.
- In 2024, we organized the "Supplier Sustainability Conference" for the first time to explain our sustainability policies and regulatory trends, in order to gradually strengthen the sustainability governance capabilities of the supply chain.



Governance
(G)

- Ranked in the "Top 5% of TPEX-listed Companies" in the Corporate Governance Evaluation for four consecutive years (8th term–11th term).
- Ranked in the "Top 10% of TWSE- or TPEX-listed Companies in non-finance and non-electronics industry with market capitalization above NT\$10 billion" for three consecutive years (9th term–11th term),.
- Awarded the Taiwan Intellectual Property Management System (TIPS) Certification from the Institute for Information Industry (III), ensuring the effective operation of our intellectual property management system.
- Passed the certification audit for ISO27001 Information Security Management System.
- Received the Golden Award for Corporate Sustainability Reports at the 2024 Taiwan Corporate Sustainability Awards.

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》 Ranked among Top 5% in the Corporate Governance Evaluation

In 2020, we completed and published our first Sustainability Report, conducted the first external performance appraisal of our Board of Directors, and disclosed detailed information on our stakeholder communications. In 2021, we adopted an intellectual property management system in accordance with the Taiwan Intellectual Property Management System (TIPS) and passed the verification conducted by the Institute for Information Industry. In sync with international trends, we also released our material information in English and perfected the disclosure of information on operations, finance, ethical governance, and corporate sustainable responsibility in English on our official website. Microbio ranked in the top 5% of TPEX-listed companies in the Corporate Governance Evaluation conducted by TWSE, which represents the highest honor accorded to evaluated companies for 4 consecutive years (2022-2025), and listing in the "Top 10% of TWSE- or TPEX-listed companies in the non-finance and non-electronics industry with a market value of NTD10 billion or more" for 3 consecutive years (2023-2025). Looking ahead, we will persist in our efforts to reinforce corporate governance, implement sustainable management, and fulfill our corporate social responsibility, while maintaining our ranking in the top 5% of the Corporate Governance Evaluation.

• Management System Certificate

Microbio

2002 - Present



2022 - Present
ISO 9001:2015
Certificate No. TW02/01322
(period of validity: Dec. 2023 - Dec. 2026)

2009 - Present



2009 - Present
ISO/IEC 17025 TAF lab certification
Certificate No. 2140
(period of validity: Mar. 2022 - Mar. 2025)

2011 - Present



2011 - Present
ISO 22000:2018
Certificate No. TW11/10537
(period of validity: Aug. 2023 - Aug. 2026)

2011 - Present



2011 - Present
HACCP
Certificate No. TW11/10538
(period of validity: Aug. 2023 - Aug. 2026)

2016 - Present



2016 - Present
ISO 14001:2015
Certificate No. TW16/01121
(period of validity: Dec. 2022 - Dec. 2025)

2016 - Present



2016 - Present
ISO 45001:2018
Certificate No. TW16/01272
(period of validity: Jan. 2024 - Jan. 2027)

Microbio (Shanghai) Co.

2019 - Present



2019 - Present
ISO 9001:2015
Certificate No. CN19/21047.00
(period of validity: Aug. 2022 - Aug. 2025)

2020 - Present



2020 - Present
ISO 22000:2018
Certificate No. 261FSMS2000010
(period of validity: Dec. 2023 - Dec. 2026)

2020 - Present



2020 - Present
HACCP
Certificate No. 261HACCP2000025
(period of validity: Dec. 2023 - Dec. 2026)

Honors & Awards

Corporate Governance Evaluation Top 5%

- (2022-2025) Ranked among the top 5% in the 8th to 11th Corporate Governance Evaluation
- (2023-2025) Top 10% of TWSE- or TPEx-Listed Companies in the Non-Finance and NonElectronics Industry with a Market Value of TWD10 Billion or More
- (2024) 17th TCSA Taiwan Corporate Sustainability Awards – Gold Award for Corporate Sustainability Report
- (2023) 16th TCSA Taiwan Corporate Sustainability Award – Silver Award for Corporate Sustainability Report
- (2019) SNQ Popular Health Brand Beauty Supplement Category – 1st Place (Lee's Herb 4-in-1 Iron-Fortified Beverage)
- (2017) Corporate Governance Evaluation Progress Award
- (2015) SNQ Symbol of National Quality Certificate (Chemo Young Oral Solution)
- (2011) 8th National Innovation Awards (Enterprise Section / New Product Category) Lee's Herb 4-in-1 Iron-Fortified Beverage
- (2007) Ministry of Economic Affairs Industrial Development Award
- (2004) 1st Taipei Biotech Awards R&D Innovation Gold Award for Chemotherapy Side Effect Aid Soybean Fermentation Extract
- (2002) 1st International Biotechnology & Medical Care Innovation Award
- (2001) Biotechnology Industry Excellence Award



13 National Biotechnology and Medicine Care Quality Award (2001~2024)

- (2015) National Biotechnology and Medicine Care Quality Bronze Award (Pharmaceutical Category) Herbiron Oral Solution
- (2011) National Biotechnology and Medicine Care Quality Silver Award (Health Food Category) Herbal Complex
- (2010) National Biotechnology and Medicine Care Quality Bronze Award (Health Food Category) Herbal Complex Capsules
- (2008) National Biotechnology and Medicine Care Quality Silver Award (Health Food Category) Lee's Herb 4-in-1 Iron-Fortified Beverage
- (2007) National Biotechnology and Medicine Care Quality Silver Award (Health Food Category) Herbal Complex
- (2006、2009、2011) National Biotechnology and Medicine Care Quality Gold Award (Health Food Category) Tian Chun Bao Young Elixir
- (2005) National Biotechnology and Medicine Care Quality Bronze Award (Health Food Category) Lee's Herb 4-in-1 Iron-Fortified Beverage
- (2004) National Biotechnology and Medicine Care Quality Gold Award (Health Food Category) Microfer Probiotics Revitalizing Essence
- (2004) National Biotechnology and Medicine Care Quality Silver Award (Health Food Category) Microfer Probiotics Revitalizing Essence
- (2003) National Biotechnology and Medicine Care Quality Bronze Award (Biotechnology Category) Baoxinkang
- (2002) National Biotechnology and Medicine Care Quality Award (General Drug Manufacturer Category) Longtan GMP Manufacturer of Chinese Medicine



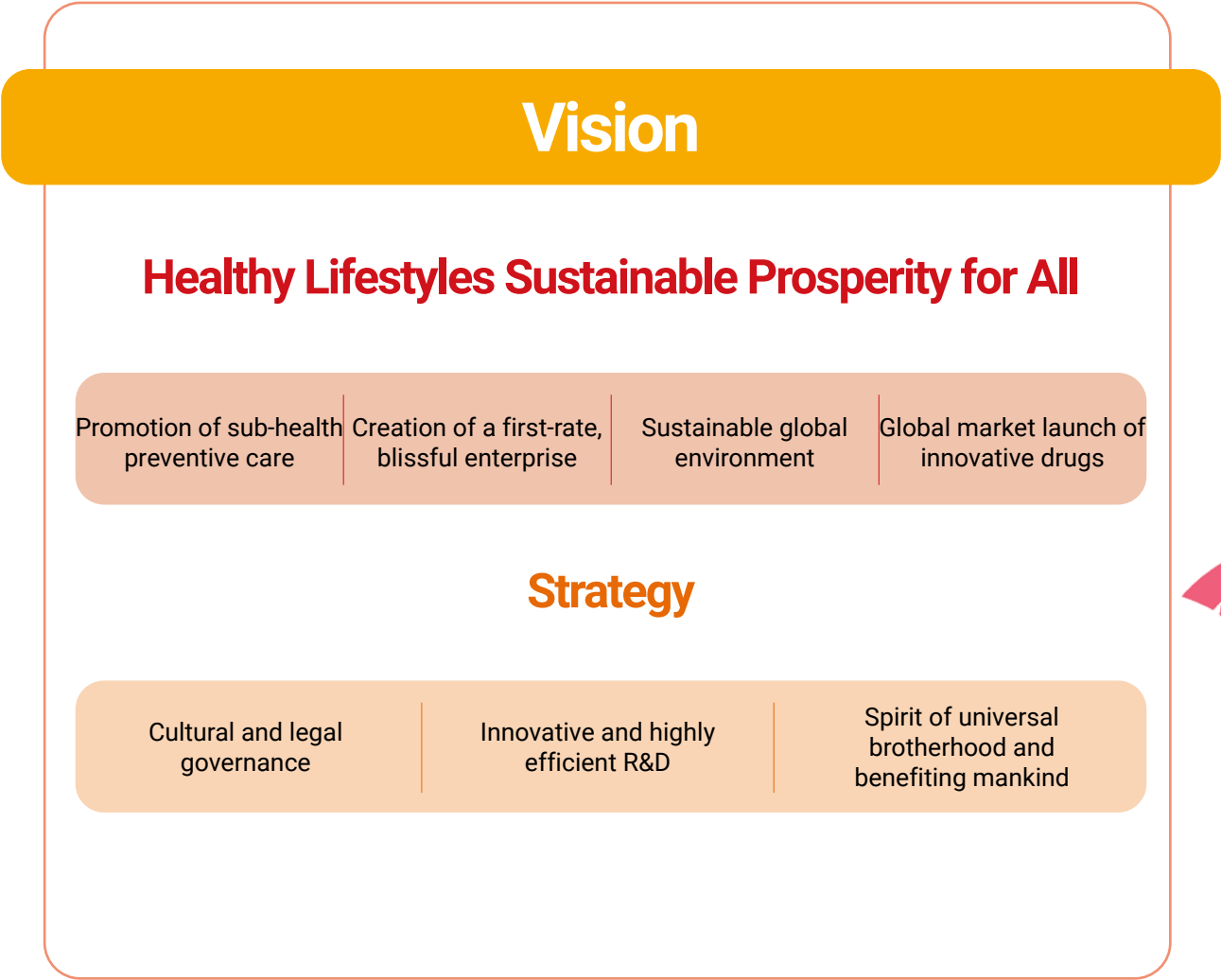
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2.1 Sustainability Vision and Strategy



2.2 Sustainable Management Structure

In 2020, the Board of Directors has ratified the "Corporate Social Responsibility Best Practice Principles" and formed a Corporate Social Responsibility Committee to fulfill the Company's social responsibility and foster progress in the economic, environmental, and social dimensions.

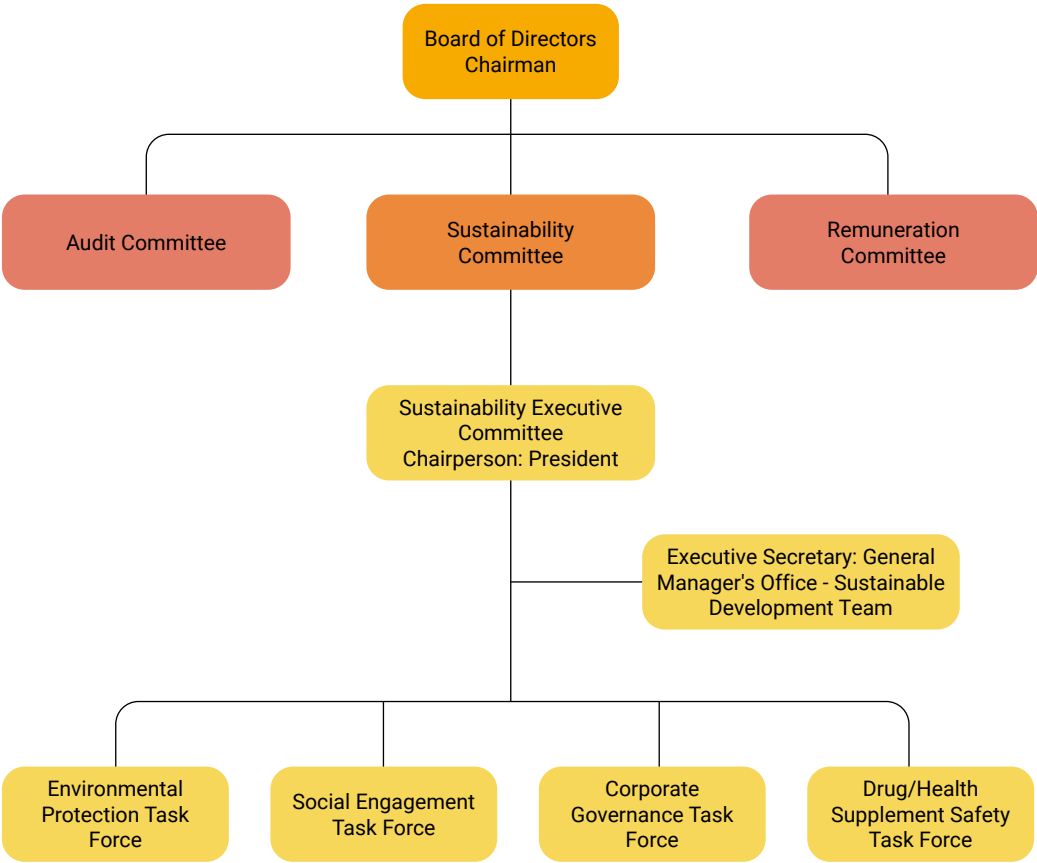
In 2022, this committee was renamed to "Sustainability Committee" and elevated to board level to bring the company in sync with international development trends and foster sustainability-based competitiveness. The ultimate goal is to ensure effective supervision of ESG-related tasks and strengthen the company's determination to implement ESG and sustainable development concepts.

• Sustainability Committee

The committee is composed of a minimum of three members appointed by board resolution. Independent directors constitute at least 50% of the committee and at least one committee member must possess professional expertise in the field of corporate sustainable development. Key tasks include the supervision of sustainable development-related matters such as corporate governance, sustainable environment, social integration, and other implementation results and submission of recommendations to the Board of Directors for discussion.

• Sustainability Executive Committee

The President serves as the chairperson of this committee. Four functional task forces have been set up under the committee to carry out corporate sustainability tasks in the fields of "corporate governance", "environmental protection", "social engagement", and "drug/health supplement safety". All committee task forces rely on routine communication channels and stakeholder engagement to gain a clear understanding of their demands and expectations toward the Company. Committee meetings are convened as a platform for task force discussions and catalyst for consensus-building through cross-departmental brainstorming to facilitate adequate responses to stakeholder demands.

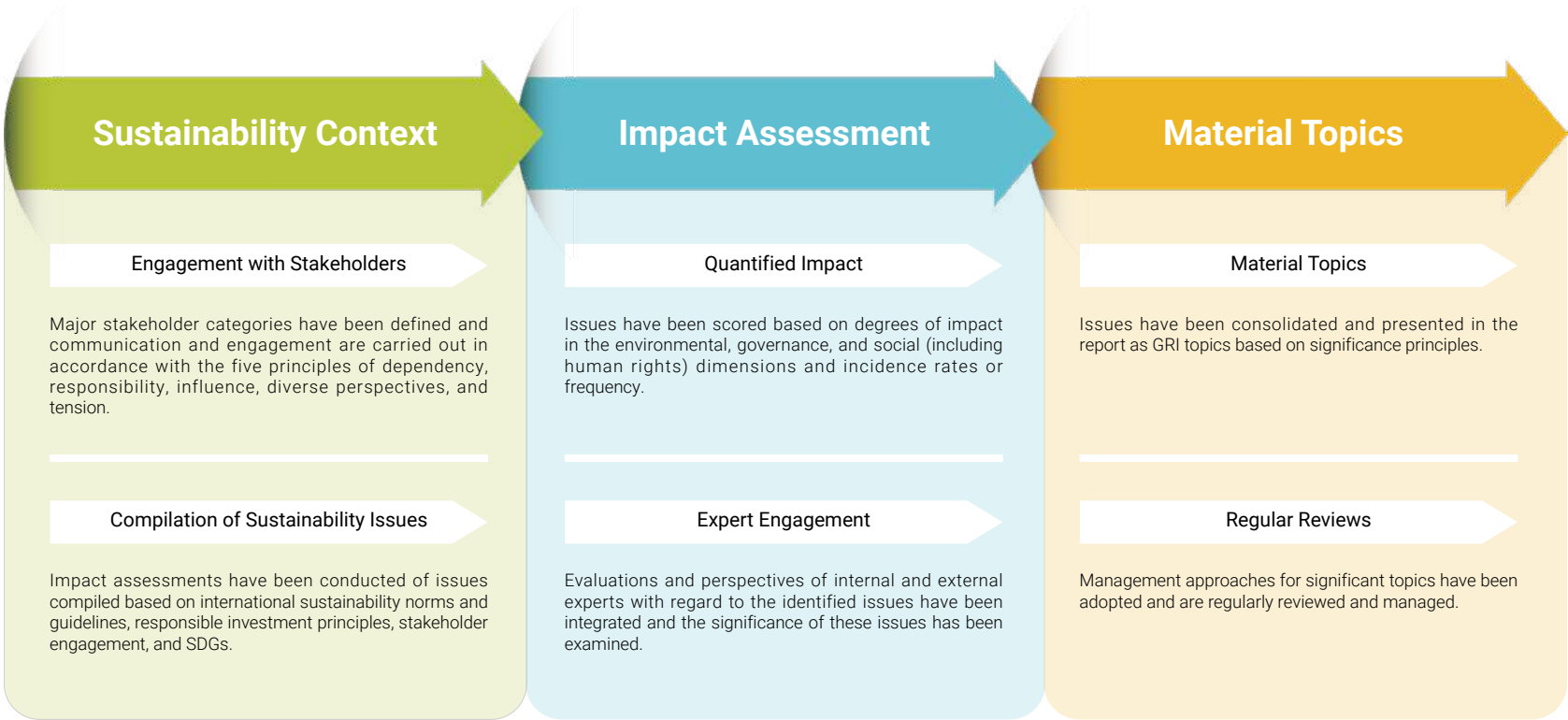


To ensure that the spirit of sustainable management is effectively implemented, the Sustainability Executive Committee convenes on a regular basis. In each meeting, each functional group reports their annual target and how their work has been carried out, so that the percentage of annual target achievement can be determined through a rolling review. The annual performances are then reported to the Board of Directors, who oversee the execution of sustainable development, and are disclosed on the Company website and in the annual report.

2.3 Material Topics Analysis

We firmly believe that in addition to the creation of shareholder returns enterprises should embrace excellent corporate governance and make positive contributions in the environmental and social dimensions. With a view to obtaining more comprehensive insights during decision-making processes, we have incorporated stakeholder participation as a key link of sustainable operations. We strive to gain a better understanding of stakeholder demands and expectations through intensive communication to facilitate the development of more sustainable business models and effective identification and management of potential risks. The ultimate goal is to enhance decision-making quality, boost our corporate image, and foster long-term success.

We developed a materiality process based on the four principles of inclusivity, materiality, responsiveness, and impact with reference to the AA1000 Accountability Principles. The goal is to assess the actual and potential impacts of environmental, social, governance, and human rights issues through diversified communication channels and interactions with stakeholders. Relevant results will serve as a foundation for information disclosure in annual sustainability reports and will also provide key insights for planning our sustainability strategies



» Engagement with Stakeholders

With reference to the five attributes (dependency, responsibility, influence, diverse perspectives, and tension) of AA1000 SES (Stakeholder Engagement Standard), we have identified the following seven major stakeholder categories (government agencies, investors, customers, employees, suppliers, communities, and news media). Stakeholder engagement is carried out regularly and irregularly via diversified channels to gain a clear understanding of stakeholder expectations towards the company. Impact assessments of issues of concern to stakeholders are conducted simultaneously and adequate responses are provided in this report and on the corporate website.

Dependency	Responsibility	Tension	Influence	Diverse Perspectives
Direct or indirect dependency on Microbio operations and products and Microbio operations dependency on stakeholders	Current or future stakeholders with legal, business, operational, or ethical responsibility	Stakeholders concerned about financial, economic, social, or environmental issues affecting Microbio	Stakeholders with strategic impact or decision-making capacity with respect to Microbio	Stakeholders with diverse perspectives capable of inspiring Microbio to acquire new knowledge and gain new opportunities

• Engagement with Stakeholders

The Company has established relevant communication channels and regularly reports the communication progress between the Company and various stakeholders to the Board of Directors to strengthen the emphasis on the rights and interests of stakeholders and understand stakeholders and their concerns. The state of communication with major stakeholders in 2024, including issues of concern, communication channels, frequency, and performance, was reported to the Board of Directors on February 27, 2025. Please refer to the table below for details:

Categories	Importance	Communicated Issues	Communication Channels/Frequency	Communication Performance
Government agencies	We implement sound management in line with the promulgation of relevant government laws and regulations, and regularly disclose information on finance, business, corporate governance, and sustainable development on the Market Observation Post System and the Company's website.	Corporate Governance Integrity-Based Operation Regulatory Compliance Drugs, Health Products and Food Safety Wastewater Management Climate Strategies Labor Rights	Official documents/irregularly Policy promotion meetings of competent authorities/irregularly	In 2024, 230 documents were received and 31 documents were issued with government agencies.

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Categories	Importance	Communicated Issues	Communication Channels/Frequency	Communication Performance
Investors	To protect the rights and interests of shareholders and treat all shareholders fairly, the Company's information is fully disclosed in a timely, open, and transparent manner, and the Company maintains good communication with shareholders and other stakeholders.	Operating Performance Corporate Governance Risk Management Regulatory Compliance Drugs, Health Products and Food Safety Intellectual Property Management Cyber Security Climate Strategies	Investor contact platform/irregularly Audit committee contact platform/irregularly Company website/irregularly Financial report/quarterly Investor conference/irregularly Annual general meeting/annually MOPS/irregularly	- Posting of 48 important announcements on the Market Observation Post System (MOPS) in 2024. - Organization of 2 investor conference in 2024.
Customers	We are dedicated to providing customers with high quality products and services. At the same time, we value and listen to the needs and opinions of our customers and continue to improve and refine ourselves, while enhancing service quality and customer satisfaction.	Integrity-Based Operation Regulatory Compliance Drugs, Health Products and Food Safety	Customer service contact platform/irregularly Company website/irregularly Customer service hotline/irregularly	Processing of 24 customer complaints in 2024.
Employees	- Talents are an important asset of the Company. They are not only the key to the Company's R&D innovation and competitiveness enhancement, but also the foundation for practicing sustainable development. - The Company offers salaries, year-end bonuses and employee bonuses that are competitive on the market, as well as comprehensive benefits, equal job opportunities for both genders, and a friendly and safe workplace environment. In addition, comprehensive education and training are provided to enhance the professionalism and self-worth of employees.	Operating Performance Remuneration and Benefits Occupational Health and Safety Attraction and Retention of Talent Labor Rights Diversity and Equality Human Resource Development	Employee contact platform/irregularly Email/irregularly Phone call / irregularly Complaint hotline / irregularly Labor-management meeting/quarterly Performance appraisal/every 6 months	- A total of four labor-management meetings were held in 2024, with no employee complaints reported. - Two performance evaluations were conducted in 2024. - Three sessions of integrity management training were held in 2024.

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Categories	Importance	Communicated Issues	Communication Channels/Frequency	Communication Performance
Supplier	Our products rely on stable raw materials provided by suppliers. Through close collaboration and good two-way communication, we jointly pursue sustainable management and growth.	Regulatory Compliance Integrity-Based Operation Supply Chain Management Cyber Security Labor Rights	Company contact platform/irregularly Meeting/several times a month Email/several times a month	• Evaluation of 84 suppliers in 2024 • Signing of CSR Commitment Letter by 2 suppliers in 2023 (as of December 31, 2024, 89 suppliers have signed this letter)
Communities	We value environmental protection, engage in public welfare, industry-academia collaboration, leverage corporate influence, support social development, and fulfill our corporate social responsibilities.	Wastewater Management Waste Management Corporate Citizenship and Charity Activities	Company contact platform/irregularly Company website/irregularly Grievance hotline/irregularly	Makes monthly donations to Boyo Social Welfare Foundation, quarterly donations to the Taiwan Society of Cancer Nutrition, and also donates to the Taiwan Breast Cancer Alliance.
Media	On par with the Group and company development, we regularly release news and communicate with the media regarding our operating results and development trends.	Economic Performance Corporate Governance Drugs, Health Products and Food Safety Regulatory Compliance Corporate Citizenship and Charity Activities	Company contact platform/irregularly Special interview/irregularly Press release/irregularly	Disclosure of 48 major news stories related to our corporate operations the News Center on our corporate website.

» Compilation of Sustainability Issues

Risk assessment results, stakeholder communication issues, MSCI (S&P Global) sources, and comparisons with international benchmarks were compiled into issues after summarizing 27 issues as the basis for impact evaluation.

• Quantified Impact

This year, the sustainability task force adopted quantitative indicators to evaluate positive and negative impacts of each issue with reference to the latest version of the GRI standards. Scoring principles were based on an analysis of the positive and negative impacts of issues and their incidence frequency/probability through impact paths of due diligence issues, in accordance with the principle of double materiality—considering both inside-out environmental and social impacts and outside-in impacts on company operations. The product of the two is defined as the impact level.

Evaluation	3	2	1
Positive Effects	- Creates revenue or reduces cost by over NTD 10 million - Significant improvement of company reputation - Significant improvement of talent recruitment chances and employee satisfaction - Widely acclaimed contributions to society and the natural environment	- Creates revenue or reduces cost by NTD 5-10 million - Conducive to improved company reputation - Improvement of talent recruitment chances and employee cohesion - Contributions to society and the natural environment	- Creates revenue or reduces cost by less than NTD 5 million - Negligible impact on company reputation - Negligible impact on talent recruitment or turnover - Minor or negligible contributions to society or the natural environment
Negative Impact	- Decreases revenue or increases cost by over NTD 10 million - Damage to company reputation, short-term recovery impossible - Difficulties in attracting talent and with more than 30% manpower shortage. - Serious environmental and social issues, short-term recovery impossible - Business interruption for one week or more. - Affect the R&D progress for more than one year or even terminate it.	- Decreases revenue or increases cost by NTD 5-10 million or more - Damage to company reputation, short-term recovery possible - Difficulties in attracting talent and with less than 30% manpower shortage. - Moderate environmental and social issues, short-term recovery possible - Recovery within three days after business interruption. - Affect the R&D progress for more than half a year. - Temporary harm to the personnel that requires follow-up medical treatment or surgery.	- Decreases revenue or increases cost by less than NTD 5 million - Negligible impact on company reputation - Negligible impact on talent recruitment or turnover - Minor or negligible contributions to society or the natural environment - Little or no operational impact. - Minor impact on R&D progress. - Temporary injuries or innocuous effects that do not require follow-up medical treatment or surgery.
Incidence Rate	At least once every three years or more frequently	Possibly once every 3-5 years	Possibly once in a period of over five years or even less frequently

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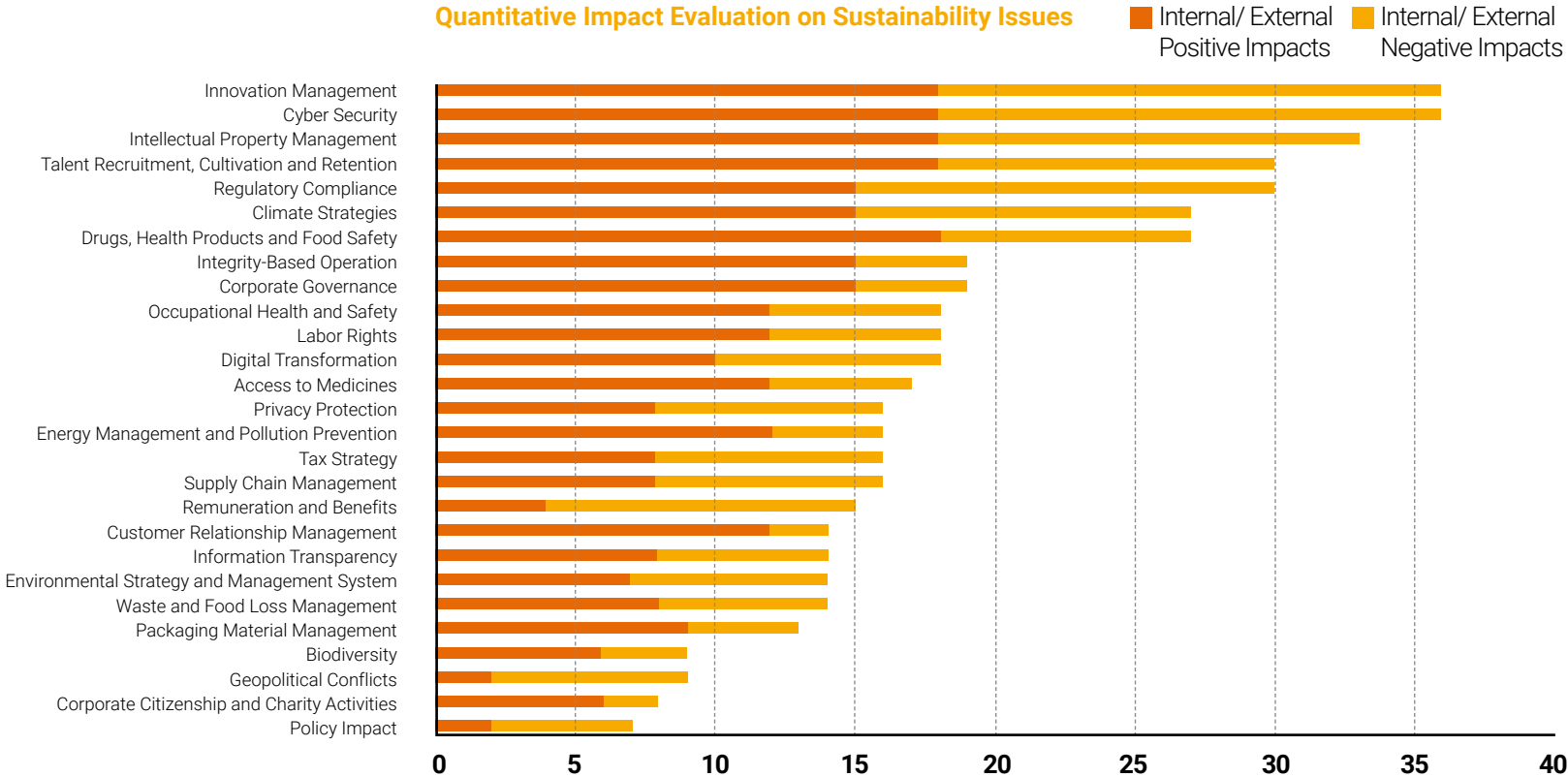
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Based on the path of impact of each topic, positive/negative impacts and the probability of occurrence are evaluated according to the above principles, and the overall positive/negative impacts of respective sustainability topics are analyzed and ranked. The results of the assessment are shown in the figure below:



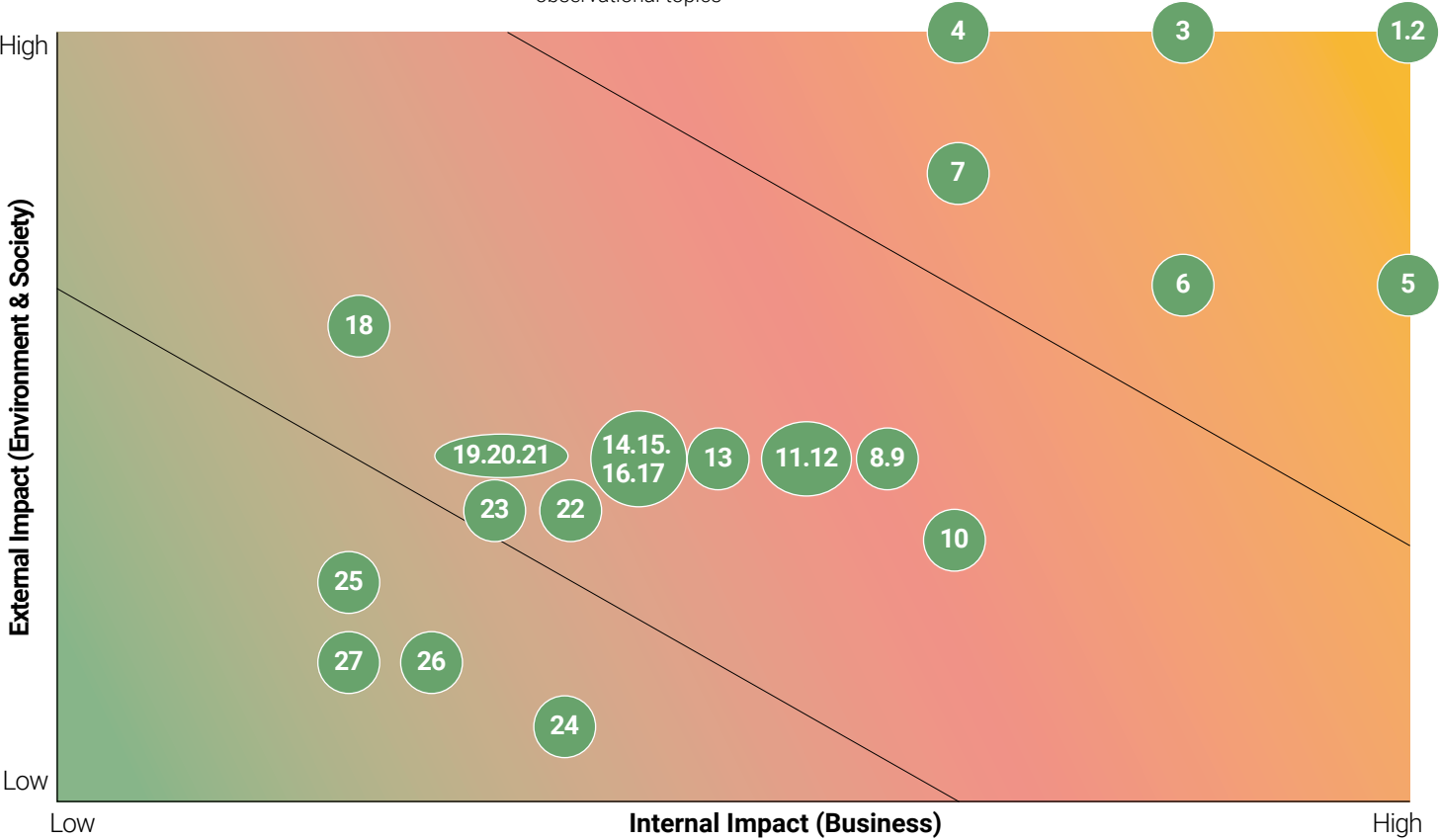
» Expert Engagement

With a view to ensuring accurate evaluation of each issue and full disclosure of information of concern to internal and external stakeholders, our sustainability task force submits the results of such evaluations to internal and external experts for review. Senior executives of each department serve as internal experts since they are abreast of all external changes affecting the company. They come in direct contact with all stakeholder categories and are fully aware of the impact of each identified issue on the company. They are therefore responsible for reviews of the accuracy of the impact path and evaluation of each issue by relying on their professional expertise in different fields. Third-party consulting firms represent the external experts. They are devoted to promoting sustainable development and maintain a full grasp of the sustainability pulse in the industry from their professional perspective. They assist us in gaining a clear understanding of social and environmental development directions associated with each issue as well as potential negative impacts or opportunities in the long run.

» Material Topics Impact Assessment Results

Our sustainability task force and internal/external expert teams repeatedly review and adjust issue evaluation results. Impact degrees are determined based on the overall consideration of positive effects and negative impacts. Ranking in the top one third in terms of degree of impact is defined as the significance threshold. Upon ranking of each issue based on degree of impact, we classify all issues into three categories. In addition to the disclosure of material issues that exceed the significance threshold in accordance with GRI standards and requirements, other information of concern to stakeholders is revealed in the report. The results of the material topic assessments are also reported to the Board of Directors as a strategic reference and basis for sustainability actions.

Material Topics	1	Regulatory Compliance
	2	Intellectual Property Management
	3	Cyber Security
	4	Innovation Management
	5	Climate Strategies
	6	Drugs, Health Products and Food Safety
	7	Talent Recruitment, Cultivation and Retention
Disclosure Topics	8	Integrity-Based Operation
	9	Corporate Governance
	10	Digital Transformation
	11	Labor Rights
	12	Occupational Health and Safety
	13	Access to Medicines
	14	Supply Chain Management
	15	Tax strategy
	16	Energy Management and Pollution Prevention
	17	Privacy Protection
	18	Packaging Material Management
	19	Information Transparency
Observational Topics	20	Customer Relationship Management
	21	Waste and Food Loss Management
	22	Remuneration and Benefits
	23	Environmental Strategy and Management System
	24	Geopolitical Conflicts
	25	Biodiversity
	26	Corporate Citizenship and Charity Activities
	27	Policy Impact



1. **Material topics (sum of internal and external impact ≥ 24):** Significant positive or negative impact in the economic, environmental, and social (including human rights) dimensions for which the company should propose and adopt management approaches.
2. **Disclosure topics (12 ≤ sum of internal and external impact < 24):** Information pertaining to such topics is partially disclosed in the report or on the website despite the fact that the assessed impact level does not reach the significance threshold since stakeholders still show considerable concern for relevant information
3. **Observational topics (sum of internal and external impact < 12):** Topics with minor negative or positive impacts are listed for future observation, monitoring, and voluntary disclosure
4. Issues with negative impacts that affect human rights and with serious circumstances are also included as material topics; issues with minor circumstances are included as disclosure topics or observational topics

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Material Topic	Value Impact Hotspots			Assessment of Impact Level				Corresponding Report Chapter
	Upstream	Inside the Company	Downstream	To the internal of Microbio		To the external Environment/Society/ Economy		
				Positive	Negative	Positive	Negative	
Regulatory Compliance		●	●	6	6	9	9	4.5 Regulatory Compliance
Intellectual Property Management		●		9	6	9	9	4.7 Intellectual Property Rights Protection
Cyber Security		●		9	9	9	9	4.6 Cyber Security
Innovation Management		●		9	9	9	9	3.1 Innovative Drugs Research and Development 3.4 Health Product R&D and Safety
Climate Strategies	●	●	●	6	6	9	6	7.2 Climate Actions
Drugs, Health Products and Food Safety	●	●	●	9	6	9	3	3.3 Drug Safety 3.4 Health Product R&D and Safety 3.5 Food Quality and Safety
Talent Recruitment, Cultivation and Retention		●		9	9	9	3	5.2 Talent Development and Cultivation 5.3 Compensation and Benefits 5.5 Healthy and Safe Working Environment

Changes from the previous year:

- 1. Material Topics: None.
- 2. Disclosure Topics: For this year, the topic "epidemic" is removed; "Diversity and equality" is merged into the topic of "Labor Rights"; and the topic "Sustainable Marketing and Brand Awareness" is merged into "Customer Relationship Management"; the topic "Energy & Resource Management and Pollution Prevention" has been renamed as "Energy Management and Pollution Prevention"; the topic of "Leftover Food Management" has been renamed " Waste and Food Loss Management", and has been elevated from the section of Observation Topics to the section of Disclosure Topics together with the topic "Packaging and Packaging Material Management".
- 3. Observation Topics: Except "Packaging and Packaging Material Management" and "Leftover Food Management", which have been elevated to Disclosure Topics, the rest remains unchanged.

» Regular Reviews

We have formulated management approaches for seven material topics and plan priority actions in line with impact levels. Furthermore, we define indicators and targets for tracking implementation performance. We will persist in our efforts to gain a better understanding of stakeholder expectations toward the company through stakeholder engagement to facilitate assessments of positive effects and negative impacts of our products. Annual materiality assessments are not only disclosed in our sustainability reports but also on our corporate website in a prompt manner.

Material Topics	Positive Effect	Negative Impact	Corresponding SDGs	Corresponding report Chapter
Regulatory Compliance	- Increased customer, employee, and investor trust and corporate reputation and decreased compliance risks - Sound capital markets, fostering of a climate of corporate governance in the industry	- Damage to company reputation, loss of stakeholder trust, legal monitoring issues - Losses caused to external investors, impacts on investment, and market turbulence		4.5 Regulatory Compliance
Intellectual Property Management	- Encouragement of innovation and enhanced operational performance - Increased incentive for innovation and R&D investments	- Inability to protect IPR potentially resulting in decreasing R&D capabilities, operating losses, and declining market competitiveness - Improper use of IPR poses a potential risk of choking competition and innovation	 	4.7 Intellectual Property Rights Protection
Cyber Security	- Increased system reliability and customer trust coupled with mitigated risks of financial losses - Mitigated risks of data leakage, cyberattacks, and other forms of cybercrime	- Implementation and maintenance costs; system disruptions and information leakage resulting in operating and financial losses - Loss of customer, investor, and stakeholder trust		4.6 Cyber Security
Innovation Management	- Increased corporate competitiveness, operational efficiency, customer satisfaction, and employee cohesion - Improved patient health and decreased medical costs	- Failed R&D projects, inability to actively respond to industry trends due to resistance to internal reforms; innovation obstacles posed by legal or supervisory mechanisms - Inability to satisfy medical needs	 	3.1 Innovative Drugs Research and Development 3.4 Health Product R&D and Safety
Climate Strategies	- Mitigation of climate risks and creation of business opportunities - Reduced carbon emissions, improved air/water quality, enhanced climate resilience	- Increased operating costs, improper execution affecting operations and finances - Inability to cope with and mitigate climate issues due to lack of climate strategies resulting in social, economic, and environmental impacts	 	7.2 Climate Actions
Drugs, Health Products and Food Safety	- Creation of profits, enhanced competitiveness - Improved patient and public health and decreased medical costs	- Increased R&D and production costs, violation of pharmaceutical laws - Inadequate drug safety controls affecting patient health and resulting in increased medical costs	 	3.3 Drug Safety 3.4 Health Product R&D and Safety 3.5 Food Quality and Safety
Talent Recruitment, Cultivation and Retention	- Enhanced employee skills and expertise resulting in increased retention rates - Improved labor conditions and employment rates	- Increased operating costs and lack of employee skills and professionalism - Inability to attract talent to the biotech industry	 	5.2 Talent Development and Cultivation 5.3 Compensation and Benefits 5.5 Healthy and Safe Working Environment

2.4 2025 Sustainability Goals

Based on the year 2022, Microbio has established its sustainability goals for seven material topics. According to the management policies, response plans, and commitment to the SDGs, action indicators for 2025 have been set. Starting from 2023, these action indicators will be tracked annually to monitor the implementation and outcomes of the response plans, ensuring that each responsible unit progresses towards the goals year by year.

Material Topic	Sustainability Goals	2025 Action Indicators	Implementation in 2024
Regulatory Compliance	Compliance with applicable laws and regulations, ongoing reinforcement of compliance awareness on the part of employees, prevention of legal violations	1. Zero incidence of major legal violations (annually)	1. No incidents of corruption or bribery, discrimination or harassment, violations of customer privacy, conflicts of interest, money laundering, or insider trading have occurred
		2. Continue to implement ethical corporate compliance education, training and testing, and hold at least three hours of ethical corporate compliance educational training every year.	2. The average time of integrity and compliance education training reached 9.1 hours per person
Intellectual Property Management	Strengthening of the intellectual property right management mechanism and optimization of IPR protection for new drug development	1. Acquisition of more than three new patents	1. Four patents have been granted and certificates have been received (Japan, Korea, Australia, and the United States) for the drug combination of MICRSOY oral solution and immune checkpoint inhibitors.
		2. Zero incidence of major trade secret leakage	2. Herbiron has been granted with a patent and certificate has been received (Vietnam).
Cyber Security	Establishment and implementation of a sound cyber security management system to prevent major cyber security incidents	1. Zero incidence of cyber security incidents	1. Zero incidence of cyber security incidents
		2. Decrease of phishing success rates to 5% or lower through social engineering drills	2. In 2024, a total of 4 attempts were executed, with an average phishing success rate of 2.17%
		3. Cyber security training completion rate of 95% or more	3. 90% of employees received information security education and training

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Material Topic	Sustainability Goals	2025 Action Indicators	Implementation in 2024
	New drug R&D: Development of globally innovative drugs with a market advantage to satisfy unmet medical needs and individual healthcare demands and thereby increase company value	1. Pre-clinical development and clinical trials of new drugs and medical devices according to schedule	1. Completed one 510(k) application for medical devices (MB107 cream) in the United States 2. Europe MDR psoriasis market assessment (MB107 cream) has been completed. 3. ISO13485 field audit (MB107 cream) has been completed. 4. Trial production has been completed and sent to U.S. Presub for classification verification (MB828).
		2. Publication of two or more articles in renowned international journals	1. One article has been published in an internationally renowned journal. (Gut Microbes. 2024. 16(1):2380061)
Innovation Management	Health supplement development: Ongoing development of new products to enhance corporate competitiveness	3. Development or upgrades of ten or more products	10 new products have been completed: 1. Original Young Yeast Group B (Men's Only) 2. Original Young Yeast Group B (Women's Only) 3. Original Young Yeast Group B (Senior-Specific) 4. Deep Sleep Aid Sachets Bag 5. Premium Protein Supplement Pack (nuts) 6. Digestive Enzyme Tablets 7. Organic Symbiota 8. Vitality Artichoke Capsules 9. Brown Rice Magnesium Tablets 10. Radiant Collagen Drinks Completed the upgrade of 1 product: 1. Active Soybean Extract Portable Pack
Climate Strategies	Ongoing implementation of energy conservation and carbon reduction measures to reduce carbon emissions and climate risks	1. Gradually reduce carbon emissions, remove or offset 100% of Scope 1 and Scope 2 carbon emissions, and achieve carbon neutrality	1. Continue to carry out GHG inventory and verification to help promote energy conservation and carbon reduction. In 2023, Longtan Plant replaced a 60RT water-cooled chiller that was in use for more than 20 years, reducing 51.046 tCO2e carbon emissions
		2. Continue to promote energy-saving measures. The electricity saving target for Longtan Plant is to account for 3% of total electricity consumption in 2021	2. In 2024, electricity-saving equipment was not replaced in the Longtan Plant; however, the total electricity consumption still indicated a decrease of 2.26% from 2021. In addition, the Plant also plans to install additional electricity monitoring meters and to evaluate the feasibility of energy-saving actions of other electricity consuming equipment.

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Material Topic	Sustainability Goals	2025 Action Indicators	Implementation in 2024
Drugs, Health Products and Food Safety	Improvement of product quality and safety to ensure zero incidence of recalls	1. Zero incidence of drug/health supplement returns	1. Zero incidence of drug/health supplement returns
		2. Number of drug and health supplement quality-related complaints/ Annual production volume<2%	2. Number of drug and health supplement quality-related complaints/ Annual production volume<1%
Talent Recruitment, Cultivation and Retention	Raising of the learning motivation of employees to enhance professional expertise and skills in different areas Cultivation and retention of outstanding talent	1. Average annual training time of 40 hours or more per employee 2. 90% retention rate of top-performing talent	1. In 2024, the average annual learning hours of employees was 32.2 hours 2. 90% retention rate for high-performance talent
Note: The 2025 action indicators are formulated and promoted specifically for Microbio (parent company). In the future, sustainability action indicators and implementation status of subsidiaries included in the consolidated report will be gradually added. Note: Microbio's original target of achieving carbon neutrality by 2025 has been postponed, as it does not meet the requirements of the new Corporate Carbon Neutrality Declaration Guidelines issued by the Ministry of Environment. The new target is set as "Using 2024 as the base year, with the parent company and its subsidiaries included in the consolidated financial statements as the inventory boundary, the goal is to reduce carbon emissions by at least 2% annually compared to the base year.			



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2.5 Response to SDGs

In 2015, the United Nations announced the “Sustainable Development Goals (SDGs) for 2030”, which include 17 goals such as no poverty, decent work and economic growth, and climate actions. The goals cover 169 targets and were intended to guide joint global efforts toward promoting human survival and sustainable development. The SDGs turned a new page for global development. This ambitious sustainability blueprint relies on unprecedented collaboration of all the parties involved. Each party, be it a government, international organization, enterprise, or even individual, can contribute to the SDGs through practical actions.

The SDGs describe the most pressing environmental, social, and economical problems in the world and have become not only increasingly important to governments and enterprises, but also a focus of attention for stakeholders around the globe. The SDGs provide opportunities for corporate growth. An enterprise will have the first-mover advantage if it makes a preemptive deployment that takes the development of the SDGs into account. By contrast, an enterprise will be disadvantaged in operation, or even suffer a damage in reputation, if it follows suit relatively late or has no practical actions for the SDGs.

Since we specialize in the research and development of new drugs, our contributions focus on the “SDG 3: Health and well-being” dimension. However, in the process of material topic assessment, we have realized that our operating activities are closely intertwined with other SDGs. We have therefore carried out a comprehensive assessment of all operational dimensions to gain a clear understanding of the positive and negative impacts of our corporate actions on SDGs and thereby ensure conformity of our operations to SDG principles. The interconnectedness between material topics and SDGs is taken into consideration in the material topic identification process. SDG concepts are incorporated into the sustainability actions of Microbio, and strategies are formulated accordingly to maximize the beneficial effects of SDGs.

SDGs	Our Actions
	In line with Taiwan's core goal of sustainable development, to ensure that all citizens have access to safe, nutritionally balanced and adequate food, the subsidiary Cotton Field Organic donated healthy Chinese New Year dishes to childcare institutions.
	The biopharmaceutical industry is a key link in promoting human health and well-being. We are therefore deeply committed to providing affordable treatment for patients through the development of new drugs by relying on scientific innovation. R&D achievements are protected through a sound intellectual property management system with the ultimate goal of creating shared value for the company and society.
	In ensuring that the disadvantaged groups can access to every phase of education, the Company upholds the idea of “preventing the cycle of poverty”, sponsoring BOYO Social Welfare Foundation to help cultivate local teachers, produce learning materials, provide sufficient learning resources and opportunities to children in remote areas and make children more competitive in the future.
	We place strong emphasis on creation of a workplace culture and environment characterized by gender equality, diversity, and inclusion. Diverse voices are incorporated into the decision making process to strengthen employee cohesion and thereby foster operational growth.
	Employees’ safety and benefits are protected. The concept of “equal pay for equal work” is reflected in salaries. Complete employee cultivation plans are in place to increase employees’ professional abilities, ensure proper career development, and promote sustainable economic growth.
	Large amounts of resources have been put into technological innovation so as to develop high-quality, reliable, and sustainable new drugs, upgrade production equipment, improve manufacturing processes, and increase the efficiency of use of energy.
	Starting from the design for environmental friendliness, we use the highest-quality organic soybeans as the main source of organic and non-toxic farming. At the same time, we review the production process through the life cycle, and gradually promote the recycling and reuse, moving towards the goal of zero pollution. The subsidiary Cotton Field Organic also actively promotes Taiwan's organic food business by issuing co-branded cards with banks to allocate a certain percentage of consumption to the promotion of organic agriculture and organic agricultural product certification, as well as other educational charitable and public welfare activities.
	In the face of the physical and transition risks posed by global climate change, Microbio has adopted the TCFD structure, verified its inventories of organization-level and product-level carbon footprints, and taken mitigation and adaptation measures to gradually improve energy intensity and reduce carbon emissions.
	Operation with integrity is not only one of the social responsibilities of an enterprise, but also a cornerstone for sustainable operation. We have established an excellent corporate governance and risk management mechanism, implement and comply with legal requirements all over the world, and are firmly committed to preventing any form of corruption and unethical conduct.

3 Health Care

The background image is a composite of a city skyline at night and a futuristic technological interface. A glowing blue DNA double helix rises from a glowing orange square platform that sits on a rooftop with various electronic components. The platform has concentric blue circles and a bright center. The city lights are blurred in the background, creating a bokeh effect.

3.1 Innovative Drugs Research and Development

3.2 Clinical Trials

3.3 Drug Safety

3.4 Health Product R&D and Safety

3.5 Food Quality and Safety

3.6 Customer Relationship Management

3.7 Ethical Marketing

3.8 Supply Chain Management

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3.1 Innovative Drugs Research and Development

2024 R&D Achievements/Highlights



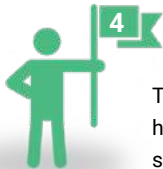
Microbio's fermentation liquid has obtained the independent/self-affirmed GRAS certification, which is advantageous for entering the U.S. market.



The pharmacology paper on MS-20 combination immunotherapy has been published in the international journal Gut Microbes.



The exploratory clinical trial on MS-20 immune checkpoint combination therapy for lung cancer was unblinded, with the results indicating that MS-20 helps to increase the anti-PD1 antibody response rate from 25% to 75%.



The mass production process of MB828 nasal spray has been optimized, and the 510(k) application will be submitted next year.

"From Micro to Macro" has been the core of Microbio's technology in new drug development. We developed our proprietary "Chemo Young" Oral Solution (Renamed as "MICRSOY oral solution" in 2024 following official approval, hereinafter referred to as "MICRSOY oral solution" or "MS-20") by applying our patented technology - "innovative in-vitro cultivation of anaerobic symbiotic bacteria" on "intestinal ecosystem recreation" and "postbiotics". In 2011, we were awarded the first new oral adjuvant license for cancer in Taiwan. By regenerating the gastrointestinal ecosystem and immune system in humans, the drug alleviates fatigue and loss of appetite in patients who undergo chemotherapy and thereby improves patients' quality of life.

Introduction to the intestinal microenvironment

The gut microbiota is known as the "second brain" and "second immune system" of the body. It has co-evolved and coexisted with human beings until now. After the NIH's Human Microbiome Project (HMP) was launched in 2007, the European Union also launched the MetaHIT (Metagenomics of the Human Intestinal Tract) project in 2008. Since then, many countries have joined the HMP, ushered into a new era of microbiome, of which the exploration of intestinal microecology is still one of the most popular fields. NIH describes this project as another milestone in the history of science after the Human Genome Project. Key international journals have also reported that the gut microbiota is closely related to metabolites, metabolic diseases, and the response rate to cancer immunotherapy. Studies have shown that the gut microbiota regulates the immune response of the whole body through the gut-body network. Therefore, intestinal imbalance may lead to related diseases, and as a result, major pharmaceutical companies and biotech companies have entered this emerging market one after another, making the field of intestinal microbiota therapy to flourish.

MCM Library Introduction

With our patented technology platform, the Company focuses on the in-depth research on intestinal bacteria in cancer, immune and metabolic-related diseases. We engage in the mass culture of a variety of microorganisms and design different fermentation processes based on different plant medicines. So far, we have successfully developed over 1,500 types of fermentation products. In the future, we will continue to explore the most suitable fermentation processes for different botanical medicinal materials and food ingredients through the diversified combinations of various probiotic strains, and to combine with the rapid drug screening technology to continuously develop new drugs for different indications.

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» Research and Develop Key Technologies and Patents

• Technology Platform Introduction

The human intestine contains hundreds of symbiotic beneficial and harmful bacteria. The beneficial bacteria can inhibit the growth of harmful bacteria, enhance immunity, and have the effect of decomposing carcinogens. Harmful bacteria will spoil amino acids, produce carcinogens, and suppress the immune system, causing diseases and promoting aging. The intestinal tract maintains a balance between beneficial and harmful bacteria, which is called "bacterial balance." Once harmful bacteria dominate, humans begin to get sick. Take cancer as an example, the occurrence of cancer has a good correlation with it. When harmful bacteria in the intestine are dominant, the protein and fat ingested in food can be easily converted into factors such as nitrosamines, phenols, and secondary bile acids that promote the growth of cancer cells. The increase in beneficial bacteria can inhibit the production of carcinogens and achieve the effect of preventing and inhibiting cancer. Therefore, maintaining the balance of intestinal flora and the activation of beneficial bacteria are closely related to human health.

Beneficial strains from the human intestinal tract are purified, acclimated, and symbiotically cultured, and then inoculated into a medium rich in botanical drug extracts to complete fermentation under optimal conditions; the fermentation broth underwent sterilization, centrifugation, filtration, concentration and maturation processes, producing the fermented botanical extracts. The biological activity of these diverse plant fermentation broths will be tested through proteosome rapid screening technology and receptor binding analysis. Animal pathological models will be used to confirm their biological activity. After pharmacology and toxicology tests and purification of active composition, they will be considered new drugs if clinical trial shows that they are effective and safe; products are formulated into various dosage forms by the application of compounding technology.

• Introduction to Next-Generation Sequencing Technology

Amplify a small amount of DNA by a factor of 10 to 100 billion after a large amount of chain replication reaction. Then, the DNA is sequenced with a fast and accurate sequencer, and the huge amounts of DNA sequencing data are converted into gene changes and expression levels through information analysis, so that the important information in DNA can be accurately and specifically understood and used.

• Patent Technology Introduction

Since 1997, we have established the "Innovative commensal bacteria metabolite fermentation technology" and "SymbiotalmmuRestore Platform", which are world-leading in the application of simulated human intestinal bacteria, and established a large-scale fermentation production base in 2001. It is expected to expedite the screening of new candidate drugs with "gut micro-environment modulation", and the goal is to develop the world's only gut microbiome drug that can regulate the intestinal microenvironment. To date, we have obtained 30 domestic and international patents in this field and received the National Innovation Enhancement Award in 2023.

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» 5 Major Innovation Laboratories



• Cellular Metabolism Lab (CML)

Combine cell culture and molecular biotechnology to construct various cellular physiological function platforms, and is responsible for preclinical pharmacological activity and pharmacological mechanism research.



• Immune Barrier Lab (IBL)

Explore how drugs affect the immune response of various parts of the body, such as the skin, nose, and intestines. Blood cells isolated from animals or humans are used as the research material to simulate the occurrence of various immune responses in the body.



• Bacterial Culture Lab (BCL)

With the ex vivo symbiotic anaerobic culture technology, we can reproduce the intact gut microbiomes in the test tube environment, and develop a high-throughput intestinal bacteria drug screening platform with this technology, which greatly improves the efficiency of drug screening.



• Analytical Chemistry Lab (ACL)

Its main duties include the extraction, separation, identification, and synthesis of active pharmaceutical ingredients, as well as dosage form formula design and process development, as well as product physicochemical property analysis and stability.



• Next Generation Sequencing Lab (NGS)

The next-generation sequencing platform is used to analyze the differences in the microbiome of the intestines, skin, and nose between healthy people and patients to identify key beneficial or pathogenic bacteria, which can also be used as indicators for drug development to shorten the time schedule of drug development.

» New Drug Development

As of December 31, 2024, a total of 2 new drugs have obtained drug licenses:

Drugs	MICRSOY Oral Solution (MS-20)	Herbiron Oral Solution
Taiwan FDA Drug Permit License No.	DOH-OM-015926	DOH-PM-057846
Image		
Indications	Improvement of fatigue and loss of appetite in chemotherapy patients.	Alleviation of iron deficiency anemia and menstrual discomfort.
Description	After 14 years and an investment of more than NTD 1 billion in R&D, MS-20 obtained Taiwan's first new drug license for oral cancer treatment in December 2011 (Microbio's MICRSOY Oral Solution). In compliance with international regulations on new drug research and development, Microbio Co., Ltd.'s "MICRSOY Oral Solution" underwent rigorous preclinical toxicology, pharmacology, production, and manufacturing control drug research and development, and completed Phase III clinical trials in Taipei and Shin Kong Hospital Cancer Center. It has been proven to significantly improve cancer patients' fatigue (p-value<0.0001) and anorexia (p-value=0.0005) caused by chemotherapy, and enhance their ability to maintain family and social activities (p-value=0.0226).	In December 2013, a new drug license was obtained in Taiwan. This is the second autonomously developed new drug that successfully passed the registration process in Taiwan. "Herbiron" significantly improves menstrual discomfort and iron deficiency anemia. It won the Bronze Award 2015 in the category of OTC drugs manufactured by domestic pharmaceutical companies of the National Biotechnology and Medical Care Quality Awards.

Note: On August 16, 2024, Microbio received a notification from the Ministry of Health and Welfare regarding the name change of the oral liquid "Chemo Young Oral Solution" to "MICRSOY Oral Solution". "MICRSOY Oral Solution" oral liquid is a product developed by Microbio using a unique anaerobic co-fermentation platform of gut microbiota, branded as Symbiota. It is approved for the indication of "improving fatigue and loss of appetite in cancer patients undergoing chemotherapy." Due to its potential for ongoing research into new indications based on its post-market efficacy in other diseases, the name change to "MICRSOY Oral Solution".

» Research and Development Focus

After 14 years of development and an investment exceeding one billion NTD, our company has achieved a significant milestone with the MS-20. In December 2011, we obtained Taiwan's first new drug license for an oral cancer treatment, under the brand name "Chemo Young". However, due to the novelty and particularity of postbiotic products, there are no clear regulations for such products in international drug laws and regulations. The Company actively promotes medical devices and new medical foods (FSMPs) that comply with international laws and regulations to accelerate product development and launch. For our non-invasive skin/nasal microecology products, we will submit a 510(k) premarket notification to the FDA as Class I/II medical devices, and will be placed on the market only after obtaining the FDA's approval. Products for oral intestinal microbiome (such as TB90010) will enter the market as medical food, and their safety must meet the FDA GRAS (Generally Recognized as Safe) standard. In July 2024, independent experts reviewed and approved the qualification of independent GRAS. US market strategy evaluation will be subsequently performed and business cooperation will also be engaged with potential international partners

• Development of new indications for MS-20

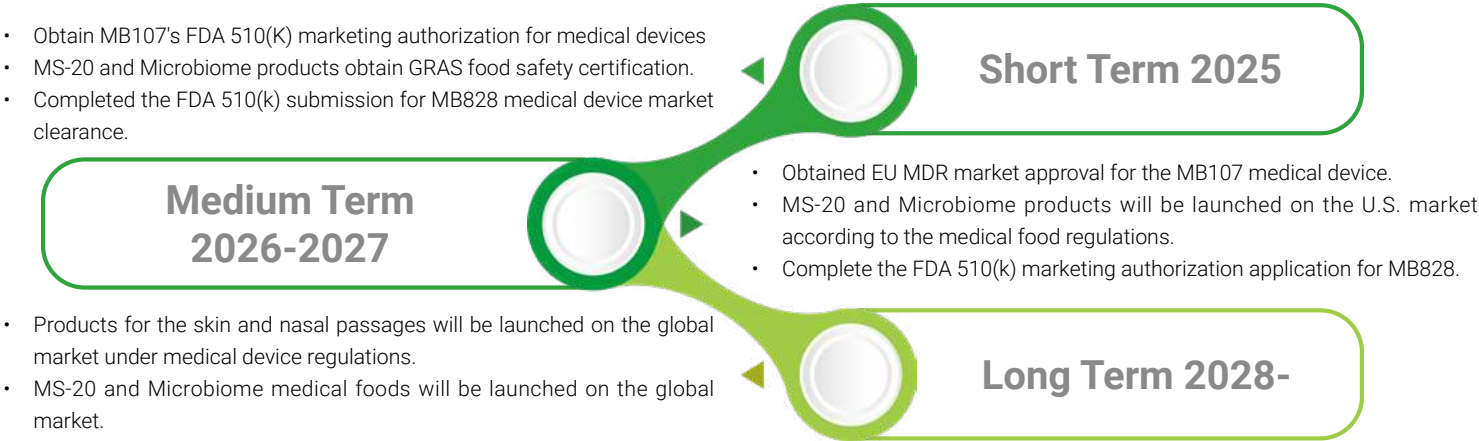
MS-20 has collaborated with a number of major medical centers and conducted multiple clinical trials, actively conducting efficacy verification or new drug development of new dosage forms or new routes. The field of new microbiome drugs has become a new direction of drug development that international pharmaceutical companies and venture capital companies are paying attention to. Therefore, the Company will actively align with international standards and continuously accelerate collaboration with internationally renowned teams. The Company will advance through clinical evidence, new drug development and international cooperation.

Category	Immune Checkpoint Combination Therapy	Treatment of Inflammatory Bowel Disease (IBD)
R&D Results	- The fecal microbiota platform confirmed that MS-20 regulates the interaction of bacteria in cancer patients and increases the bacteria that respond to immunotherapy. - Animal experiments have confirmed that MS-20 microbiota combined with immunotherapy inhibits tumor growth and increases CD8+ T cells in the tumor microenvironment. - The exploratory clinical trial, with a plan to enroll 30 patients, will be held in 7 experimental hospitals in Taiwan to verify the safety and efficacy of the drug. The clinical results were unblinded in December 2024, and the analysis indicated that MS-20 significantly improved the immunotherapy response rate.	- The Fecal microbiota platform has proven that MS-20 can inhibit the increase of bad bacteria in IBD patients and increase the good bacteria that promote intestinal health. - Animal experiments have confirmed that MS-20 effectively reduces the severity of DSS-induced colitis and restores the normal villus structure of the intestinal wall. - The exploratory clinical trial, with a plan to enroll 40 patients, will be held in 4 experimental hospitals in Taiwan to verify the safety and efficacy of the drug. Unblinding is scheduled for January 2025.

• Innovative micro-ecological technologies and products

Category	Micro-ecological Medical Foods	Micro-ecological Medical Devices for the Skin	Nasal Cavity Micro-ecological Medical Devices
Item	TB90010 Type 2 diabetes microbiome	MB107 AhR Booster, New Drug for Skin microbiome	MB828 Novel multi-functional micro-ecological nasal spray Allergic Rhinitis and Chronic Sinusitis
R&D Results	- The results of the meta-analysis published in the top 5% journals in the field of pharmacology show that microorganisms can stabilize blood sugar and have the potential to be used as an adjuvant therapy. - The clinical trial in collaboration with Taipei Medical University has been completed. Both human and animal results have shown that TB90010 has the effect of regulating blood sugar and good safety. - It is equivalent to the clinical efficacy of the best-selling medical probiotics product in the United States.	- Completed the preclinical efficacy study and two clinical trials for psoriasis and atopic dermatitis. - Has the effect of inhibiting Staphylococcus aureus and improving skin bacterial flora. - Approved for FDA 510(K) pre-sub medical device application. - Initiate a strategic assessment of the U.S. market and negotiate with international partners.	- Suppresses the Th2 immune response, with an effect equivalent to steroids. - Effectively inhibits the growth of opportunistic pathogens and inhibits the formation of biofilms of pathogens. - The integrity of the abdominal and nasal epithelium is repaired. - Completed product efficacy confirmation and commissioned manufacturer evaluation. - Initial trial mass production testing has been initiated. - Prepare 510(k) medical device application documents.

» Development Strategies and Goals



» R&D Personnel training

The new drug development industry is characterized by prolonged R&D periods, enormous funding needs, highly demand for R&D personnel with professional competence, strict legal control of R&D processes, and the need for extensive risk control. It is therefore essential to provide annual training for R&D personnel to constantly enhance their professional expertise. The following training programs have already been completed in 2024:

Category	Name of education and training	Key content
New Technology Introduction	Big Data-oriented precision medicine in kidney research	Importance of data-oriented and multi-omics research on research direction and translational medicine.
Regulations and Quality System	MDSAP training	1. Medical Device Single Audit Program (MDSAP) 2. Medical device compliance requirements of different countries 3. Medical device product application and certificate acquisition 4. Medical device risk management
	MDSAP Canada Reg. Training	
	MDSAP Training (Australia Reg.)	
	MDSAP Brazil Reg. Training	
	ISO14971 risk management education and training	
	Internal training workshops: 1. Internal audit regulatory requirements 2. Internal audit skills	

» R&D Pipeline

Drug	Category	Indication	Pre-clinical	Phase I	Phase II	Phase III	Approval
MS-20	Microbiome	Immuno-oncology	V	V	V	V	V ((Drug license has been obtained))
Herbiron	Botanical	Dysmenorrhea, Anemia	V	V	V	V	V (Drug license has been obtained)
MBS-COV	Nucleic acid	COVID-19	V	V	V		

Medical Food/Device	Category	Indication	Pre-clinical	FDA 510(K) Medical Device Application
TB90010	Microbiome	Diabetes	V (exploratory clinical trials completed)	
MB107	Microbiome	Atopic dermatitis, Psoriasis	V (exploratory clinical trials completed))	V (USFDA 510(k) medical device application pending)
MB828	Microbiome	Allergic rhinitis, Chronic sinusitis	V (exploratory clinical trials completed)	

Microbio (Shanghai), a subsidiary of Microbio Co., Ltd., is composed of a GMP-certified manufacturing plant and a corporate HQ. This subsidiary assists Microbio Group in ongoing R&D and licensing initiatives, acquisition of drug permits, medical insurance, and marketing authorizations, expansion of marketing channels, and the search for strategic investment partners in China to ensure the availability of sufficient funding for R&D projects and sales channel expansion. Microbio (Shanghai) has obtained licensing rights for several new drugs in Mainland China as well as Hong Kong and Macao, including ON101 for the treatment of diabetic foot ulcer, FB825 for the treatment of allergic asthma, and FB704A for the treatment of neutrophilic asthma. In addition, we are also actively developing the next generation of innovative nucleic acid drugs. Among them, the new broad-acting small nucleic acid drug MBS-COV (SNS812) has obtained the results of the Phase II clinical trial, and the meeting with the US FDA has been completed. Subsequent development will be carried out according to FDA recommendations, and the Company will also actively seek commercial partners to promote international market expansion. The new drug MBS-MA01 (SNS851), a mall nucleic acid candidate drug for the treatment of obesity and metabolic diseases, has completed several pre-clinical trials, and the IND application is planned to be submitted in Q4 2025. A clinical trial will also be started. Microbio

(Shanghai) accelerates the market launch of existing new drugs in China. The ultimate goal is to transform the Company into a heavyweight biopharma enterprise in China through the establishment of an international joint drug development mechanism based on out-licensing.

Consolidated R&D expenditures and manpower	2021	2022	2023	2024
R&D expenditures (in NTD thousand)	861,536	264,914	404,491	388,658
R&D manpower (number of employees)	58	56	57	58
R&D expenditures/Operating revenue	48.35%	15.39%	25.42%	22.56%

Refer to Microbio 2024 Annual Report p. 4.

3.2 Clinical Trials

Human clinical trials represent a crucial stage in the drug development process. Newly developed drugs must go through clinical trials in order to ensure their safety and effectiveness. All the benefits and potential risks of a new drug must be scientifically proven and verified.

Microbio complies with the ICH-GCP Good Clinical Practice and the Ministry of Health and Welfare's Regulations for Good Clinical Practice and Guidance for Good Clinical Practice. We are committed to ensuring the rights, safety, and welfare of trial subjects, the credibility of clinical trial data, and the quality of trial execution. We plan, supervise, and manage trial activities through professional R&D and outsourced clinical trial teams to ensure that trial designs comply with international standards and local regulatory requirements, and that factors such as trial purposes, participant characteristics, and trial procedures are fully considered to ensure the validity and reliability of trial results.

The Company regularly holds trial project meetings to supervise the implementation progress and effectiveness of the entrusted clinical trial team. The entrusted clinical trial team is required to regularly monitor whether the hospital trial staff are conducting the trial in accordance with the trial protocol approved by the hospital's Institution Review Board and whether they are accurately reporting any adverse events related to the trial product, in order to protect the rights of trial subjects. They also need to ensure the integrity and traceability of all trial-related documents and preserve them according to the specified deadlines. For clinical trials that are outsourced, the rights and obligations of both parties must be clearly defined in the contract, and problems should be resolved in a timely manner through regular communication.

All clinical trials the Company engages in adhere to GCP principles, applicable local laws, the Declaration of Helsinki, and other internationally recognized principles governing human trials ethics to enhance clinical trial quality and guarantee patient safety. Execute in accordance with the approved pilot program. At the same time, the Company cooperates with the review and control of the Independent Human Research Ethics Committee to ensure trial quality and protect the rights and welfare of subjects. During the reporting period, our clinical trial management and pharmacovigilance have not been subject to FDA Sponsor Inspections. There were zero cases of Voluntary Action Indicated (VAI) and Official Action Indicated (OAI). There were no instances of litigation and monetary losses arising out of clinical trials in developing countries.



3.3 Drug Safety

Major Results in 2024

- Ongoing validity of the GMP manufacturing permit for Chinese medicine approved by the Ministry of Health and Welfare
- Ongoing validity of the PIC/S GDP distribution filing/approval with TFDA for drug products.
- No incidences of critical violation of laws or regulations regarding good practice for medicinal products
- No product quality-related incidents that required reporting occurred
- There were no instances of drug safety issues in the 2024 reporting period

Quality and Safety Management Organization and Operational Standards

Microbio have set up a Quality Assurance Center, which consists of the Quality Assurance (QA) and Quality Control (QC) divisions, where professional, experienced and qualified personnel are responsible for monitoring and managing product quality and safety. The center ensures that the quality policy of drugs is implemented across all stages—incoming receipt and storage of Active Pharmaceutical Ingredients (APIs), manufacturing, finished-product testing, and storage and distribution—to ensure medicinal-product safety. The management regulations of the Longtan Plant are formulated based on international standards such as PIC/S GMP and ISO 9001. The Quality Department is responsible for issuing, reviewing, and managing the quality document system. Ensure product quality and safety by formulating and implementing standardized procedures and forms, and maintain the effective implementation of all controlled documents.

1. **System and instrument verification:** Completed a total of 135 verification operations for pharmaceutical-related production and inspection and analysis equipment (including the validation of equipment computerized systems) according to the "Longtan Plant System and Instrument Validation Standard Operating Procedure". It is to ensure that the instruments and equipment achieve the expected results and implement the manufacturing process and inspection to ensure the safety and efficacy of the products.
2. **Process quality validation:** The Company has implemented the Chemo Young Potion Process Verification Plan (including manufacturing, filling, labeling, and packaging) and completed the manufacturing process of Microbio Chemo Young Solution for Internal Use. The "Standard Operating Procedures for Equipment Cleaning of Longtan Plant" are followed to ensure that after three batches of cleaning, there is no risk of cross-contamination in the equipment that is in direct contact with drugs.
3. **Quality review and tracking:** To ensure the consistency of manufacturing processes and product quality, quality assurance reviews the drug product quality once a year according to the "Longtan Plant Product Quality Review Standard Operating Procedure", and analyzes the trend of the stability of production batches in the previous year. Evaluate factors such as internal change control, deviation, customer complaints and so on, and compile the review and evaluation results into the annual product quality evaluation report to dynamically improve the quality of pharmaceutical operation.

4. **Quality education and training:** According to the "Longtan Plant Education and Training Management Operating Procedures" regulations, the personnel of the Production Department and Quality Assurance Center of the Longtan Plant are required to undergo relevant on-the-job education and training within one month of onboarding for new employees; Relevant education and training shall be arranged for the employees of the Quality Assurance Center at least three times each year. In 2024, we conducted three drug-related education and training sessions for plant personnel. All employees were required to pass the exam with full marks, encouraging employees to continuously study drug-related laws and regulations and operational requirements.
5. **Quality audit and review:** To ensure that drug production, equipment, and environment comply with the Company's and GMP/GDP drug specifications, the Quality Assurance Unit conducts regular and irregular internal audits in accordance with the "Longtan Factory Pharmaceutical GMP/GDP Internal Audit Procedures". In 2024, a total of 9 drug-related internal audits of each department were conducted. For pharmaceutical suppliers (including PIC/S GDP logistics providers), external audits are performed according to the "Supplier Management Procedure". For details, see Section 3.8 Supply Chain Management.
6. **Environmental quality monitoring:** In 2024, the environmental monitoring of the entire Longtan Plant area (including indicators such as temperature, humidity, suspended particles, airborne bacteria, etc.) met the clean room standard to ensure that the drug production and warehousing environment can be maintained at the highest product safety and quality; In addition, the water used for production is monitored according to the "Longtan Plant Production Water Sampling and Inspection Standard Operating Procedures," including the raw water, purified water treatment section, and purified water use section, to ensure that the process water continues to meet the purified water specifications of the Chinese Pharmacopoeia.

Adequate preventive measures are taken to prevent the market circulation of counterfeit or prohibited drugs or pharmaceutical products with altered labeling with a view to ensuring medication use safety. Microbio has the following preventive mechanisms in place:

1. Batch numbers and expiry dates are printed and anti-counterfeit laser hologram label are attached to the external packaging for every batch.
2. A domestic PIC/S GDP logistics provider is engaged for the storage and transportation of drugs, which allows comprehensive tracking and tracing and effectively prevents the emergence of counterfeit or prohibited drugs in the supply chain.
3. Consumers, channel operators, and business units are encouraged to immediately notify the logistics provider or Microbio of suspected counterfeit or prohibited drugs. Upon receipt of such reports, competent quality assurance personnel initiate investigations in a prompt manner.
4. If no instances of drug recall occur in the respective year, the Quality Assurance Center conducts a simulated recall drill to rehearse relevant procedures. Business-related units will also educate the operating procedures to colleagues, and implement education and training to ensure that colleagues are aware of the process of the risk of counterfeit drugs.

No instances of drug recall occurred from 2021 through 2024.

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When suspected counterfeit drugs and other situations involving safety concerns occur, the following process is immediately initiated.



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3.4 Health Product R&D and Safety

Microbio upholds professional research management through its top-tier R&D teams, advanced biotechnology techniques, and GMP quality control standards. As a result, high-quality health products are produced, including signature offerings such as Tien Chun Bao, Premium Enzymes Drink, and LeeHerb – Herbal Complex.

In addition to the continued cultivation of existing sales channels for "Lee Herb Health Products" in premium hypermarkets, convenience stores, and online platforms, a new series of health products was launched in 2024 through a collaboration with the subsidiary company, Cotton Field Organic. These products are being sold in Cotton Field Organic retail stores across Taiwan and on their online shopping platform. Furthermore, the health product development platform has been utilized to successfully forge alliances with internationally renowned clients. Multiple health products have been collaboratively developed, and these products are being sold in various regions including China, Hong Kong, Singapore, Malaysia, Thailand, Indonesia, and Vietnam. Through these efforts, international markets are being explored and expanded.

Microbio not only actively upgrades its products and obtains health food permits in compliance with the "Health Food Control Act" but also implements more rigorous self-regulation for general health foods. The company follows the "Good Manufacturing Practices for Health Food Factories" to ensure systematic management with high standards and specifications. Quality control is meticulously implemented from raw material sourcing through comprehensive testing, striving for an excellent manufacturing environment with stringent product hygiene and safety inspections. For products exported beyond Taiwan, the company entrusts cooperative manufacturers with ensuring compliance with local regulations, including the review of regulatory requirements and verification of packaging labels. These responsibilities are clearly defined in contracts with the cooperative manufacturers. All the health food products undergo thorough health and safety assessment procedures to comply with relevant regulatory requirements. This commitment fosters consumer trust and positions the company as a benchmark in the biotechnology and food industries. Notably, no health product recalls occurred between January 1, 2021 and December 31, 2024.

• Health Products

Product	Efficacy	Description
Tien Chun Bao (TCB) – Young Wei-Shu-Jian-Shi-Zi No. A00062 	- Improvement of gastrointestinal tract functions - Immunity regulation - Blood lipid regulation	- The main component of this product, soy fermentation product, is made using the fermentation technology developed by Microbio over many years. The technology was developed on the basis of establishing a unique symbiotic fermentation platform. Currently, it has obtained 33 international patents and 3 health food certifications. It has been confirmed that this product has outstanding effects in improving gastrointestinal health and maintaining digestive function through multiple tests. 2006 National Biotechnology and Medicine Care Quality Silver Award (Nutrition & Dietary Supplements) 2009 National Biotechnology and Medicine Care Quality Silver Award (Nutrition & Dietary Supplements) and SNQ (Symbol of National Quality) accreditation

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Product	Efficacy	Description
Lee Herb - Iron with Four-Agents Decoction Wei-Shu-Jian-Shi-Zi No. A00142 	- Enhanced iron absorption - Increased hemoglobin generation	- Contains patented Ferrous Glycinate-Ferrochel® for better absorption than other iron sources. Strictly selected four medicinal materials have passed the fundamental identification. 2005 National Biotechnology and Medicine Care Quality Bronze Award (Nutrition & Dietary Supplements) 2008 National Biotechnology and Medicine Care Quality Silver Award (Nutrition & Dietary Supplements) 2011 8th National Innovation Awards 2019 SNQ-1st Place in the Popular Health Brand Beauty Supplement Category
Lee Herb – Herbiron Supplement Drinks Wei-Bu-Jian-Shi-Zi No. A00266 	Enhanced iron absorption functions	This product contains four carefully selected ingredients, supplemented with high-quality traditional herbs such as chasteberry and eucommia leaves, as well as highly absorbable ferrous glycine, with each batch of medicinal materials undergoing raw material specification inspections.
Lee Herb – Herbal Complex Wei-Bu-Jian-Shi-Zi No. A00269 	- Help to decrease GOT (AST), GPT(ALT) values in the plasma - Help to increase albumin content in plasma	- Contains patented soybean fermentation extract and turmeric extract, combined with six essences of Antrodia camphora, turmeric, green tea, grape seed and spirulina. 2007 National Biotechnology and Medicine Care Quality Silver Award (Nutrition & Dietary Supplements) 2010 National Biotechnology and Medicine Care Quality Bronze Award (Nutrition & Dietary Supplements) 2011 National Biotechnology and Medicine Care Quality Silver Award (Nutrition & Dietary Supplements)

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Product	Efficacy	Description
Lee Herb –Cordyceps Mycelia Health Tonic 	Strengthening and nourishing the body with nutritional supplements	- For the patented soybean fermentation extract, organic non-GMO soybeans are used for fermentation and nanotechnology is adopted to reduce the molecular size in order to enhance absorption. - Cordyceps mycelia, a hundred-year-old Chinese herbal formula, provided as nutritional supplements
Lee Herb –Nourishing Ginseng Drink 	The carefully selected American ginseng and white ginseng, enriched with essences of lotus seeds and lily bulbs, provide gentle nourishment without causing excessive internal heat.	- Low-calorie content, with only 0.2 kcal per serving. - The recyclable aluminum bag is easy to tear, and you can replenish your strength at any time.
• Health Products Newly Developed in 2024		
Product	Efficacy	Description
Cotton Field Organic— Radiant Collagen Drink 	Beauty and complexion care; supports a youthful appearance	- Japan patented fish collagen: Patented collagen hydrolysis technology regulates physiological function and promotes youth and beauty. - Italian blood orange extract: Premium blood oranges from Sicily with anthocyanins from special citrus fruits are able to improve metabolism and enhance beauty. - U.S. vitamin C complex: Pure plant-based origin formula for long-lasting and easy absorption to achieve antioxidant effect and promote collagen formation.

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Product	Efficacy	Description
Cotton Field Organic - Active Soy Essence Sachet 	Physical fitness improvement and physiological function regulation	- Soybean extract (contains deglycosylated soy isoflavones): Premium non-GMO soy extract to increase absorption as a nutritional supplement for youth and beauty. - Patented chasteberry extract powder: Patented extraction technology to fully preserve active essence ingredients, in order to promote metabolism and enhance beauty. - Patented γ-oryzanol: Extracted from premium Japanese brown rice, it is able to regulate physiological functions and support bodily health.
Cotton Field Organic - Tien Chun Bao Prime Essence Enzyme 	Helpful for maintaining digestive function. Enhancing gut microbiota. Promote smooth bowel movements.	- Exclusive patented soybean fermentation liquid is certified with three health food certifications. It is able to change the gut microbiome, help to maintain digestive function, and promote metabolism. - Japanese fruit and vegetable fermentation extract provides nutritional supplementation and regulates physiological function. - Premium honeysuckle extract contains natural chlorogenic acid to provide nutrients to the body and to maintain health.



Ingredient Selection Principles for Health Products

We actively select raw materials from sustainable sources as ingredients for product development, such as fish oil or micoralgae oil certified by MSC, to reduce the pressure on marine resources. We also promote the use of plant-based materials with a low carbon footprint and clean-label ingredients, thereby minimizing environmental impacts.



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3.5 Food Quality and Safety

Founded in 1994, Cotton Field Organic Co., Ltd. (hereinafter referred to as "Cotton Field Organic"), a subsidiary of Microbio Co., Ltd., is a leading brand in the domestic organic channel, with 80 directly operated stores in Taiwan. With the mission of "Spread health and happiness", we are committed to promoting organic causes and the earth's environmental protection, advocating and practicing an organic and natural outlook on life. 100% of the fresh vegetables in the stores are certified organic, and 70% of the organic or invigorating products at home and abroad in the whole store.

In accordance with the "Act Governing Food Safety and Sanitation," the "Food Administration Act," the "Organic Agriculture Promotion Act" and other relevant laws and regulations, we have formulated the "Regulations for the Administration of Commodity Inspection" to regulate the development of new suppliers, factory visits for evaluation and approval, and quality assurance procedures, from proposal sample review and inspection to purchase inspection and annual routine inspection, are implemented by the food safety office, procurement, and sales personnel according to the procedures to ensure product quality and safety. Products are subdivided into seven major categories: "Organic," "Organic Transformation," "Vibrant," "Production and Sales History," "Zero Additive," "Premium" and "Sustainable Seafood" categories. For each type of product, the tolerable pesticide residue, veterinary drug residue, heavy metal, microorganism, mycotoxin, food additive, artificial trans fats, and freshness requirements are clearly defined and regulated in detail. For organic products, for example, the product must obtain the Taiwan Organic Certification Mark, and pesticide residues and veterinary drug residues are not allowed to be tested positive. The heavy metal limit and microbial limit must meet the national health standards, mycotoxins shall not be tested positive, and food additives must meet national organic standards. Products are clearly classified and labeled before they are sold in the stores, so that consumers can clearly understand the product quality standards.

At the same time, factors such as the nature, composition, packaging, and labeling of the products are considered."Regulations for the Administration of Commodity Inspection" stipulates that the inspection items for various types of products are to be inspected by the Food Safety Office from the stores according to the annual routine inspection frequency and submitted to a third-party notary for verification or for completion of inspection according to the internal inspection procedures. In addition, the monthly product inspection results, including product names, inspection items, and results, are announced on the Cotton Field Organic website. Furthermore, the Company has independently established a laboratory to conduct biochemical inspection of pesticide residues in fruits and vegetables through its self-established laboratory in line with the promotion plan of the Agricultural Research Institute, Council of Agriculture, and has made the inspection report available to all stores for announcement and published on the Cotton Field Organic Group website (https://www.sun-organism.com.tw/article_list.php?m=46). We strictly control the quality and safety of our products and present information transparently



The Seven Quality Declarations

Products are selected based on standards higher than current regulations, ensuring food safety for consumers.



We adhere to a strict policy of no artificial additives, ensuring all-natural products.



We carefully select premium partner brands to offer the best product choices.



We choose internationally certified seafood to support sustainable marine ecosystems.



Our products meet national organic standards, adhering to the highest organic certification guidelines.



We follow organic management practices equivalent to organic product specifications.



Our products meet national health standards and are recognized as organic in the respective country.



We provide traceable production histories, ensuring full transparency of product information.

3.6 Customer Relationship Management

• Satisfaction Survey Questionnaire

Microbio places strong emphasis on customer interactions and its business units maintain intensive communication with their customers. We utilize customer satisfaction surveys to solicit feedback and suggestions from our customers. Based on the analysis of the survey results, detailed information is provided to relevant departments as a reference for improvements and corrective action. In the health product, questionnaires are distributed twice a year to gain a clear understanding of the customers' satisfaction with the Company's product quality, service efficiency, and staff professionalism. In 2024, 15 customers were surveyed in the first half and 15 in the second half (response rate: 100% for both waves). Sales personnel contacted the selected customers to remind them to fill out and submit the questionnaires. Subsequently, dedicated personnel compiled a report on the basis of a statistical analysis of the survey results. The overall satisfaction rates indicated by "very satisfied" and "satisfied" responses both reached 100% in the surveys conducted in the first and second half of 2024. In terms of pharmaceuticals, satisfaction survey questionnaires are distributed once annually. In 2024, a satisfaction survey was conducted with 12 clients, and the questionnaire response rate was 100%. The overall satisfaction survey result indicated 100% of respondents were either "Very Satisfied" or "Satisfied".

• Customer Complaint Handling Procedures

We value the user experience and satisfaction of consumers. To effectively handle customer complaints and continuously improve product and service quality, we have established drug and health product complaint handling SOPs, namely "Drug Customer Service/Customer Complaint Handling Procedures" and "Customer Complaint Handling Operation Instructions." We systematically archive customer complaints or adverse drug reactions according to the SOP, make a preliminary determination of the cause, notify the relevant departments and supervisors, take emergency disciplinary measures, and promptly reply to customers with their feedback. If the responsibility is attributed to the manufacturer, we will also require them to analyze the cause and take preventive and corrective measures. All customer complaint cases will be properly saved to facilitate the tracking of product and service improvements, to prevent the same incident from happening again, and to enhance customer satisfaction.

• Handling of Customer Complaints in 2024

Microbio adheres to the principle of "continuous improvement to meet customer needs" to provide customers with more refined service quality. The customer complaints and handling methods in 2023 are as follows:

The main reason for customer complaints about health products in 2024 was product quality problems, and most of them reflected concerns such as product agglomeration, discoloration/foreign matter, and more. To protect the rights and interests of consumers, the complaint product has been taken back and replaced with a new product for the customer. The cause is analyzed and responsibility is determined for the complaint product. If it is determined to be a quality defect generated during the manufacturing process, corrective/preventive measures will be implemented to improve and follow up to reduce the occurrence of similar customer complaints in the future.

In terms of drug customer complaints, no quality-related complaints regarding pharmaceutical products were received in 2024.

Moreover, in response to the major topic of "drugs, health products and food safety" and its 2025 sustainability goal, Microbio has set the requirement for the number of customer complaints related to the quality of drugs and healthcare products to account for less than 2% of the annual production number as one of the action indicators. The customer complaint incidents accounted for less than 1% of the annual production in 2024, meeting the requirements of this action indicator. In the future, we will continue to improve the quality and safety of our Company's products.

» Customer Complaint Channel and Service Hours

• **Microbio Co., Ltd.**

Customer service hotline: 0800-777-708 (Monday to Friday, 9:00 AM - 6:00 PM)
Address: 18F-1, No. 3, Yuanqu Street, Nangang District, Taipei City 115

• **MICRSOY Oral Solution Official Website**

Website: <https://www.twmicrobio.com>

To provide more comprehensive product information and services, the Microbio official website has a dedicated section for biotech new drugs, which includes product information, clinical efficacy, FAQs, and also offers information on medical knowledge and healthy diet information for users' reference. If users have any questions or need consultation, they can contact us through the website, and a professional in pharmaceuticals will assist them.

Free consultation hotline: 0800-013-885

• **Cotton Field Organic**

Service hours: Monday to Friday, 8:30 AM - 5:30 PM
In-store customer service hotline: 0800-559-588, or to file customer complaints with in-store personnel
Online shopping/APP customer service hotline: 0800-238-888
Fb. : <https://www.facebook.com/share/caR7rittLvtXugqB/?mibextid=WC7FNe>
Telephone: (02)2755-5268
Fax: (02)2755-6829
Email: sun_cotton@cottonfield.tw
Address: 22F., No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City



3.7 Ethical Marketing

We have stipulated Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct to strictly prohibit the provision, promise, request, or acceptance of any improper benefits in business processes or any form of conduct that constitutes a breach of ethics, unlawful act, or breach of fiduciary duty. We have also adopted a Code of Conduct for Pharmaceuticals Marketing and Sales Personnel pursuant to the "Ethical Criteria for Medicinal Drug Promotion"¹ promulgated by WHO to prescribe compliance by marketing and sales personnel with applicable laws and generally accepted moral standards of the pharmaceutical industry. We have further formulated a Code of Conduct for Health Supplements Marketing and Sales Personnel pursuant to Act Governing Food Safety and Sanitation, the Health Food Control Act, and internal regulations. There were no instances of violations related to pharmaceuticals and health products in 2024.

» 2024 Ethical Marketing Education and Training

• Health Products

Cotton Field Organic's headquarters personnel and store managers and senior employees of all 80 stores across Taiwan participate in product education and training periodically, in order to strengthen their product knowledge and to ensure that they are able to provide customers with the most accurate and transparent product information. In 2024, a total of 9 education and training sessions were organized, and the training content focused on health supplements jointly developed by Microbio and Cotton Field Organic with an emphasis on the key knowledge of ingredients, usage recommendations and product differentiation.

• Pharmaceuticals

The Sales Department conducts annual internal training on MICRSOY oral solution, a drug developed by Microbio. The training content covers the latest literature, case studies, patents, and safety information. The goal is to enhance the professional competence of colleagues and to ensure the provision of real-time, correct and complete drug information to medical personnel and patients. A total of 9 training sessions were organized in 2024.

» Code of Conduct for Pharmaceuticals Marketing and Sales Personnel

- Product marketing and display of contents must be based on the latest scientific evidence. It is strictly forbidden to distort, exaggerate, embellish, or omit relevant contents to mislead medical personnel.
- The labeling, packaging, data, marketing documents, etc. of drugs must be consistent with the indications and package insert contents approved by the Ministry of Health and Welfare.
- The presentation of comparative marketing data must be objective, neutral and professional. In addition, information used must be based on verifiable scientific evidence. We prohibit the distribution of any misleading information to medical professionals or the general public, and we also prohibit any exaggeration or disparagement of other drugs or products of competitors, thereby maintaining the principles of ethical marketing and maintain a fair competitive industrial environment.
- Promotional materials must be reviewed internally to ensure conformity of contents to legal requirements.
- Microbio organizes annual education and training courses to educate relevant personnel on the proper way to market and sell pharmaceutical products. We eagerly share medical information with healthcare providers and patients in an open, transparent, and timely manner to avoid information asymmetry.

Note: <Ethical Criteria for Medicinal Drug Promotion > please refer: <https://apps.who.int/iris/handle/10665/38125?locale-attribute=en&>

» Health Product Marketing and Sales Code of Conduct

- The packaging, labeling and marketing contents of all health products conform to the requirements laid out in the Act Governing Food Safety and Sanitation. Relevant descriptions are provided in a clear and accurate manner to avoid misunderstandings.
- The labeling, packaging, provided information, and marketing documents of health label-certified health products conform to the provisions set forth in the Health Food Control Act, which clearly stipulate that such contents shall not misrepresent or exaggerate, and the health claims shall not extend beyond the scope approved by the Ministry of Health and Welfare.
- The packaging of generic health foods conforms to food-related laws and regulations which strictly prohibit misleading of consumers through distorted, exaggerated, or embellished contents. All product series have been certified as qualified and lawful by government agencies.
- We promote and sell products in a fair, transparent, ethical, and non-demeaning manner, and we prohibit the use of the Company's position to engage in unfair competition against customers, business partners or competitors. We also avoid false and excessive claims regarding the environmental and social impact of products and marketing activities.
- Promotional materials must be reviewed internally to ensure conformity of contents to legal requirements.
- We organize annual education and training courses to educate relevant personnel on the proper way to market and sell pharmaceutical products. We further embrace principles of openness, transparency, and timeliness to avoid information asymmetry.

» Sponsorship

Sponsorship utilized in exchange for issuance of prescriptions or recommendation, procurement, supply, marketing, or administration of drugs by medical personnel is explicitly prohibited.

» Gifts

- The offering of monetary gifts or other items (e.g., tickets for sports competitions or performances and electronics products) to medical personnel or business partners/vendors is strictly prohibited.
- It is further expressly forbidden to offer or pay for entertainment programs or social events such as performances or movie appreciation activities to entertain medical personnel.

» Internal Audits

The Internal Audit Office, which is directly subordinate to the Board of Directors, is an independent internal auditing unit, delivering quarterly reports on auditing results to the Audit Committee and the Board of Directors. If a major violation is detected, a report must be prepared immediately and formally presented for review, and the independent directors who make up the Audit Committee must be notified. The Audit Office conducts ethic audits internally pursuant to the applicable regulations set forth in the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and the "Whistleblower Policy," conducting an ethic audit every two years, with the scope covering Microbio and its subsidiaries. The most recent audit was conducted in 2023, covering Microbio, Microbio (Shanghai), Microsoy International, and Cotton Field Organic. No major violations were detected in the audit results.

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3.8 Supply Chain Management

Microbio adopted its "Supplier Management Procedure" in 2002. These Procedures are amended and optimized as required in accordance with relevant norms and regulations and internal requirements to ensure the selection of qualified subcontractors and the timely provision of products and services of the right quality and quantity in accordance with the Company's needs. Factory visits and audits have been adopted in the field of daily subcontractor management to identify potential high risk suppliers and manufacturers including raw material suppliers, direct material suppliers, and OEM manufacturers. On-site audits and visits are conducted to assist manufacturers in the detection of issues and implementation of improvements and offer relevant suggestions with the ultimate goal of joining hands in the creation of a sustainable environment and generation of win-win outcomes in the field of business growth. Statistics of the geographic location of our suppliers reveal that all our suppliers are located in Taiwan. Our subsidiaries Cotton Field Organic and Microbio (Shanghai) have also established supplier management mechanisms in line with their industry characteristics and local regulations at our operating sites. They further conduct annual supplier evaluations and reviews. The contents of this chapter cover Microbio and Cotton Field Organic; we will gradually expand the disclosure scope in future reports.

» Industrial Supply Chain

Microbio is mainly engaged in the R&D and production of new drugs, the development, production, and sales of health foods, and the sales of organic foods. The scope of the industrial supply chain covers the pharmaceutical industry, health food industry, and organic food retailing. The upstream of the pharmaceutical industry is the raw material stage for preparing drugs. The raw materials are mostly general chemicals, while the upstream of traditional Chinese medicine is mainly plants. The midstream is mainly for the API industry and the processing stage of Chinese medicines. The API industry is basically the organic chemical industry, while the processing of Chinese medicinal materials includes the processing and processing of medicinal plants and the preparation of additives such as excipients and adhesives. The downstream companies are the marketing retailers of prescription drugs, over-the-counter medicines, traditional Chinese medicines, and scientific Chinese medicines. In the upstream of the health food industry, the Company purchases the raw materials and packaging materials required for the production of health food from raw material suppliers. The raw materials are medicinal materials and food, and the packaging materials include color boxes, outer boxes, and shrink films. Food products are manufactured by health food manufacturers, distributed

to distributors, retailers, overseas cross-border e-commerce companies, and multi-level direct selling, and eventually sold to general consumers. The upstream manufacturers of organic foods include agriculture, fishery, animal husbandry, and general manufacturers. The products are sold to the Retailing & Distribution Industry through the traders, agents, and distributors in the midstream to the downstream retailers and the catering industry, and finally the products are sold to consumers.

• Pharmaceutical Industry

Upstream	Midstream	Downstream
• Chemical raw materials • Chinese medicines: Including plants, animals, and minerals. • Genetically modified animals and plants	• Active pharmaceutical ingredients: organic chemicals • Processing of Chinese medicinal materials: processing or processing of pharmaceutical plants • Additive processing: such as excipients, disintegrating agents, adhesives and lubricants.	• Medical institutions • Chinese medicine pharmacy and Chinese medicine hospital • Pharmacy

• Health Product Industry

Upstream	Midstream	Downstream
• Raw material manufacturers and traders: including medicinal ingredients and foodstuffs • Packaging material suppliers. Such as: color box and outer box	• Outsourced OEM	• Dealers and distributors • Retail distributors • Overseas Cross-border E-commerce • Multi-level direct selling

• Organic Food Retail Industry

Upstream	Midstream	Downstream
• Agriculture • Fisheries • Livestock • General manufacturers and workshops	• Traders • Distributor • Dealers and distributors	• Retail sales • Catering

» Supply Chain Sustainability Management

• Significant Supplier Screening

Microbio identifies significant suppliers and conducts sustainability risk management from all Tier 1 suppliers based on indicators such as procurement amount, the criticality of the products provided, and long-term business relationships with the company. Suppliers that have been included in the top 95% of annual procurement amounts for more than three years within the past five years and continue to transact with Microbio during the reporting period are defined as significant suppliers. In 2024 there were 100 Tier 1 suppliers that directly transacted with Microbio, among which 33 were significant suppliers, accounting for 78.5% of the annual procurement amount. The number of suppliers by category is as follows:

Number of Suppliers by Category	Raw Material Manufacturers and Traders	Direct Material Suppliers	Indirect Material Suppliers	Total
Significant Suppliers	21	8	4	33
Tier 1 Suppliers	66	19	15	100

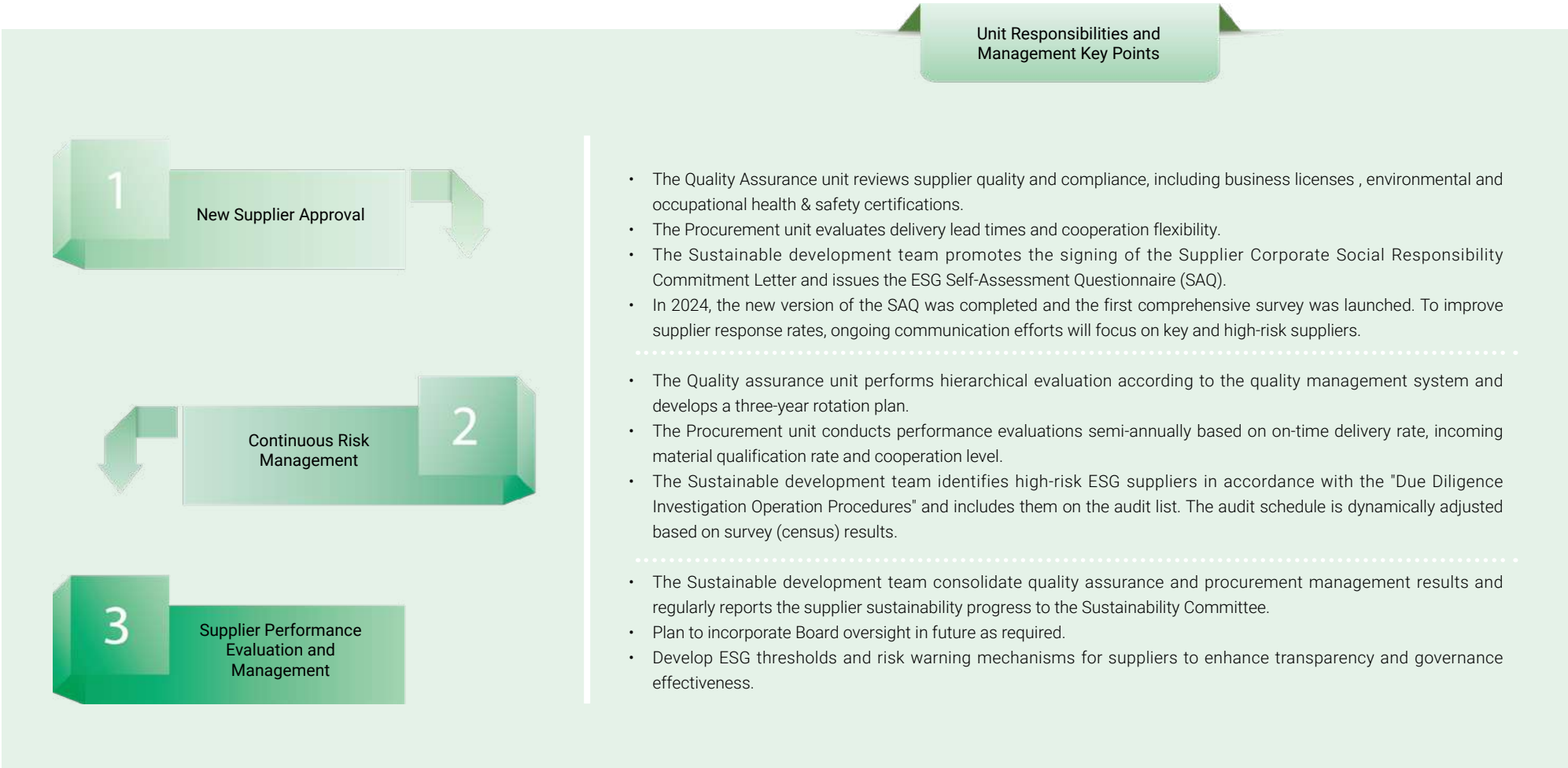
To strengthen risk control and improve resource-allocation efficiency, the Company uses the above “key-ness” as the basis for further ESG risk inquiries, sampling audits, and prioritization of cooperation, and as the criterion for identifying key suppliers (“Significant Suppliers”). In addition, the Company is gradually introducing a Country / Sector / Commodity risk-identification workflow. For example, suppliers located in high-pollution or high human-rights-risk regions, in labor-intensive sectors, or in controversial raw-material supply chains (e.g., medicinal plants, certain seafood) are placed on a high-risk watchlist for enhanced due diligence and review of cooperation conditions. Although our suppliers are currently concentrated in Taiwan—so overall country risk is manageable—we still reference international indices such as the ITUC Global Rights Index and WRI Aqueduct water-risk assessment when screening future sourcing.

The subsidiary, Cotton Field Organic, has also established a quality identification and labeling management system, and has implemented classification and certification for products released to the market in these seven categories: organic, transition period, vitality, food traceability, zero additives, premium selection, and sustainable seafood. Although “sustainable seafood” is not currently designated as a priority purchasing category, products in this category still undergo preliminary risk screening. Presently, Cotton Field Organic has not yet established a key supplier system; however, in the future, the system will be tiered based on product supply stability, brand relationships, and risk attributes, which will also be linked with the existing quality certification systems (such as TAP and FSSC). System planning is expected to begin in 2025.



• Supplier Risk Assessment and Management

Microbio has implemented the Supplier Management Procedure since 2002 to ensure that partner suppliers consistently provide products and services with stable quality, on-time delivery, and compliance with the Company’s requirements. In response to international evaluation standards and to strengthen overall governance mechanisms, in 2024 the Company integrated the existing Supplier Management Procedure and Sustainable Supply Chain Risk Due Diligence Procedure, establishing a dual-track framework that combines “Quality Responsibility Governance” and “ESG Due Diligence.” This framework is implemented through a three-phase management process.



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• Supplier Code of Conduct

Microbio teams up with suppliers to create sustainable enterprises. The “Supplier CSR Commitment Letter” has been formulated with reference to the related international initiatives and requirements, including the UN Global Compact, the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. The “Supplier CSR Commitment Letter” has been formulated based on the four dimensions of ethical corporate management and business ethics, labor rights, environmental protection, and continuous improvements. All suppliers are required to sign the Letter, whose main contents include the following sustainability-related items:

- Ethical corporate management, compliance with business ethics, and avoidance of conflicts of interest.
- Prohibition of child labor and forced labor.
- Safeguarding basic labor rights, including the right to work, freedom of assembly, and a workplace free from discrimination and harassment.
- Guaranteeing working hours and work conditions.
- Complying with laws and regulations related to occupational health and safety, providing a safe work environment in compliance with applicable regulations.
- Environmental protection policies and climate change governance.
- Enhance energy and resource efficiency.

As of Dec. 31, 2024 a total of 89 raw-material and direct-material suppliers have signed this Letter of Commitment (2 suppliers have signed the Supplier CSR Commitment Letter in the period from January to December 2024, and its contents are publicly disclosed on the Company's website (<https://www.twmicrobio.com/wp-content/uploads/2024/09/02.Supplier-CSR-Commitment-Letter.pdf>))

• Survey and Evaluation of Supplier Sustainability Risks

In order to have active control of supplier sustainability risks, Microbio examines the risk states of all suppliers during the initial registration stage. These examinations include a preliminary risk assessment based on a supplier's business license, tax payment certificate, company profile, quality certificates, and EHS certificates. Suppliers are requested to fill out self-assessment forms covering the four dimensions of place, people, process, and product to enable Microbio to maintain a firm grasp of operational risks.

Microbio Co., Ltd. amended its "Supplier Management Procedure" at the end of 2021 to prescribe evaluations of raw material manufacturers, direct material suppliers, raw material traders, PIC/S GDP pharmaceutical suppliers, and OEM manufacturers. In addition, we revised our Supplier Evaluation Checklist by adding ESG assessment items, including environmental protection, protection of labor conditions and human rights, equal treatment of employees, and corporate governance. These items are listed as supplier risk evaluation items of equal importance as the aforementioned four dimensions ("place," "people," "process," and "product") and conducts on-site sampling inspections for ESG risks of significant suppliers to ensure that all significant suppliers continuously meet the minimum standard of 70 points in the ESG risk assessment. The supplier ESG risk evaluation checklist is publicly posted on the Company's website. (Microbio Supplier ESG Risk Evaluation Checklist: https://www.twmicrobio.com/micro_tw/governance/ESG_Supplier-ESG-Risk-Evaluation-Checklist.pdf)

ESG audits primarily focus on suppliers of raw materials, direct materials, and contract manufacturers.

The allocation percentages for assessment criteria in each dimension are as follows:

Risk Dimension / Allocation (%)	Raw Material Manufacturers	Direct Material Suppliers	Raw Material Traders	Contract Manufacturers
Place	14.5%	41.3%	25.5%	28.6%
People	9.7%	6.5%	14.9%	8.0%
Process	40.3%	23.9%	17.0%	30.5%
Product	16.1%	2.2%	17.0%	28.2%
ESG	19.4%	26.1%	25.5%	4.7%
Total	100%	100%	100%	100%

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Classified management of suppliers are implemented based on the audit scores:

Supplier risk rating	Evaluation score brackets			
	Raw Material Manufacturers	Direct Material Suppliers	Raw Material Traders	Contract Manufacturers
Class A	62~58	46~43	47~43	262~238
Class B	57~53	42~39	42~38	237~213
Class C	52~48	38~35	37~33	212~188
Class D	47~43	34~31	32~28	187~163
Class E	<42	<30	<28	<162

• Daily Management Measures for Existing Suppliers (Qualified Suppliers)

In 2024, Microbio had a total of 84 raw material and direct material suppliers. Procurement and QA units score the dimensions of delivery date achievement rates, degree of cooperation, incoming material conformity rate in accordance with supplier transaction conditions on a "semiannual" basis. Semiannual scoring of a total of 84 suppliers was completed in 2024.

Raw material, contract manufacturers and direct material supplier rating	Number of assessors in the second half of 2023	Supplier Management Measures
A	68	Acceptance and simplified assessment carried out by QA unit in accordance with "Incoming Quality Control Procedures".
B	5	Inspection and lab testing frequency shall be maintained.
C	0	The procurement unit shall reduce order amounts and the second source of goods shall be developed for future use by the authorized unit.
D	0	The procurement unit shall notify the supplier to adopt corrective action. The manufacturer shall be listed as a Class E supplier on the next evaluation if no corrective action is taken within the prescribed time limit.
E	0	Rated E twice in a row, and the supplier qualification was canceled after the report was approved.
Total	73	

In addition to the aforementioned semiannual assessments, the Quality Assurance Center formulates annual "Rotational Evaluation Plans" for suppliers. Annual on-site audits are conducted for OEM manufacturers who have been commissioned with the production of new products and PIC/S GMP pharmaceutical management businesses. Annual audits for the remaining suppliers carried out on-site or in form of document reviews.

Vendor Risk Level	Audit Frequency and Management Measures
Class A	Once every three years.
Class B	
Class C	Notify suppliers to make improvement within a deadline and track the improvement status. Notify the procurement to adjust the evaluation score for no improvement.
Class D	We visit once a year, the procurement cooperates to reduce the order quantity, and the supplier evaluation grade is temporarily downgraded to D, etc.
Class E	The Quality Assurance Unit notifies the Procurement Unit to stop order placement, and downgrades the manufacturer's evaluation rating to E until the improvement is improved.

Annual audits of a total of 41 suppliers were completed in 2024, and 6 significant suppliers have completed ESG on-site sampling inspections among them:

Year	2021	2022	2023	2024
Number of audited suppliers	41	42	40	41
Number of significant suppliers with ESG On-Site inspections	6	11	7	6
Number of suppliers who are required to take corrective action	0	0	0	0

The Company also conducts non-scheduled audits of subcontractors with potential risks. If on-site inspections are deemed necessary due to detected quality irregularities, the status of corrective actions must be confirmed based on the results of the previous inspection. Audits must be reinforced in case of potential impacts on product quality and safety. 2024 audit results: 36 suppliers (88%) were rated as Class A suppliers. The remaining 5 (12%) were rated as Class B suppliers. In 2024, no supplies were required for non-scheduled audits. .

Supplier Risk Levels Based on 2024 Audit Results

Level of Risk	A	B	C	D	E	Total
Number of suppliers in each level	36	5	0	0	0	41
Percentage of suppliers in each level	88%	12%	0%	0%	0%	100%

• Quality Management of Cotton Field Organic Suppliers

To develop and evaluate qualified suppliers on a regular basis to provide Cotton Field Organic with products of the right quality and quantity in a timely manner, the "Supplier Management Regulations" were established in 2013. For new suppliers, including raw-material suppliers and third-party (non-private-label) product suppliers, classification and evaluation are conducted according to supplier attributes. The assessment categories include general factory areas, handicraft workshops, and farm areas. All new suppliers are required to undergo on-site audits and evaluations, unless they are assessed as low risk, such as those certified with quality standards like ISO 9001/22000, HACCP, or FSSC. Furthermore, at the beginning of each year, the Food Safety Office screens some suppliers for the annual evaluation based on the risk assessment results. The evaluation results will be used as an important reference for suppliers when renewing their contracts every year. The 2024 new supplier and annual evaluation results are as follows:

Number of new suppliers in 2024	General plant area	Handicraft workshops	Farm
Excellent suppliers (over 80 points)	2	0	1
Qualified suppliers (60-79 points)	12	0	4
Disqualified suppliers (less than 59 points)	0	0	0

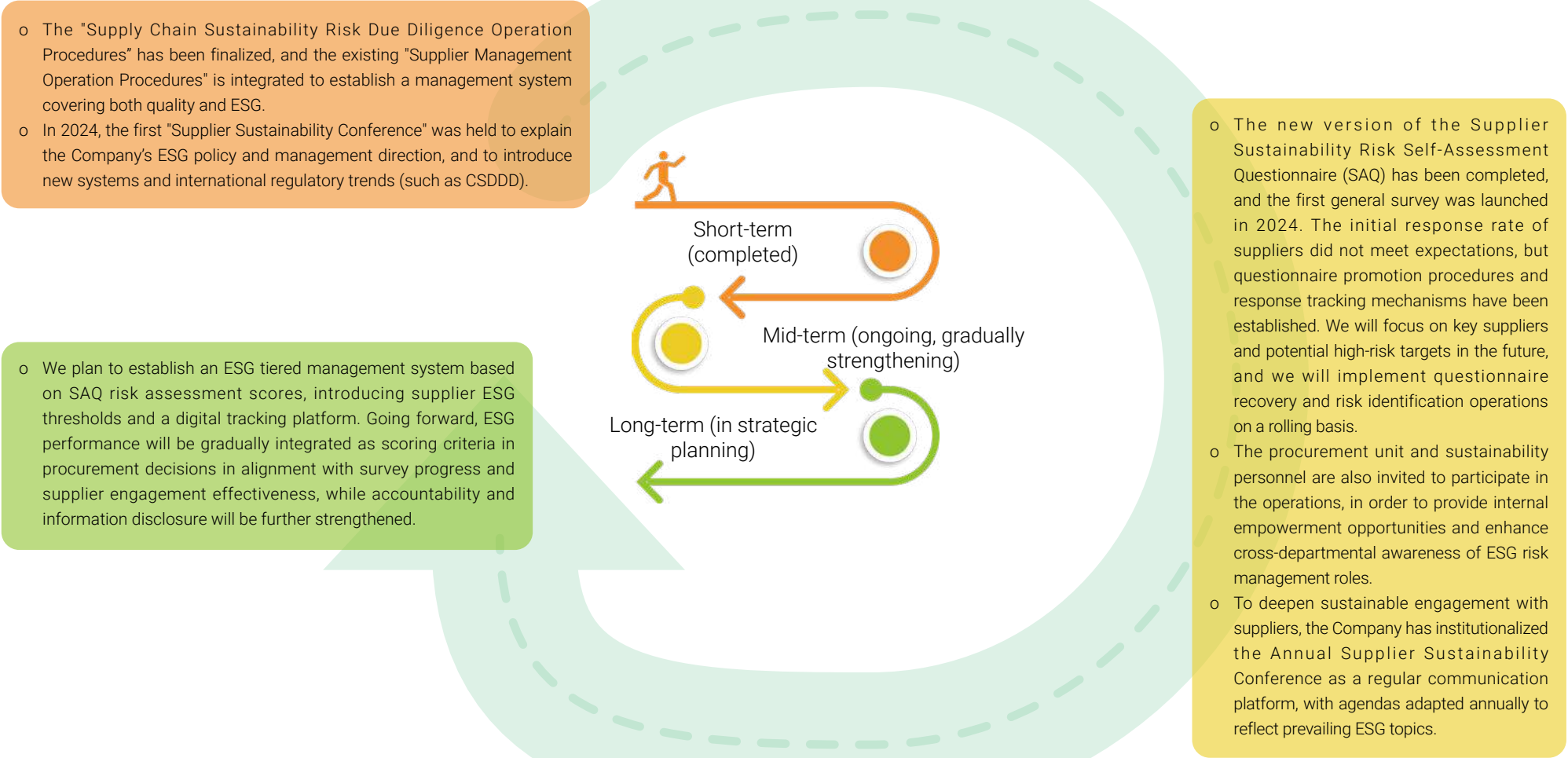
Number of suppliers subjected to annual evaluation	General plant area	Handicraft workshops	Farm
Excellent suppliers (over 80 points)	6	0	2
Qualified suppliers (60-79 points)	1	1	0
Disqualified suppliers (less than 59 points)	0	0	0

After the suppliers who were approved and maintained their qualifications completed the registration, Cotton Field Organic conducts random product inspections in accordance with the "Regulations for the Management of Commodity Inspection" to control product safety and quality.

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» ESG Management Stage Goals and Capacity-Building Actions

To progressively strengthen supply chain sustainable governance capabilities, Microbio has set short-, medium-, and long-term goals based on practical promotion progress and international regulatory trends, and also simultaneously introduces education, training, and communication mechanisms, in order to gradually construct a supplier ESG management system with risk identification, action execution, and performance disclosure capabilities.





4 Corporate Governance

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4.2 Integrity-Based Operation

4.3 Internal Audit

4.4 Risk Management

4.5 Regulatory Compliance

4.6 Cyber Security

4.7 Intellectual Property Rights Protection

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4.1 Governance Practices

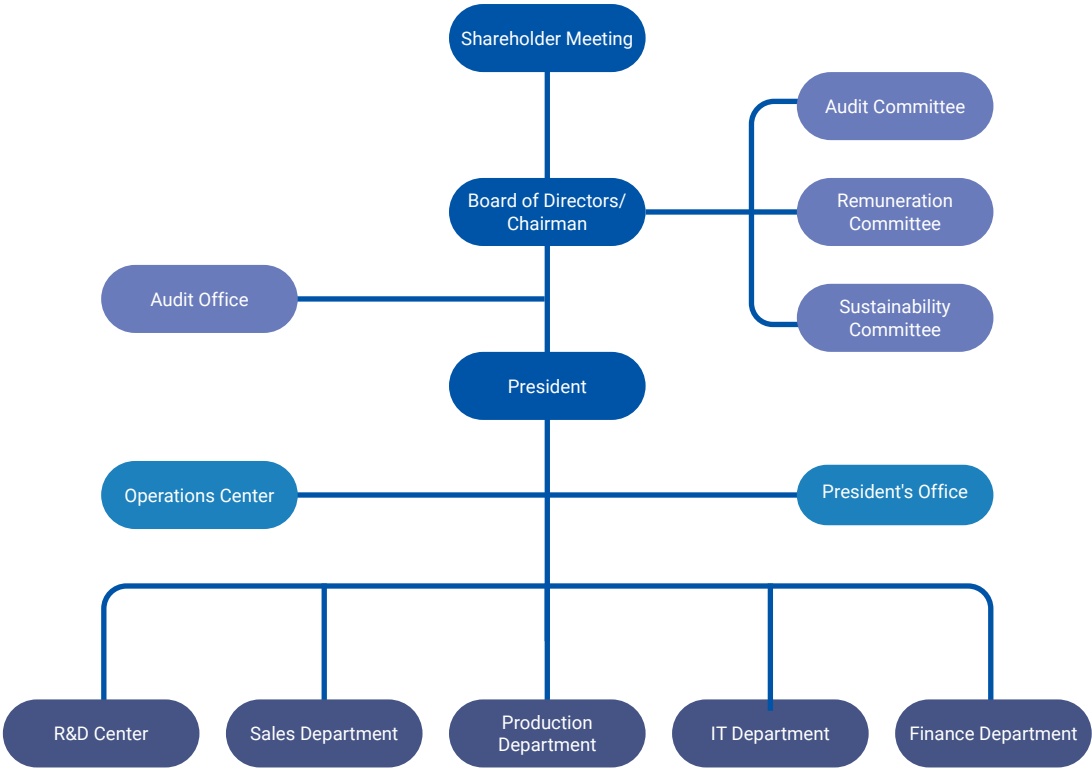
In accordance with the spirit of corporate governance, we protect shareholders’ rights and interests, strengthen the competencies of the Board of Directors, enhance information transparency, form an effective internal control system, and respect the rights and interests of stakeholders, while at the same time implementing ethical governance and sustainable management.



The Board of Directors is the highest authority of corporate governance; All directors are responsible for exercising the due care of a good manager in planning the Company’s operating policies and reviewing financial performance, as well as ensuring that the Company’s operations follow all laws and regulations. The Board of Directors has established the Audit Committee, the Remuneration Committee and the Sustainability Committee to improve corporate governance and strengthen the Company’s competitive position. An independent Audit Office has also been set up under the Board of Directors to regularly carry out audits and report the audit results to the Audit Committee and the Board of Directors.

The Assistant Vice President of Finance Department serves as Corporate Governance Officer, responsible for assisting directors to perform their duties, providing required information, arranging for continuing education, handling matters related to Board meetings and shareholders’ meetings in accordance with laws, as well as assisting the Company in resolutions of Board meetings and shareholders’ meetings and maintaining investor relations.

Corporate Governance Framework



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» Governance Practice Results in 2024

In accordance with the "Corporate Governance Blueprint" published by the Financial Supervisory Commission, Microbio actively promotes the four main tasks of "protecting shareholders' rights and interests and treating shareholders equally", "enhancing the structure and operation of the Board of Directors", "improving information transparency", and "promoting sustainable development" to improve corporate governance. To evaluate and measure corporate governance performance, the Company has participated in corporate governance evaluations organized by the Taiwan Stock Exchange and Taipei Exchange for public companies, and aims to continue to be ranked in the top 5% of corporate governance evaluations.

In 2024, Microbio was ranked in the top 5% of TPEx-listed companies in the Corporate Governance Evaluation (highest tier), marking the fourth consecutive year of this achievement and consolidating its benchmark status in governance. The Company was also ranked, for three consecutive years, among the top 10% of non-financial, non-electronics listed companies with a market capitalization above NT\$10 billion, demonstrating the Microbio Group's solid results and strong capabilities in corporate governance and sustainability.

• Board of Directors

The Board of Directors plans the Company's management strategies and is responsible for shareholders and other stakeholders. Directors of the Company faithfully carry out their tasks and exercise the due care of a good manager, carrying out duties with a prudent attitude. The Board of Directors makes resolutions on the Company's business execution as well as operations and arrangement of all governance systems, except for matters that shall be resolved by a shareholders' meeting as required by law or the Article of Incorporation. The Article of Incorporation clearly states that the candidate nomination system is adopted for the election of directors. The principle of the election is electing talented directors through regular elections. In accordance with the Corporate Governance Best Practice Principles, the composition of members of the Board of Directors shall take diversity into account. In addition to the fact that the number of directors who also serve as managers of the Company may not exceed one-third of the Board of Directors, appropriate policies for diversity must also be formulated based on the Company's operations, business model and development needs. Aside from taking professional capabilities into consideration, directors must also have extensive practical experience and be familiar with the development of the industry. There are 7 directors on the Board of Microbio (including 4 independent directors) and the term is 3 years. A Board meeting is held at least once per quarter as required by law. In 2024, 8 Board meetings were held.

2024 Board Attendance Rate					
Title	Name	Actual Attendance (B)	Proxy Attendance	Actual Attendance Rate (%)	Notes
Chairman	Kuo, Hsien-Shou	3	0	100	Former Appointment ^(Note 1)
Chairman	Chen, Tzen-Wen	5	0	100	New Appointment ^(Note 2)
Director	Yang, Pan Chih	2	1	67	Former Appointment ^(Note 1)
Director	Huang, Cheng Chun	3	0	100	
Director	Lee, Tsu-Der	5	0	100	New Appointment ^(Note 2)
Director	Lu, Ching-Hung	4	0	80	
Independent Director	Lai, Yuan-Ho	3	0	100	Former Appointment ^(Note 1)
Independent Director	Tsai, Kao Chung	3	0	100	
Independent Director	Han, Li Chun	8	0	100	Reappointed ^(Note 3)
Independent Director	Liang, Chi-Ming	8	0	100	
Independent Director	Chang, Chun-Chao	4	1	80	New Appointment ^(Note 2)
Independent Director	Wu, Wen-Mien	5	0	100	

Note 1: Relinquished office after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Note 2: Newly appointed after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Note 3: Reappointed after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Note 4: For information on the educational and professional backgrounds of the directors, please refer to page 17 of Microbio's 2024 Annual Report.

Diversification of the Board of Directors

In accordance with the Company's "Corporate Governance Best Practice Principles", the diversity of the Board members shall be considered, and the number of directors who concurrently serve as the Company's managerial officers should not exceed one-third of the total number of directors. Furthermore, the Board shall establish a diversity policy aligned with its operations, business model, and development needs. Microbio does not impose restrictions on Board member selection based on gender, age, race, or nationality. Independent directors constitute more than half of the Board. Currently, there is one female director, and the Company plans to implement, within the next three to five years, a diversity policy under which at least one gender accounts for at least one-third of Board seats. The nomination and selection of the Company's board members are conducted in accordance with the Company's Articles of Incorporation, and the candidate nomination system is adopted. In addition to assessing the educational background and professional qualifications of each candidate, the Company also complies with the "Procedures for Election of Directors" and the "Corporate Governance Best Practice Principles", to ensure the diversity and independence of its board members. The abilities that the Board of Directors as a whole shall possess include, but are not limited to, the ability to make operational judgments, the ability to perform accounting and financial analysis, the ability to conduct management and administration, the ability to conduct crisis management, knowledge about the industry, an international market perspective, leadership, the ability to make decisions, and the knowledge and ability of risk management. Board diversity implementation status:

		Chen, Tzen-Wen	Lee, Tsu-Der	Lu, Ching-Hung	Han, Li Chun	Liang, Chi-Ming	Chang, Chun-Chao	Wu, Wen-Mien
Nationality		Republic of China						
Gender		Male						Female
Age	60 to 70							
	71 to 80							
	81 to 90							
Years of service as independent director	Under 10 years							
	More than 10 years							
Operational Judgment								
Legal, Accounting and Financial Analysis								
Operation Management								
Risk and Crisis Management								
Knowledge about the industry								
International market perspective								
Leadership								
Decision-making								

• Board Performance Evaluation

The Company has established the "Rules for Performance Evaluation of the Board of Directors" to evaluate the performance of the Board of Directors as a whole, individual directors, and functional committees. Regular internal and external evaluations are used to improve the functioning of the Board of Directors.

The internal performance evaluation of the Board of Directors is conducted once a year by the Finance Department with internal questionnaires. The evaluation is based on the operation of the Board of Directors, the participation of the directors, the operation of the Remuneration Committee and the Audit Committee, and covers the operation of the Board of Directors by the directors, the evaluation of the participation of the directors by the directors, and the evaluation of the operation of the Audit Committee and the Remuneration Committee by the Company.

Measurement Items		
Board of Directors Self-evaluation on Performance • Participation level in the management of the Company • Enhancement of the decision-making quality of the Board • Composition and structure of the Board of Directors • Appointment of directors and continued education • Internal control	Board Members Self-evaluation on Performance • Mastery of the Company objective and mission • Understanding of directors' duties • Participation level in the management of the Company • Engagement of internal relations and communication • Directors' professionalism and continued education • Internal control	Functional Committees Self-evaluation on Performance • Participation level in the management of the Company • Comprehension of the responsibilities of the functional committees • Enhancement of the decision-making quality of the functional committees • Composition of functional committees and appointment of members • Internal control

In 2024, the self-evaluation of the performance of the Board of Directors was completed, and the evaluation results will be submitted to the Board of Directors in May 2025. The self-assessment results for the Board, Audit Committee, and Remuneration Committee for the fiscal year 2024 were all excellent, indicating overall good operational performance.

According to the "Rules for Performance Evaluation of the Board of Directors" of our company, it is stipulated that an external evaluation shall be conducted at least once every three years by an external professional organization or a team of external experts and scholars. In 2023, Microbio entrusted the independent external experts from the "Taiwan Corporate Governance Association" to evaluate the effectiveness of the Board of Directors. The evaluation results were submitted to the Board meeting held on November 10, 2023. For the complete evaluation report, please visit the "Investors" section on the Company website.

The performance evaluation results of the Board of Directors are used as a reference for the future selection or nomination of directors; the performance of individual directors are used as a reference for determining their respective compensation.

In consideration of various regulatory compliance and governance practices that directors may face during management, we proactively encourage directors to take on continuing education. In 2024, the Board of directors had a total of 66 hours of continuing education. Depending on the overall situation of continuing education in the future, professional courses related to corporate social responsibility may be arranged for directors. Under the leadership of the Board of Directors, who are dedicated to ethical governance and have extensive industry experience, we believe that the Company's business will thrive and continue to march forward towards sustainability.

Note: For details regarding the operations of the Board of Directors, please refer to p. 25-26 of Microbio 2024 Annual Report

» Functional Committees

With the aim of improving the supervisory function and reinforcing the management function, Microbio has established the Audit Committee, the Remuneration Committee and the Sustainability Committee. In addition to independently exercising powers as in accordance with the law, the functional committees are also responsible for the Board of Directors and submit proposals to the Board of Directors for resolution.

• Audit Committee

Microbio has established an Audit Committee under the Board of Directors. All independent directors serve as Audit Committee members. The Audit Committee operates to supervise the fair presentation of the Company's financial statements; the election (dismissal), independence, and performance of CPAs; the effective implementation of the Company's internal controls; the Company's compliance with applicable laws and regulations; and the control of existing or potential risks as its purposes. The evaluation results are submitted to the Board of Directors for discussion.

Independent Director Han, Li-Chun has served as the convener of the Audit Committee of Microbio since the re-election at the Annual General Meeting on May 30, 2024. The convener has accounting and financial expertise, and a meeting is convened at least once a quarter. A total of 7 meetings were held in 2024.

Member of the Microbio Audit Committee			
Title	Name	Attendance Rate in 2024(%)	Remark
Independent Director (Convener)	Han,Li-Chun	100	Reappointed ^(Note 1)
Independent Director (Member)	Liang,Chi-Ming	100	Reappointed ^(Note 1)
Independent Director (Member)	Chang,Chun-Chao	75	New Appointment ^(Note 2)
Independent Director (Member)	Wu, Wen-Mien	100	New Appointment ^(Note 2)
Independent Director (Member)	Lai, Yuan-Ho	100	Former Appointment ^(Note 3)
Independent Director (Member)	Tsai, Kao-Chung	100	Former Appointment ^(Note 3)

Note 1: Reappointed office after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Note 2: Newly appointed after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Note 3: Relinquished after the comprehensive re-election at the Annual General Meeting on May 30, 2024.

Microbio has established communication channels between the Audit Committee, accountants and the Chief of Internal Auditor. Among them, the Chief Internal Auditor prepares a report every month of the deficiencies from the audit carried out in the previous month and the follow-up situation for improvement, and submits the report to the independent directors for review. The Chief Internal Auditor attends the Audit Committee meeting held every quarter, and reports the audit operations, results and follow-up situation to the independent directors. At the same time, the Chief Internal Auditor also attends the Board meeting held every quarter, and reports the quarterly internal audit operations. In the Audit Committee meeting held on a quarterly basis, the CPAs explain the process of auditing or reviewing the Company's financial statements, their scopes and relevant regulatory updates, as well as have mutual discussions with independent directors. Finally, the independent directors may contact the Chief Internal Auditor and accountants via email, meeting arrangement and telephone if necessary. The overall communication practices are good.

• Remuneration Committee

To strengthen the compensation system for directors and managerial officers, we evaluate whether the management performance and the compensation received by the directors and managerial officers are fair and reasonable. Moreover, the Board of Directors approved the "Remuneration Committee Charter" and established the Remuneration Committee under the Board. All 3 members of the Remuneration Committee are independent directors and they meet at least twice a year. In 2024, 2 Remuneration Committee meetings were held.

Title	Name	Attendance Rate in 2024 (%)
Independent Director (Convener)	Han, Li-Chun	100
Independent Director (Member)	Liang, Chi-Ming	100
Independent Director (Member)	Chang,Chun-Chao	100

For detailed information about the operation of Remuneration Committee, please refer to p.36-37 of Microbio 2024 Annual Report.

The Remuneration Committee shall take the following principles into consideration when conducting an evaluation:

- The remuneration of the Company is in compliance with relevant laws and regulations and is sufficient to attract talent.
- The performance evaluation and compensation for directors and managerial officers shall be determined with reference to the standard levels of peers. Moreover, the time devoted by the directors and managerial officers, the duties, achievement of personal goals, performance in other positions, the remuneration received by other employees with the same positions in recent years, as well as the achievement of the Company's short-term and long-term business objectives and the Company's financial conditions, will be taken into account. The reasonableness of personal performance, the Company's business performance and future risks will also be evaluated.
- Directors and managerial officers shall not be led to engage in behavior beyond the Company's risk appetite in the pursuit of Compensation.
- The proportion of remuneration for the short-term performance of directors and senior managerial officers and payment time of variable compensation shall be determined with reference to the characteristics of the industry and the nature of the Company's business.

In practice, the Remuneration Committee abides by the obligation of the due care of a good manager and regularly reviews the policy, system, standards and framework of the performance evaluation of directors and managerial officers. The Committee also periodically evaluates and determines the Compensation of directors and managerial officers and proposes recommendations at the Board meeting for discussion.



Sustainability Committee

To implement corporate sustainability and strengthen the Board's functions, the Board of Directors resolved on November 10, 2022 to establish the Sustainability Committee. From a company-wide perspective, the Committee supervises the implementation of the following: practicing corporate governance, promoting environmental protection, safeguarding social welfare, and enhancing disclosure of corporate sustainability information.

The second term of the Committee was appointed by the Board of Directors on May 30, 2024, and consists of three members, including Independent Director Mr. Liang, Chi-Ming, Independent Director Mr. Han, Li-Chun, and Advisor, Ms. Lin, Chieh-Chen. The three members have experience and knowledge of sustainable development required by the committee, including organizational management, risk management, corporate governance, and finance and accounting specialties. Independent Director Liang, Chi-Ming was re-elected as the convener and chair of the meetings. In 2024, the Sustainable Development Committee convened two meetings, during which the Company's "2024 Sustainable Development Plan," "2024 Sustainable Development Implementation Report," and "2025 Sustainable Development Plan" were discussed, to supervise the Company's Corporate Governance, Environmental Sustainability, and Social Inclusion and the effectiveness of their implementation.

Member of the Microbio Sustainability Committee

Title	Name	Attendance Rate in 2024 (%)
Independent Director (Convener)	Liang, Chi-Ming	100
Independent Director (Member)	Han, Li-Chun	100
Advisor (Member)	Lin, Chieh-Chen	100

For detailed information about the operation of Sustainability Committee, please refer to p.30 of Microbio 2024 Annual Report.

Duties of the Sustainability Committee

The Sustainability Committee shall exercise the care of a good administrator to fulfill the following authorities with feasibility and risk reduction as the top priority and submit proposals to the board of directors for discussion:

1. Supervise the implementation of sustainability development plans such as strengthening corporate governance, promoting sustainable environment, advancing social integration, driving supplier sustainability management, and improving information disclosure, along with evaluating execution outcomes.
2. Review the Company's sustainable development policy, code of practice, strategic direction, and annual plan formulation and revision.
3. Supervise matters related to other sustainable development resolutions passed by the board of directors.
4. Supervise the Sustainability Executive Committee (hereafter "Executive Committee"). The Executive Committee is responsible for planning and implementing sustainable development-related matters; the general manager shall serve as the chair of the Executive Committee and regularly report the sustainable development results to the Sustainability Committee.

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- 7. Environmental Protection

4.2 Integrity-Based Operation

We abide by the Company's management principles and adhere to sound business integrity to continue the Company's operations in an ethical manner, from top management to basic employees.

In 2024, there were no incidents of corruption, bribery, breaches of customer privacy, or other violations of integrity standards.

Based on the core value of "integrity", and in accordance with the requirements of Taiwan's Financial Supervisory Commission (FSC), Microbio has promulgated the Ethical Corporate Management Best Practice Principles, Business Integrity Procedures and Behavioral Guidelines, and the Codes of Ethical Conduct as internal regulations. Employees are required to strictly abide by laws and regulations, and integrity management education and training are conducted on a regular basis. Article 3 of the " Business Integrity Procedures and Behavioral Guidelines " explicitly prohibits dishonest conduct, requiring that the Company's directors, managers, employees, appointees, or persons with substantial control shall not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in any unethical conduct such as breaches of ethics, illegal acts, or breaches of their fiduciary duty to obtain or retain advantages during the process of engaging in business activities. Furthermore, Article 4 of the "Business Integrity Procedures and Behavioral Guidelines " specifies that the term "benefits" refers to any valuable things, including money, endowments, presents, commissions, positions, services, preferential treatment, kickbacks, facilitation paymentsnote, entertainment, or social activities of any type or in any name.

When working with external parties, the Company requires counterparties to abide by the Company's Ethical Management Policy in the terms of the contract or as an attachment, with terms specifying that if the counterparty is involved in an unethical act, Microbio may terminate or rescind the contract at any time.

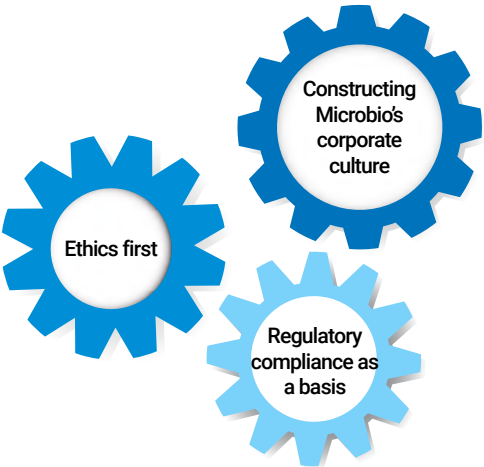
Note: The term "facilitation payments " refers to any payment of cash or provision of goods of value to government officials to perform their duties (such as: expediting the process of obtaining permits, licenses, or permission to use public facilities). The Company classifies " facilitation payments " as a form of improper benefit and expressly prohibits offering or promising to offer any form of facilitation fee (Article 8 of the " Business Integrity Procedures and Behavioral Guidelines ").

Responsible Unit

- To ensure the implementation of the Ethical Corporate Management Best Practice Principles, the Human Resources Department under the President's Office has been designated as the responsible unit. The Head of Human Resources serves as the Ethical Management Officer, to be in charge of assisting the Board of Directors and the management in the establishment, supervision and implementation of ethical management policies and unethical conduct prevention plans.
- The implementation status is reported to the Board of Directors once annually, and was reported on November 11, 2024.

Prohibition of bribery and corruption

Microbio has established and the Board of Directors has approved the "Procedures for Ethical Management and Guidelines for Conduct", which strictly prohibit the direct or indirect offer or acceptance of any improper benefits to or from business partners in the course of performing duties. "Improper benefits" include: any form of illegal monetary benefits, gifts, services, discounts, kickbacks, or any other item of value. Before establishing business relationships with external parties, the Company requires that its partners conduct business fairly and transparently, and any request, offer or acceptance of bribes is prohibited.



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Ethics and Integrity Education and Training

To enhance employees' awareness of ethical corporate management, the Company has introduced and planned additional training modules related to the Company's ethical corporate management policy and requires participation by all employees and non-employee workers (e.g., consultants). The achievements in 2024 are as follows:

- 1. **Directors and managers:** In 2024, directors and managers participated in "Investment to Change the World – Impact Investing and SDGs Practice", "Corporate Governance and Securities Regulations", "Courses for Directors and Supervisors and Corporate Governance Officers – Carbon Credit Trading Mechanism and Carbon Management Application", "TPEx-listed and Emerging Stock Market Company Insider Equity Educational Seminar", and "Responding to Compliance Challenges in Directors' Roles and Management Rights Under Corporate Governance 4.0 "and other courses related to corporate governance and ethical management for at least 6 hours. Directors and managers were also invited to participate in the Company's internally organized courses on the ethical corporate management policy arranged in 2024.
- 2. **Employee Training:** The annual training session on the ethical corporate management policy was conducted in 2024. In October, the Company completed the training course on "Corporate Governance Education (including Insider Trading Prevention)". In December, the Company held two training courses: "Employee Intellectual Property Concepts and Trade Secret Protection" and "TIPS Training – Trade Secrets". The courses totaled 4.5 hours and the target audience was all employees. Using case studies, the training reinforced concepts of ethical corporate management, anti-corruption, and the management and prevention of unethical conduct, while emphasizing personal data protection, information security safeguards, insider trading prevention, and risk management. To ensure that all employees understand and comply with relevant regulations, a final exam was conducted. Only those with a score of 80 or above are deemed as having passed the examination. A total of 302 employees received training, with the total training hours being 720 hours. In September, a course titled "Trade Secrets and Information Security" was held for mid- to senior-level executives, conducted by officers from the Investigation Bureau. Through real-life case sharing, the course helped participants understand the importance of trade secret protection. A total of 10 participants attended the training.
- 3. **New Employee Orientation:** When reporting for duty, new recruits receive 1-hour education and training on the Ethical Corporate Management Best Practice Principles. Policies related to ethical management, including the whistleblower policy and reporting channels, were announced during orientation for them to understand the Company's Ethical Management Policy and the related regulations.
- 4. The contents of the education and training course on the Ethical Management Policy are available on the internal training website so that employees can receive refresher training or to review at any time, the objective being to keep promoting and enhancing the concepts that employees must have.
- 5. Each year, HR requires employees to review, acknowledge and faithfully comply with integrity-related regulations such as the "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behavioral Guidelines", and the "Whistleblowing Policy", which include detailed reporting channels and methods. It is widely promoted to the employees that inappropriate behavior can be reported through the reporting channel when conducting business in accordance with ethical business



Key Points of Ethical Corporate Management Best Practice Principles
Target: All Employees

- Forbidden for any person of the company to provide, promise, request, or accept improper benefits in the course of their duties or to commit a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
- Conflicts of interest are strictly prohibited. A specific reporting system shall be established and effective implementation shall be ensured.
- Abide by the operational philosophies of honesty, transparency, and responsibility, base policies on the principles of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.
- Specify the Company's Ethical Management Policy in the Articles of Incorporation and external documents. Furthermore, implement the commitments of the Ethical Management Policy, which shall also be adhered to in internal management and business activities.
- Take into consideration the legality of their trading counterparties and whether any of them are involved in unethical conduct and shall avoid any dealings with people so involved. Moreover, include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.
- All laws and regulations are complied with to implement ethical management.

Key Points of Guidelines for the Adoption of Codes of Ethical Conduct
Target: Directors and Management

- Prohibit management to use the Company's property, information, or their position for personal gains or to compete with the Company.
- Prohibit conflict of interest between person and the Company.
- Directors and managerial officers are obligated to confidentiality regarding the information of the Company or customers.
- Fairly treat customers, competitors and employees. Improper benefits through manipulation, concealment, misuse of information obtained in the course of duties, misrepresentation of material matters, or other unfair trading means are prohibited.
- Protect the Company's assets and ensure they are used effectively and legally for the Company's affairs.
- Abide by all laws and regulations as well as the Company's relevant policies and rules.
- Reinforce ethical concepts and encourage employees to report to the responsible unit on any suspected or discovered violations of laws and regulations or the Guidelines for the Adoption of Codes of Ethical Conduct. Whistleblowers are also protected from retaliation.
- Implement relevant disciplinary measures according to the Codes of Ethical Conduct for any violations. If the relevant staff have objections to the company's decision, they can file a complaint with detailed reasons in writing.

Whistleblowing Policy and Whistleblower Protection

Microbio has formulated the "Whistleblowing Policy" to provide a channel for internal and external personnel to report violations of laws, company policies or procedures, violations of Codes of Ethical Conduct and the Ethical Corporate Management Best Practice Principles. In case of a violation of the law, violation of company policies, systems or the Codes of Ethical Conduct, damage to the Company's rights such as misconduct including fraud, misappropriation of company assets, leakage of company secrets, and receipt of improper benefits discovered by the Company's employees or external personnel, a report can be filed anonymously by letter or email:

- **By letter:** 18F-1, No. 3, Park Street, Nangang District, Taipei City, 115, Whistleblower Mailbox
- **By email:** MBG_audit@microbio.com.tw

We will open a case for investigation in accordance with the "Whistleblowing Policy" and are committed to protecting the whistleblower. We adopt a zero-tolerance attitude toward any retaliatory behavior. We will ensure the whistleblower is not dismissed, demoted, have their salary reduced, or have the rights and interests they enjoy as prescribed by the law or their contract harmed, or suffer from other adverse disposition as a result of the case. Also, the Company is responsible for the confidentiality of the identity of anonymous whistleblowers, the content of the case, and the investigation procedures. No information that could identify a whistleblower will be disclosed.

In 2024, Microbio and its subsidiaries received zero whistleblowing reports.

Political Donations

We have formulated internal "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behavioral Guidelines", which are disclosed on the Company's website. Specific clauses are as follows:

- Prohibition of illegal political contributions (Article 11 of Ethical Corporate Management Best Practice Principles and Article 9 of Business Integrity Procedures and Behavioral Guidelines)
When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Prohibition of offering and accepting bribes (Article 10 of the Ethical Corporate Management Best Practice Principles and Article 3 and 4 of Business Integrity Procedures and Behavioral Guidelines)
- When conducting business, the Company and its directors, managers, employees, mandataries, and substantive controllers may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- No employees may directly or indirectly provide any things of value, including money, endowments, presents, commissions, positions, services, preferential treatment, kickbacks, facilitation payments, entertainment, or social activities, to public servants, political candidates, and party members in exchange for interest gains or protection.

Ethical corporate management audit result

The Audit Office conducts an ethics audit and risk assessment once every two years according to relevant regulations of the Company's "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behavioral Guidelines" and "Whistleblowing Regulations", and the scope covers Microbio and its subsidiaries. The most recent ethical audit was conducted in 2023, and the audit results indicated no significant violations.

Contributions to Political Activities

(Currency: NTD)

	2021	2022	2023	2024
Lobbying interest	0	0	0	0
Local, regional or national political campaigns	0	0	0	0
Donation to Trade Associations, Think Tanks or other tax-free organizations	0	0	0	0
Donations for activities related to referendums or ballots	0	0	0	0

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4.3 Internal Audit

In order to ensure that auditors are impartial when performing internal audits, the Audit Office has been established under the Board of Directors. The Audit Office is an independent unit, with an appropriate number of dedicated auditors according to the scale of operation, business development, management needs and other regulatory requirements.

In pursuit of the spirit of independence and objectivity, auditors shall perform audits according to the annual audit plan to ensure the implementation of all internal operations meet regulatory requirements and the internal control system. During routine audits, if the audited unit is unfamiliar with the internal control procedures or operations, the auditor will point out key risks, while also explaining how to effectively control them. Any major violations or concerns of the Company being at risk of significant damage will be truthfully disclosed in the audit report. The auditor regularly reports the internal audit results to the Audit Committee and reviews audit deficiencies for follow-up improvement. The Chief Internal Auditor also periodically attends Board meetings to timely provide the Board with an understanding of potential operational risks. Secondly, the Audit Office assists the Board of Directors and senior management in evaluating the completeness and effectiveness of the internal control system in an independent and objective manner, while providing apt recommendations to reasonably ensure the sustainable implementation of the internal control system. Furthermore, to strengthen the professional capabilities of auditors, continuing education is arranged for auditors and they also attend internal audit courses organized by institutions designated by the competent authorities, in order to enhance and maintain the quality and effectiveness of audits.

Microbio continues to monitor the implementation of various operational systems through auditors. Additionally, the Company has established sound governance practices and risk control mechanisms to create a sustainable management environment. In 2024, a total of 77 items were audited, with no significant non-conformities. All minor non-conformities were addressed and cases closed within the deadline.

Internal Audit Process Flowchart



With reference to the "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behavioral Guidelines", and "Whistleblowing Policy" of the Company, Ethics Audits were conducted on Microbio, Cotton Field Organic, and Microbio (Shanghai). In 2023, an ethics audit was performed, including a sample review of employee-signed Declarations of Compliance, and no violations were found.

Audit on Microbio's Subsidiaries

Based on the annual audit plan, Microbio conducts supervision and management audits of its subsidiaries annually, and operational audits are also conducted on key subsidiaries. The Audit Office conducted an operational audit on the subsidiaries Cotton Field Organic, Microsoy International and Microbio (Shanghai) in 2024, and the audit results indicated no significant irregularities.

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4.4 Risk Management

With risk management being the key to an enterprise's operations, Microbio incorporates the spirit of risk management into the operation strategy. The Board of Directors resolved and approved the "Risk Management Policies and Procedures". As the highest unit of risk management policy, the Board of directors is responsible for approving, reviewing and monitoring the Company's risk management policy to ensure the effectiveness of risk management. The Audit Committee routinely listens to the reports given by the risk management team and monitors the implementation of risk management of the Company and its major subsidiaries. At the same time, the Company advocates that risk management is not just the responsibility of certain units; all employees should acknowledge the idea that responsibilities should be shared.

• Risk Management Policies and Procedures

In order to manage the various risks that may be faced during operations, we have created business strategies and an organizational culture that emphasize risk management. We also adopt the "Risk Management Policies and Procedures" as the highest guiding principle for the Company's risk management. The Board of Directors, personnel, and employees of the Company and significant subsidiaries work together to promote the execution. The Risk Management Task Force reports the status of risk management to the Audit Committee and the Board of Directors at least once a year.



» Risk Management Practices

Drawing from the "Enterprise Risk Management" frameworks published by COSO (Committee of Sponsoring Organizations of the Treadway Commission) and the BCSD Taiwan, the processes include identification, assessment, monitoring, reporting, and response. From the perspective of the enterprise's overall operations, the responsible unit identifies related risk factors and measures and analyzes the impact of each risk on the enterprise's operation. Risk control measures are also planned to control risks that may be faced in operating activities within the tolerable range of the enterprise. In order to continuously improve the risk management system, climate change and environmental protection issues related to sustainable business operation, and regulatory compliance, market competition, drugs, health products and food safety, intellectual property management, and cyber security are incorporated in the risk management system to ensure better risk management and sustainable operation.



• Risk Identification

The Company identifies key risk events through SWOT analysis, global risk reports, analysis of industry trends within and outside our field, stakeholder engagement, and the ESG significance process. We establish response plans to maintain operational resilience in the face of these identified risks. In 2024, a total of 22 risks were identified for risk measurement.

• Risk Measurement

The probability of occurrence and degree of impact of risk events was used as the factors to quantify risk

Rating	Explanation of the Probability of Occurrence	Definition
1	It almost never happens	Expected to occur almost never within the next 10 years
2	Low probability of occurrence	Expected to occur once within the next 10 years
3	Possible occurrence	Expected to occur once within the next 5 years
4	Likely to occur	Expected to occur once within the next 3 years
5	Almost certain to occur	Expected to occur once within the next year

Rating	Explanation of Impact Level	Financial Impact	Operational Impact	Personnel Impact (including employees, test subjects, and patients)	Impact on Human Resources	Impact on R&D Progress
1	Negligible	Loss or additional expenses under NTD 1 million	No damage to plant, buildings, or equipment, or impact on operations	Temporary discomfort or no impact	Less than 10% of the human resource vacancy or personnel recruitment cycle time less than a month	Does not affect the R&D progress
2	Slight Impact	Losses or additional expenses in the range of NTD 1.01 million to NTD 5 million	Partial damage to plant, building, or equipment that can be restored within one day of business interruption.	Temporary damage that does not require follow-up medical treatment or surgery	10% to 20% of human resource vacancy or personnel recruitment cycle time exceeding over a month	R&D was significantly impacted, with project progress delayed for less than half a year
3	Medium Impact	Losses or additional expenses in the range of NTD 5.01 million to NTD 10 million	Partial damage to plant, building, or equipment that can be restored within three day of business interruption.	Temporary damage that requires follow-up medical treatment or surgery	20% to 30% of human resource vacancy or personnel recruitment cycle time exceeding over two months	R&D was significantly impacted, with project progress delayed for more than half a year
4	Significant Impact	Loss or additional expenses over NTD 10 million	Partial damage to plant, building, or equipment that can be restored within one week of business interruption.	Cause permanent or irreversible damage	30% to 50% of human resource vacancy or personnel recruitment cycle time exceeding over three months	R&D was significantly impacted, with project progress delayed for more than a year
5	Serious Impact	Loss or additional expenses over NTD 50 million	The plant, building, or equipment severely damaged, and operations are interrupted for more than a week.	Causing death	Over 50% of human resource vacancy or personnel recruitment cycle time exceeding over six months	Suspended project due to significant impact on R&D



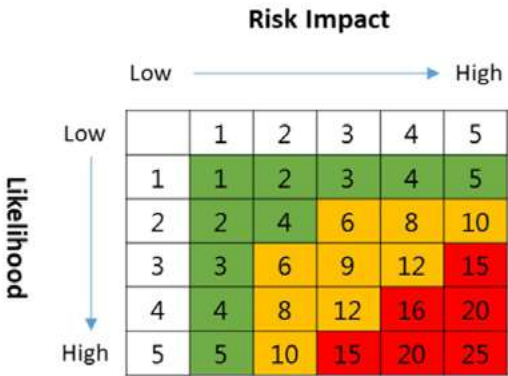
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Appendix

• Risk monitoring and reporting

Based on the risk management, an enterprise-level risk matrix is compiled. Control measures are formulated for each unit. The Risk Management Task Force reports the implementation results to the Audit Committee and the Board of Directors at least once a year. Enhancing risk awareness mindset and culture through continuous education training.



Score	Risk Level	Risk Response
13 ~25	High	Risk avoidance and/or risk reduction
6~12	Moderate	Risk Spreading
1~5	Low	Risk bearing

Example

Risk Factor	Risk Event	Incidence Rate	Degree of Impact	Risk Rating	Risk Level
Innovation Management	1. The R&D results were not as expected and the R&D progress was delayed. 2. Lack of experience in cooperating with international pharmaceutical companies, making it difficult to cultivate and accumulate professional experience.	4	5	20	High
Intellectual Property Management	Intellectual property (including patents, trade secrets, copyrights, and trademarks) is not managed properly, affecting the Company's operations or business interests.	3	5	15	High

Material topics in 2024 and corresponding mitigation and response strategies

Significant Risk Factors	Risk Description	Company's Response
Regulatory Compliance	- Penalties given for violating the laws and regulations, resulting in financial losses and damage to the corporate image when performing duties. - Laws and regulations for the biotechnology industry are highly intensive and the development prospect of the industry is uncertain.	- We reinforce the competencies of the Board of Directors and functional committees; implement corporate governance and the internal control system; strengthen the promotion of internal ethics regulations and laws and regulations the future business may possibly be involved at the training of new employees; enhance the training of employees on domestic and international laws and regulations; take the initiative to participate in professional seminars or training courses organized by the government or the industry, or recruit professional talent with experience in new drug R&D and laws and regulations to reduce adverse effects on new drug R&D due to laws and regulations; ensure all colleagues comply with laws and regulations and the internal rules of the Company when performing duties through audits. - Management keeps a close eye on changes of important domestic and foreign policies and laws to fully grasp changes and to respond to market conditions. In the most recent year, important domestic and foreign policies and laws did not pose a significant impact on the Company's financial operations.
Innovation Management	- It takes a long time to develop new drugs, with uncertainty whether or not the development will be successful. There are risks of the result of the development being unpredictable, or development cannot be completed or it fails, leading to high research and development costs and much time invested. - Possible risks brought by technological changes and industry changes.	- We put government resources to good use; when a new drug enters the clinical stage, we apply for the Technology Project subsidy initiated by the Ministry of Economic Affairs to reduce R&D costs and expenditures. In addition, through substantial incentives and support for biotechnology enterprises, the government provides clear incentives for the research and development, financing, and high-end professional talent recruitment of new drug enterprises under the "Act for the Development of Biotech and New Pharmaceuticals Industry". Thanks to the Act, the Company is able to have access to professional talent and funding for investments. In addition, stable sales of our proprietary health supplements provide internal funding, which in turn reduces the risks associated with new drug development. - We have adequate capital to reduce the risk of failure of new drugs; we carefully review and evaluate the opportunities and benefits of each new drug under development; new drug development and biosimilars are developed at the same time; we enforce cost-saving and expense rationalization; and we strictly implement the budget management system to reduce unnecessary expenditures, while at the same time cooperating with the government's industrial policies and applying for subsidies for R&D programs.
Drugs, health products and food safety	- As drugs and food are vital to human health and safety, and most Chinese medicines are natural plants or minerals, complex factors such as botanical origin, place of origin, and harvest season will cause differences in quality. - Safety issues of adverse reactions to drugs, health products, or foods cause serious damage to the Company's corporate image, further affecting the sales of products.	- We strictly abide by domestic food/drug regulations and international GMP standards of the Pharmaceutical Inspection Co-operation Scheme (PIC/S). We have established stringent standards from raw material selection and supply evaluation to product quality control at all stages. In the second year after the Company was founded, we established the Longtan GMP pharmaceutical plant and food plant for strictly controlling quality to be in compliance with the Chemistry, Manufacturing and Controls (CMC) operating procedures, ensuring consistent product quality and stability. At present, our Longtan Plant has mature technology and research and development and is ISO 9001:2015, ISO 22000/HACCP, and Chinese medicine GMP certified. In addition, the inspection laboratory of the Longtan Plant has attained the ISO 17025 laboratory certification by the Taiwan Accreditation Foundation (TAF) to strictly enforce quality control to reduce the risk of product quality control. - In addition to the strict quality control described above, our healthcare products have attained many health food certifications. Our product labels are clear and easy to understand, enabling users to correctly use them and understand possible side effects and warnings. We have also formulated operating procedures to handle healthcare product/drug complaints. Records of customer feedback are recorded for routine follow-up and improvement. - The subsidiary Cotton Field Organic has established a Food Safety Department to strictly control quality, ensuring all sold products meet national standards and hygiene regulations. Products are clearly labeled with grades, allowing customers to understand the product standards and request inspection certificates. The laboratory conducts daily self-inspections on pesticide residues in fruits and vegetables as well as self-made products to ensure consumer safety.

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Significant Risk Factors	Risk Description	Company's Response
Intellectual Property Management	The biotechnology industry is a knowledge-intensive and technology-intensive industry. If trade secrets are leaked, the Company will suffer significant losses.	- In accordance with the Taiwan Intellectual Property Management System (TIPS, 2016 version), we have compiled an Intellectual Property Management Manual as the guiding principle for IP management and related procedures. Using the Plan-Do-Check-Act (PDCA) cycle, we ensure the effective operation of the IP management system and the achievement of our IP policy and objectives. In November 2024, the Company passed TIPS (A-level) re-certification; the scope covers patents and trade secrets, and the certificate is valid through December 31, 2026. - With breakthrough technology being closely linked to patent acquisition, the Company has formulated internal management procedures for employees to follow. In addition, employees are reminded of the importance of trade secrets through education and training as well as signing a confidentiality contract. At the same time, employees are encouraged to apply for patent acquisition if there is new R&D technology to ensure the advantage of the Company's competitiveness. As of December 31, 2024, we have filed 67 patent applications domestically and internationally (61 granted; 6 under examination). We have also filed 165 trademark applications (152 registered; 13 under examination). - At the early R&D stage and prior to patent filing, we conduct detailed prior-art searches and benefit assessments under our internal R&D lifecycle control and patent rights management rules to ensure applications are supported by comprehensive searches and evaluations, thereby avoiding infringement of others' IP rights.
	As the research and development of new drugs involves an extensive range of scientific fields, to avoid concerns of infringement and to protect intellectual property rights from being infringed, related development technologies or products must be protected by patents.	
Cyber Security	- Data leakage and damage - Cyberattacks, computer viruses and phishing scam letters	- We passed the ISO 27001:2013 certification in Q2 2022 and have undergone annual surveillance audits since. The transition to the latest version is expected to be completed in Q1 2025 to further strengthen the information security management system. - We have introduced a file encryption system so that encrypted files cannot be opened in external environments; we conduct irregular audits of user behaviors on encrypted files (such as adding, modifying, deleting, and copying); the system can apply watermarks to files as alerts and control printing permissions, and supports retrospective audits; computers are prohibited from writing to portable media; we have introduced a network management system to monitor network behaviors and control the use of cloud storage; an IP management system has been implemented to block external devices from accessing the Company's internal network; a backup system has been introduced to back up critical hosts and files; and disaster recovery drills are conducted on a regular basis. - We have introduced firewall and anti-virus software to block malicious cyberattacks and computer viruses; introduced an anti-spam system to block malicious emails; and conduct information security awareness promotion for employees on a regular or ad-hoc basis. - In order to enhance colleagues' information security concepts and strengthen self-protection awareness, an information security management review meeting is held at least once a year to supervise and control relevant information security systems and events during the year. Each year we also hold at least 3 hours of information security education and training, 1 incident notification drill, and 1 email social engineering drill, and promote security concepts through internal email from time to time. In 2024, a total of 1 company-wide information security training session, 1 incident notification drill, and 4 email social engineering drills were carried out to raise information security awareness among employees. - We have joined the TWCERT/CC Information Security Alliance and Cyber Security Executive Association of Information Service Industry Association of R.O.C., and exchanged cyber hacking information through the above platforms from time to time. It is expected to expand the breadth of company information security defense, and strengthening information security resilience by the joint defense mechanism and sharing of cyberattack information.

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Significant Risk Factors	Risk Description	Company's Response
Talent Recruitment, Cultivation and Retention	Inability to attract talent, reduce R&D power, and affect the Company's long-term sustainable development	- The remuneration system is defined reflective of industrial characteristics, market conditions, and future developments and suitable rewards are provided to employees who have made contributions according to the fulfillment of operational goals and performance review results of departments and employees. Incentives such as employee share subscription warrants are adopted to motivate employees to improve operational performance and long-term value together with the Company. - We provide comprehensive welfare, equal job opportunities for both genders, and assist colleagues in improving their professionalism and self-growth through a well-developed education and training system and employee development plans.
Climate Strategies	Extreme weather causes shortages of resources, rising costs of raw materials, and shutdowns of plant operations.	- We have attained the ISO 14001:2015 environmental management system certification, which will effectively reduce the negative impact on the environment. - We have alternative suppliers for key raw production materials, and evaluate raw material production, synthesis and mass production processes to reduce raw material shortages and production delays. We also research the financial impact on climate change risks. - As the Company is not in a traditional energy-consuming industry, it does not have facilities that generate large amounts of GHGs. At the same time, we have formulated an air pollution prevention policy and, each year, we take the initiative to convert electricity to GHG emissions to set future reduction targets. Also, the air quality of the laboratory is regularly monitored and filters replaced to reduce the impact of laboratory exhaust on the environment. - Heavy oil boilers have been replaced with gas boilers to reduce the production of sulfur and nitrogen compounds by a wide margin, and carbon emission. Also, replace the water-cooled chiller to achieve the objective of energy-conservation and carbon reduction. - Targets for wastewater discharge reduction are set to reduce wastewater pollution of the local environment. - Waste is thoroughly classified and resources recycled, which are disposed of by qualified professional vendors according to the characteristics of the waste. - From 2022, we began to introduce "Task Force on Climate-Related Financial Disclosures" (TCFD) architecture has been introduced to identify how the risks/chances of climate change may affect the operation and finance of the Company, and the response strategies and solutions have been formulated.

• Emerging Risks

In order to strengthen the management, control, and response to future risks, the Company not only identifies the aforementioned risks based on past experience, but also refers to the literature published by domestic and foreign institutions to assess emerging risks to understand their possible impacts and formulate countermeasures. After reporting the relevant risks, the Company will continue to monitor the effectiveness of its management, control, and mitigation measures for emerging risks.

Emerging Risk Assessments

Emerging Risk Factors	Risk Description	Risk Response
Geopolitical Risk	Taiwan is listed as one of the high geopolitical risk regions in the world. It is expected that geographical conflicts will lead to higher commodity prices and affect the availability of raw materials, resulting in increased operating costs and instability.	- For raw materials required for production, safety stocks will be maintained according to the delivery deadline to ensure that production can make up product stocks at any time, and to reduce the problem of material shortages caused by political factors. - Diversify the supply chain and market, diversify supply chain and market risks, and reduce the dependency on a single region or country to cope with the impact of geopolitical events.
Market Competition in the Post-pandemic Era	- The Covid-19 pandemic has affected global social and economic development, and human health risks have become one of the focuses of future risks. The pandemic has also prompted the transformation and promotion of the biotechnology and pharmaceutical industry, resulting in more fierce market competition in the industry. - The development time of new drugs is long and the uncertainty of successful development is high. A great deal of manpower, material resources, funds, and time are required to be invested during the development period.	- Utilizing government resources and support for biotech and pharmaceutical enterprises, for example, the "Act for the Development of Biotech and Pharmaceutical Industry" has specified the rewards for R&D, fundraising, and recruitment of top executives of pharmaceutical enterprises. At the same time, the stable sales of the Company's own healthcare products are also used to fund the capital, which in turn reduces the risks associated with new drug development. - As the R&D of new drugs enters the clinical trial stage, applying to the technology development subsidy program for the industry with the Ministry of Economic Affairs to reduce the R&D costs. - Preparing sufficient funds to minimize the risk of new drug failure and carefully evaluate opportunities and benefits of each new drug under development. Committed to cost saving and rationalization, rigorously implementing budget management policy to reduce unnecessary expenses, and applying to R&D subsidy programs backed by the governmental industrial policy. - Aggressively expanding physical channels and building cross-industry alliances, and at the same time, focusing on the development of online channels. Through the online-to-offline strategy, increasing the opportunities and width of product sales. Strengthening online-merge-offline to raise customer number and enhancing customer stickiness.
Implementation of Artificial Intelligence (AI) in the Biopharmaceutical Industry	- Competition and market risks: Other pharmaceutical companies' earlier or more effective application of AI technology in new drug research and development may have an impact on market competition. In addition, the application of AI in the pharmaceutical industry may change the industry structure and market landscape, affecting the Company. - Technology and talent risk: There may be challenges in AI technology when introducing AI into drug discovery and R&D, such as algorithmic instability or lack of interpretability. In addition, the company also needs talents with professional knowledge of AI and new drug R&D. AI talents or professionals with both AI and new drug R&D may be scarce in a short time.	- Remaining sensitive to the market and competitive environment, adjusting strategies and business models in a timely manner. - Actively invest in R&D and innovation to maintain competitive advantages and continuously improve product value. - Establish cooperative relationships with other companies to jointly cope with industry changes and market challenges. - Invest in talent development and recruitment to ensure that the Company has sufficient technical expertise and capabilities. - Establish partnerships with higher academic institutions and research institutions to stay abreast of new technologies and innovations.

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4.5 Regulatory Compliance

Regulatory compliance is the core requirement of business management. The relevant guidelines promulgated by the competent authorities enable companies to make decisions based on them. A company breaking the law will damage its long-established goodwill image, and a large fine or compensation will erode the profits of the company or even the interests of its shareholders. Based on this, the meaning for companies to comply with laws and regulations is to protect the rights and interests of shareholders and other stakeholders so that a company can continue to operate.

In 2024, Microbio and all subsidiaries did not experience any violations of laws and regulations, such as corruption or bribery, discrimination or harassment, endangerment of customer privacy, conflicts of interest, money laundering or insider trading.

Management Mechanism	Evaluation Mechanism
Corporate Governance Strengthen the competencies of the Board of Directors and functional committees, urge the Board of Directors to exercise the due care of a good manager, and monitor the Company's financial operations and internal control system. The Corporate Governance Best Practice Principles and the Rules for Performance Evaluation of the Board of Directors have been passed and information associated with governance practices is disclosed on the Company website to effectively improve information transparency. In the future, the Company's governance evaluation items will also be gradually strengthened to improve the ranking of the corporate governance evaluation Human Resource At Microbio, we create a corporate culture that abides by laws and regulations in order to build a trustworthy corporate reputation, and our core spirit is integrity and regulatory compliance. We have formulated relevant rules, established an internal control system, and constructed sound corporate governance through practical operations; we provide our colleagues with education and training in relation to corporate governance, biotechnology and pharmaceuticals, environmental protection, and labor rights according to the nature of their position to ensure all employees follow laws and regulations and company rules when carrying out their duties; new employees must sign a confidentiality contract, which includes the protection of the Company's trade secrets and information security to avoid leakage causing damage to the Company; legal reviews are conducted prior to entering into a contract to ensure the Company's interests; auditors perform audits according to major cycles and crucial operations to ensure the status of colleagues' business execution to effectively reduce the risk of illegal activities; and a communication channel for stakeholders has been set up on the Company website for employees to report any illegal conduct.	Microbio and the subsidiaries continue implement the internal controls to ensure legal compliance. From 2021 to 2024, there were no significant violations with respect to corporate governance, production and sales of pharmaceuticals and healthcare products, environmental protection and labor and human rights. At the same time, no significant non-compliance was noted in the internal audits.

In 2024, compliance with regulations was fully implemented with no significant violations of regulations (including major penalties and disciplinary measures).	
Definition of significant violations of regulations: Events that violate major information as specified by the Financial Supervisory Commission of Taiwan.	
Incidents of corruption and bribery	0
Incidents of discrimination and harassment	0
Customer privacy data breaches	0
Conflicts of interest incidents	0
Fraud, money laundering, insider trading incidents	0
Anti-competitive practices, anti-trust and monopoly behaviors, market manipulation incidents	0
Other integrity-related events or any significant violations of regulations	0

The Company organizes training courses on ethical management and legal compliance on a yearly basis. In 2024, the training focused on corporate governance, prevention of sexual harassment and unlawful workplace infringement, employee intellectual property concepts and trade secret protection, and corporate risk management. The courses used case studies to reinforce concepts of legal compliance, ethical corporate management, prevention of unethical behavior, proper management, and the creation of a healthy workplace environment. Through ongoing advocacy, education, and training, we ensure that all employees are aware of and comply with applicable laws and regulations.

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Microbio Training Statistics on “Regulatory Compliance”

Year	Total number of employees subject for the training (A)	Number of classes (B)	Employee attendance at training courses (C)	Completion rate of employee training (%) $\{C\div(A*B)\}$	Total training hours (D)	Average training hours per person $(D\div A)$
2024	137	6	504	61.3%	1247	9.1
2023	131	3	333	84.7%	501	3.8
2022	139	5	323	46.5%	490.5	3.5
2021	149	3	264	59.0%	398	2.7

Cotton Field Organic Training Statistics on “Regulatory Compliance”

Year	Total number of employees subject for the training (A)	Number of classes (B)	Employee attendance at training courses (C)	Completion rate of employee training (%) $\{C\div(A*B)\}$	Total training hours (D)	Average training hours per person $(D\div A)$
2024	59	3	134	75.71%	182	3.1
2023	56	2	95	84.8%	190	3.4
2022	57	2	57	50.0%	114	2.0

Note: Total number of employees subject for the training are the employees of the headquarters of Cotton Field Organic.

Microbio (Shanghai) Training Statistics on “Regulatory Compliance”

Year	Total number of employees subject for the training (A)	Number of classes (B)	Employee attendance at training courses (C)	Completion rate of employee training (%) $\{C\div(A*B)\}$	Total training hours (D)	Average training hours per person $(D\div A)$
2024	64	1	54	84 %	54	0.8
2023	10	1	9	90%	13.5	1.4
2022	57	1	53	93.0%	26.5	0.5

Note: In 2022, training was provided to all employees of Microbio (Shanghai). In 2023, integrity and compliance education and training were conducted for personnel involved in food safety, including employees from the Quality Assurance Center and Production Department. In 2024, training was provided to all employees on intellectual property awareness and trade secret protection.

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4.6 Cyber Security

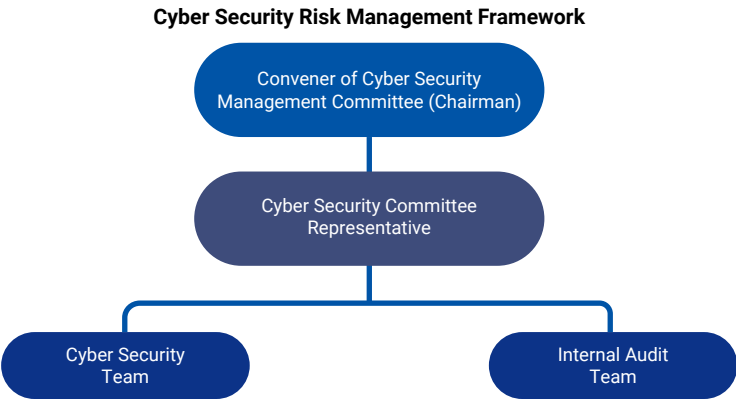
Cyber security is crucial for the protection of a company's trade secrets. Our IT Department formulates and implements the cyber security policy and execution plans, and drives their implementation and review for continuous improvement. Additionally, the Audit Office has established an internal audit team responsible for conducting audits at least once a year. This team reviews the effectiveness of the controls related to cyber security and tracks the progress of improvement plans

• Cyber Security Risk Management Framework

With regard to cyber security, the IT Department is responsible to form the Cyber Security Management Committee, which is convened by the Chairman and appointed the cyber security management representative. The Cyber Security Team and the Internal Audit Team under the committee are responsible for setting the Cyber Security Policy (hereafter "the Policy") and the action plans.

The Cyber Security Team reports the Company's cyber security management status to the cyber security management representative each quarter and reviews the Policy every year. The Internal Audit Team (Audit Office) is responsible for conducting audits, regularly performing annual spot checks on the implementation of the Policy and tracking the effectiveness of corrective action plans.

In 2024, the Cyber Security Team was composed of 2 personnel and the Internal Audit Team was composed of 2 personnel, with 1 cyber security meeting held. No major cyber security violations occurred during the year.



• Cyber Security Policy and Guidelines

The Cyber Security Policy of Microbio includes the following four guidelines:

1. **Formulate management rules**
Standardize of the code of conduct for employees.
2. **Information technology**
Introduce advanced software and hardware to effectively prevent cyber security incidents.
3. **Promotion and improvement**
Raise employees' awareness of cyber security and strengthen self-protection, and constantly revise the ever-changing cyber security policies.
4. **Join the cyber security organization**
Participate in official or private information and communication security organizations to strengthen the ability to search for cyber security and improve the proactive defense mechanism.

In addition, Microbio's "Cyber Security Policy" also specifies the applicable subjects, scope, and principles of information security management, covering all employees, external contractors, information assets, systems and application services. The core policy content focuses on strengthening the Company's overall information security governance capabilities and implementing the following key management commitments:

1. **Continuous improvement of the information security management system:**The Company has established an Information Security Management System (ISMS) and regularly conducts management reviews and internal audits to continuously enhance its information security system and adjust its practices, in order to comply with laws and regulations and business needs.
2. **Integrity and protection of information assets:** The policy explicitly specifies that information classification, access control, data backup, and restoration mechanisms must be implemented properly, in order to prevent unauthorized access and data loss, thereby ensuring the accuracy and reliability of information assets.
3. **Strengthening of threat monitoring and response capabilities:** The Company has established an information security incident reporting and response process, and regularly conducts drills and reporting education, in order to strengthen the ability of identifying, responding to and handling potential threats.
4. **Enhancement employee awareness on information security responsibilities:** Personnel who use information systems must comply with this policy and regularly participate in information security education and training, in order to enhance overall information security awareness.
5. **Implementation of information security management for third parties:** Corresponding information security terms and control measures are established for suppliers and outsourcing

units involved in information processing, and such terms and measures are also incorporated into contracts, risk assessments, and audit management, in order to reduce external information security risks.

• Cyber Security Goals

In order to maintain the confidentiality, integrity, and availability of the information assets of the Company, the Cyber Security Policy has been implemented to achieve the following goals:

1. Establish a safe and reliable information-based operating environment to ensure the security of the Company's data, systems, equipment, and network, protecting the sustainable operation of the Company's business.
2. Protect the security of the Company's business services and ensure that only authorized personnel can access information to ensure its confidentiality.
3. Protect the security of the Company's business services and prevent unauthorized modification to ensure their correctness and completeness.
4. Establish the Company's business continuity plan to ensure the continuous operation of the Company's information services.
5. Ensure that the implementation of the Company's business services must meet the requirements of relevant government laws and regulations (such as: Cyber Security Management Act, Criminal Code, Classified National Security Information Protection Act, Patent Act, Trademark Act, Copyright Act, Personal Data Protection Act, etc.).
6. Protect the security of the personal information related to the Company's business activities from external threats or improper management and use by internal personnel that may result in theft, tampering, destruction, loss, or leakage.
7. Improve the protection and management of information assets and reduce operational risks.



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• Cyber Security Management Measures

The specific management measures of Microbio are as follows:

1. Formulate management rules

In order to improve the information and communication security management system, Microbio passed ISO 27001 certification in October 2022, and obtained the certificate at the end of 2022. In order to implement the relevant management system through the international cyber security management standard, to enhance the awareness of cyber security among employees, and to establish the correct guidelines for the use of computer network, we have formulated the information policy and related management procedures as follows: Cyber Security Policy, Cyber Security Organization and Target Management Procedures, Information Asset Management Procedure, Procedures and Instructions for Cyber Security Risk Evaluation. As well as Physical Security, Operational Security, Access Control, and Cyber Security Incident Management-Related procedures and instructions.

2. Information technology

In terms of information security protection, the Company has strengthened its multi-layered protection of its software and hardware , including complex password verification, antivirus protection for servers and clients, web behavior management/malicious site protection, firewall blocking, host data backup, data encryption, network IP management, and Endpoint Detection and Response (EDR), etc. The scope of EDR deployment in 2023 was approximately 30%. Currently, core server EDR deployment has been completed to prevent malicious attacks. Business Continuity Plan (BCP): The BCP is activated when disaster events disrupt business operations. The Information Security Team is responsible for coordinating the response to ensure that critical information services are restored to minimum operational levels as quickly as possible, minimizing potential losses. To ensure the effectiveness of the plan and enhance personnel readiness, at least one drill is conducted annually. On April 9, 2024, a disaster recovery drill was carried out, and both the system and database were successfully restored to normal operation.

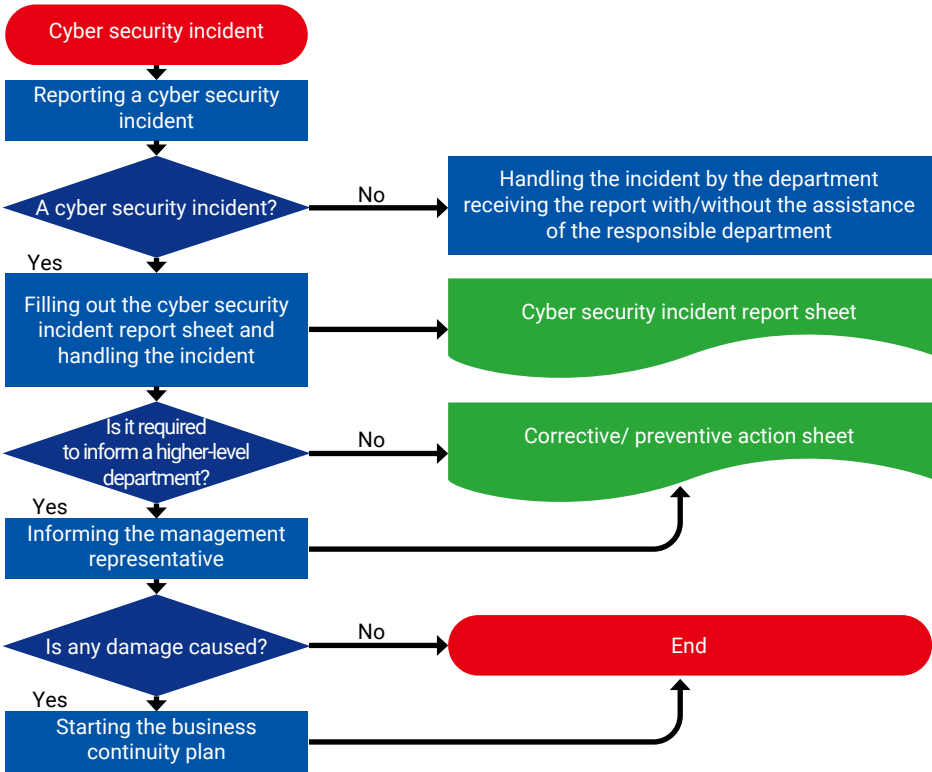
3. Promotion and improvement

To enhance information security knowledge and to strengthen self-protection awareness of employees, at least one information security management review meeting is held annually to supervise and control relevant information security systems and events throughout the year. Additionally, at least three hours of information security training, one information security incident reporting drill, and continuous online information security promotion are conducted annually. In 2024, a total of 3 employee cybersecurity education and training sessions were organized, and 14 online email security training sessions were completed. In 2024, a total of 4 email social engineering drills were conducted to enhance the information security awareness of the Company's personnel.

4. Join Cyber Security Alliance for joint-defense mechanism

Microbio joined the TWCERT/CC Cyber Security Alliance in September 2022 and the Cyber Security Executive Association of the Information Service Industry Association (CISA) of the Republic of China in August 2023. Through these platforms, the company conducts periodic exchange of cybersecurity intelligence to enhance its defense breadth and strengthen cybersecurity resilience through collaborative defense mechanisms and shared information. Vulnerability Analysis: The Information Security Team conducts annual vulnerability assessments to ensure robust cybersecurity management across the Company's data centers, internet infrastructure, EIP system, and office environment. On October 1, 2024, a system vulnerability scan was carried out, followed by an in-depth analysis of the identified risks. Based on the results, targeted remediation measures were implemented to mitigate potential threats and strengthen overall system security.

Flowchart of Reporting and Responding a Cyber Security Incident



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2024 Microbio Cyber Security Training Statistics

Title of the Cyber Security -Related Training Course	Target Participants	Number of Actual Participants	Training Hours of the Course	Coverage Rate
IoT security and recent information security case study	All employees	124	3	91%
Job division and precautions of different units during an information security incident (unit heads and auditors)	Department Head	13	1	100%
Corporate anti-corruption and information security educational promotion	Designated personnel	9	1	100%

2024 Cotton Field Organic Cyber Security Training Statistics

Title of the Cyber Security -Related Training Course	Target Participants	Number of Actual Participants	Training Hours of the Course	Coverage Rate
ISO 27001 information security course	All employees at headquarters	44	2.5	75%
IoT security and recent information security case study	All employees at headquarters	49	3	83%

2024 Microbio (Shanghai) Cyber Security Training Statistics

Title of the Cyber Security -Related Training Course	Target Participants	Number of Actual Participants	Training Hours of the Course	Coverage Rate
Information security	All employees at headquarters	46	1	71%

Note: Coverage Rate = Number of Actual Participants / Target Participants

Microbio (including subsidiaries) Cyber Security Management Result

Classification	2021	2022	2023	2024
Total Number of Major Cyber Security Breaches	0	0	0	0
Total Number of Data Breaches	0	0	0	0
Total Number of Employees or Customers Affected by the Company's Data Breach	0	0	0	0
Total Amount of Fines/Penalties Paid in Relation to Information Security Breaches or Other Cyber Security Incidents	0	0	0	0

Note: Major cyber security incidents are defined in accordance with the Company's Information Security Incident Management Procedure.

• Introduction of ISO 27001 ISMS

To demonstrate the importance we place on cyber security and to align with international cyber security standards, we implemented ISO 27001 Information Security Management System (ISMS) in 2022 Q2, and established the Cyber Security Management Committee at the beginning of August 2022. The Chairman serves as the convener of the Committee, and the management representative is authorized to promote the management and operation of information and communication security, important information protection measures, and disaster drills and execution plans.

The ISO certification introduced covers system and management aspects. The implementation items include risk assessment, vulnerability repair, security protection, risk verification, asset inventory and risk assessment, and personnel education and training, in order to comply with international cyber security management standards. In October 2022, ISO 27001 Information Security Management certification was completed, and the certificate was obtained in December 2022. In 2023, the annual surveillance audit was completed by a third-party verification unit, and the certificate is valid until December 2025.



4.7 Intellectual Property Rights Protection

• Intellectual Property Strategy and Management System

To ensure the Company's intellectual property management, prevent infringement of the intellectual property rights of others, and strengthen the transparency and effective management of corporate governance, we periodically disclose the intellectual property management plans and implementation status that are connected to operational objectives, and report to the Board of Directors at least once a year.

A systematic intellectual property management mechanism has been established since 2021 to optimize the Company's protection of intellectual property and newly developed drugs, maintain the Company's competitive and innovative edge, and strengthen the Company's intellectual property management system. We have compiled an "Intellectual Property Management Manual", which serves as the guiding principle for intellectual property management and relevant operating procedures in accordance with the Taiwan Intellectual Property Management System, Version 2016 (TIPS). A "PDCA" cycle is employed to ensure effective operations of the intellectual property management system and realize intellectual property management policies and objectives and enhance the corporate governance framework through effective intellectual property management.

• Intellectual Property Risks, Countermeasures, and Intellectual Property Policies

Upon assessment and analysis of those internal and external issues, stakeholders, and opportunity risks that are associated with current intellectual property management, possible leakage of R&D secrets, relevant countermeasures have been proposed and implemented to perfect the intellectual property management mechanism, reinforce employees' concept of intellectual property, and minimize the risks of IPR infringement or infringement accusations. These measures include adopting the TIPS management system and certification process, organizing employee training courses on the concept of intellectual property and trade secret protection, and scheduling training sessions on the TIPS operation system.

In consideration of internal and external issues related to long-term development needs, an intellectual property management system and an R&D process with positive cycles have been adopted, and the following intellectual property management policies formulated.

- 1. Implement intellectual property management
- 2. Enhance intellectual property awareness among all employees
- 3. Implement corporate governance regulatory compliance

• Patent Management

Intellectual property management is carried out in accordance with the intellectual property management manual and the internal control system and the R&D cycle of the internal control system. Control the sources of intellectual property acquisition, while also truthfully recording all the process and reviewing the R&D results. Patent search and analysis and economic benefits assessment mark the first step of the R&D and patent application stage. After patent review meeting discussions, the final decision on whether or not to apply for a patent is made. At the same time, a professional patent firm will also be hired to assist in reviewing and submitting documents for intellectual property applications in order to increase the chance of patent approval. In addition, employees are encouraged to patent their inventions so as to improve the quality and value of patent rights. In the R&D process, we also carry out patent searches for relevant technologies to facilitate patent portfolio development and reduce the risk of infringement. If a submitted patent application is approved after review, the employee(s) involved will be rewarded based on the evaluation result, which is also used as a reference for employee performance appraisal. The Company's R&D achievements and leading technological position are protected through the implementation of the internal review mechanism, incentive system, intellectual property education and talent training.

• Trade Secret Management

With respect to the protection of trade secrets, the Company enters into an "Employment Contract" with all employees. The contract specifies the ownership of intellectual property rights, confidentiality clauses and non-competition clauses. Employees' awareness of the importance of trade secret protection is raised by relevant education and training, and all the employees are reminded to protect trade secrets related to their duties and responsibilities. Regarding internal confidentiality management, we have established confidentiality management measures to control personnel, equipment, confidential documents and the workplace. The Company's internal documents are filed on the document management system and stored by level. User authority to access to these files is strictly defined. Document access must be in accordance with the document management process and is subject to approval and records shall be kept. In terms of facilities at work, internal control areas are defined to control access to confidential documents, such as access control and restrictions on the activity range for customers and visitors.

• The Implementation Progress in 2024

Intellectual property management plans are linked to the Company's operational objectives and are carried out by the corresponding R&D units under the lead of the unit heads. Intellectual property-related affairs are reported to the Board of Directors in the fourth quarter of each year. The last report took place on November 11, 2024. The company has established confidential management measures for patents, trade secrets, and technical documents. Electronic documents are stored and managed in the document management system. Such documents are regularly inventoried and reviewed. We also track the progress of patent application examination in close cooperation with patent firms. In addition, intellectual property-related training is provided on a yearly basis to strengthen employees' awareness and understanding of intellectual property rights protection. In 2024, five new patents were granted and certificated: four covering MICRSOY Oral Solution (MS-20) in combination with immune checkpoint inhibitors (Japan, Korea, Australia, the United States) and one covering Herbiron (Vietnam). Regarding trade secrets, no major leakage incidents occurred in 2024. Since 2021, our company has implemented an intellectual property management system in accordance with Taiwan's intellectual property management regulations. We have established a systematic mechanism for managing intellectual property. In November 2024, the Company passed the re-certification audit by the Taiwan Intellectual Property Management System (TIPS) (Class A), with the validity period until December 31, 2026. The certification scope covers patents and trade secrets, thereby improving the corporate governance framework through robust intellectual property management.

• Intellectual Property Achievements

Patents: By Dec. 31, 2024, the Company has filed a total of 67 patent applications domestically and internationally. Among these, 61 patents have been granted, and 6 applications are pending (under examination).

We have patents in Taiwan, USA, EU, Japan, Korea, China, Indonesia, Malaysia, Singapore, Australia, Brazil, Canada, India, and the United Arab Emirates.

A total of 165 trademark applications have been filed domestically and internationally, of which 152 have been approved and 13 are pending.



Patents

- A total of **61** patents have been granted
- **6** patent applications are under review

Trademarks

- A total of **152** domestic and international
- **6** trademark applications are under review



5 Safe Workplace

5.1 Trustworthy Employer

5.2 Talent Development and Cultivation

5.3 Compensation and Benefits

5.4 Labor Rights

5.5 Healthy and Safe Working Environment

5.1 Trustworthy Employer

In alignment with SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth), we strive to create a friendly, motivating workplace that encourages employees to realize their potential. We believe that the ongoing establishment and development of talent is the absolute key to success for companies to achieve sustainable management.

» Employee Structure

As of December 31, 2024, Microbio and its subsidiaries had a total of 709 employees, 99.4% of whom are ethnic Chinese. Employees under the age of 50 accounted for 69.5%, and the workforce is primarily young and mid-career. Our employees bring stability and innovative energy to the Company, while possessing flexibility and a rigorous attitude to lead young employees to face the challenges of the biotech industry. Among all 709 employees, based on employment contracts, 708 (99.9%) are permanent employees and 1 (0.1%) is a temporary employee. By employment type, 656 (92.5%) are full-time employees and 53 (7.5%) are part-time employees. For detailed gender and regional information, please refer to Appendix IV.

Employee Ethnic Composition of Microbio and Its Subsidiaries in 2024

Ethnic Group (2024)	Microbio	Cotton Field Organic	Microbio (Shanghai)	Total	Percentage
Total Employees	137	508	64	709	100.0%
Han Chinese	137	504	64	705	99.4%
Indigenous Peoples	0	4	0	4	0.6%
Others	0	0	0	0	0.0%

Microbio Employee Structure

Category		2021		2022		2023		2024	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
Region	Northern Taiwan	598	87.9%	584	88.0%	569	87.3%	616	86.9%
	Other Taiwan Regions	28	4.1%	23	3.4%	21	3.2%	29	4.1%
	Shanghai	54	8.0%	57	8.6%	62	9.5%	64	9.0%
Ethnicity	Ethnic Chinese	675	99.3%	661	99.5%	649	99.5%	705	99.4%
	Indigenous Peoples	5	0.7%	3	0.5%	3	0.5%	4	0.6%
	Others	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gender	Male	172	25.3%	170	25.6%	173	26.5%	181	25.5%
	Female	508	74.7%	494	74.4%	479	73.5%	528	74.5%
Management	Male	14	40.0%	11	35.5%	15	51.7%	17	43.6%
	Female	21	60.0%	20	64.5%	14	48.3%	22	56.4%
R&D (STEM-Related Positions)	Male	18	43.9%	27	48.2%	23	44.2%	16	41.0%
	Female	23	56.1%	29	51.8%	29	55.8%	23	59.0%
Age	<30	68	10.0%	64	9.6%	71	10.9%	72	10.1%
	30~50	432	63.5%	440	66.3%	407	62.4%	421	59.4%
	>50	180	26.5%	160	24.1%	174	26.7%	216	30.5%
Total Workforce		680		664		652		709	

Note 1: Employment contracts are classified as regular employees (indefinite-term) and temporary employees (fixed-term); employment types are full-time (weekly hours meet the statutory requirement) and part-time (below the statutory weekly hours). Please refer to Appendix IV for detailed information.

Note 2: A management role is defined as a manager or higher in each department.

Note 3: This excludes 6 non-employee workers such as cleaning staff and security guards at Microbio, and 2 non-employee workers (consultants) at the consolidated subsidiary Cotton Field Organic. The scope of statistical data in this chapter regarding talent management is the same. For detailed employee structure of Microbio and its subsidiaries, please refer to Appendix 4.

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Appendix

From 2022 to 2024, the overall new hire rate for Microbio and its subsidiaries ranged from 29% and 39%, and the turnover rate was approximately 30%. The majority of resignations were voluntary, reflecting natural workforce mobility. Due to the inherently high turnover nature of retail store service roles, Cotton Field Organic experienced relatively higher turnover rates. The turnover rates of the manufacturing and R&D departments are relatively stable, with involuntary turnover rates below 1% annually, demonstrating effective human resource management.

Employee Turnover and Hiring Rates of Microbio and Its Subsidiaries

Year	Item	Microbio	Cotton Field Organic	Microbio (Shanghai)	Total	%
2022	New Hires	51	170	7	228	34.3%
	Voluntary Resignations	42	171	6	219	33.0%
	Involuntary Terminations	2	8	0	10	1.5%
	Total Turnover	44	179	6	229	34.5%
	Total Number of Employees	139	468	57	664	100.0%
2023	New Hires	34	151	6	191	29.3%
	Voluntary Resignations	33	160	2	195	29.9%
	Involuntary Terminations	1	1	1	3	0.5%
	Total Turnover	34	161	3	198	30.4%
	Total Number of Employees	131	459	62	652	100.0%
2024	New Hires	46	227	3	276	38.9%
	Voluntary Resignations	31	174	0	205	28.9%
	Involuntary Terminations	4	3	1	8	1.1%
	Total Turnover	35	177	1	213	30.0%
	Total Number of Employees	137	508	64	709	100.0%

Note: For Microbio and its subsidiaries, the 2024 statistics of new hires and separations by age, gender, and job level can be found in Appendix 4.

To enhance talent retention and career development, Microbio continues to promote internal transfers and lateral moves to assist employees in expanding their professional capabilities and exploring their career interests. From 2021 to 2024, the number of internal transfers remained stable, reflecting the Company's active effort in establishing internal development opportunities, which also helps reduce voluntary turnover overall. Relevant statistics are shown in the table below.



Microbio and Subsidiaries Historical Internal Employee Transfer Statistics

Year/ Company	Microbio	Cotton Field Organic	Microbio (Shanghai)	Total
2021	15	1	0	16
2022	15	8	0	23
2023	14	5	0	19
2024	9	8	0	17

» Gender Equality

Microbio and its subsidiaries implement substantive gender equality. We provide a stable work environment and protection, and our employees are not subject to different treatment based on their gender, age, religion, race, nationality, socioeconomic status, pregnancy, sexual orientation, political orientation, physical or mental disability, or marital status. Take Microbio as an example: The ratio between men and women in 2024 was 49:51 (67 males and 70 females), with female employees accounting for 61.5% of all senior managers (13 people, 8 of whom are female), while female employees accounted for 40% of First-level management positions (2 out of 5 people). Across Microbio and its subsidiaries, the overall male-to-female ratio of senior management was 44:56. We implement measures to achieve gender equality and provide a stable environment and protection.

The Company emphasizes the importance of human rights and gender equality at work as well as gender equality in talent selection, appointment and promotion. Each colleague is treated fairly and the Company does not discriminate or limit the development of colleagues based on their gender as they have equal opportunities to showcase and surpass themselves.



Number of Employees by Gender	Microbio		Cotton Field Organic		Microbio (Shanghai)		Total Number of Employees		Male / Female Share (%)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
All Employees	67	70	91	417	23	41	181	528	26%	74%
All Managers	12	12	16	87	6	11	34	110	24%	76%
First-level Managers	3	2	12	77	3	9	18	88	17%	83%
Senior Management	5	8	3	4	3	2	11	14	44%	56%
Revenue-generating Departments (Note 1)	8	19	0	5	N/A	N/A	8	24	25%	75%
STEM-related Positions (Note 2)	12	11	N/A	N/A	6	18	18	29	38%	62%

Note 1: Revenue-generating role refers to direct management positions in the sales department or positions that contribute directly to the output of products or services. At Microbio, it refers to the departments of the pharmaceutical and health product business; At Cotton Field Organic, it refers to the Operations Department. This data is not applicable as there is no sales department at Microbio (Shanghai) in 2024.

Note 2: STEM refers to positions related to the fields of science, technology, engineering, and mathematics. At Microbio, it refers to the drug research and development, health product development, new drug clinical, and quality assurance departments; at Microbio (Shanghai), it refers to the new drug research and development, new drug clinical departments, and quality assurance center. STEM data are not applicable to Cotton Field Organic and Microsoy International.

Note 3: Definition of Management Roles: (1) Senior Management: Managers and above. (2) Mid-level Management: Assistant Managers (excluding Project Assistant Managers) and Deputy Division Heads. (3) First-line Management: Supervisors (including Deputy Supervisors), Section Chiefs, and Store Managers (including Senior Store Staff, Store Managers, Acting Store Managers, and Acting Store Clerks)

» Talent Recruitment and Employee Satisfaction Survey

Diverse recruitment channels

To continue the innovation and development of new drugs, medical devices and health products, Microbio must rely heavily on human capital and actively recruits talented professionals in R&D, production, marketing and sales. The Company utilizes job banks, LinkedIn and talent recruitment consultants to attract and hire outstanding talents meeting the needs of the Company. Meanwhile, we also closely connect and cooperate with academic institutions and teaching hospitals to ensure the innovation and marketability of drugs. The subsidiary, Cotton Field Organic, is an important organic food retail channel in Taiwan. In response to store expansion and growing operational scale, Cotton Field Organic continues to expand its team in both retail stores and operations, and actively recruits diverse talents with expertise in store management, nutrition, food sales and management. In 2024, NT\$822,000 was invested in recruitment channels, and 276 talents were successfully recruited by the Company.

New hires and recruitment spend by year

Year	Number of new employees	Average recruitment cost of new full-time employees (NT\$/person)
2022	228	1,305
2023	191	1,345
2024	276	2,979

Note: The number of new employees indicates total number of new employees of Microbio and its subsidiaries. The recruitment cost does not include compensation and other expenses of HR Department.

Employee Satisfaction Survey

Since 2021, Microbio has conducted employee satisfaction surveys annually to evaluate employee wellbeing on the working environment, management system, personal development, and corporate culture. The survey is coordinated by the Human Resource Department, and the survey results serve as an important reference for enhancing employee care and organizational resilience. The 2024 employee satisfaction survey was conducted during December 2024 to January 2025, covering all 137 employees. A total of 62 responses were collected, with a response rate of 45.3%. The

survey questionnaire consists of four main sections with 18 questions. Respondents rated each item on a 5-point scale (1 for "Strongly Disagree", 5 for "Strongly Agree"). Scores of 4 or 5 count as "highly satisfied." The four main sections and questions of the survey, along with examples:

- Job Satisfaction:** " Company provides me the equipment and materials needed for my work", " At work I have the opportunity to do what I do best every day", "I have the opportunity to learn and grow", "Someone at work has talked to me about my progress in the past six months", etc.
- Purpose:** " I understand my work requirement", " The missions and goals of the Company makes me feel my work is very important", " My work has a clear sense of purpose", etc.
- Happiness:** "I feel happy at work during most of my working hours", "I like the people I work with.", "Someone in my work unit encourages my development", "I am willing to introduce my Company to my family and friends", etc.
- Stress:** "I am able to manage work stress properly and I feel balanced most of the time".

Employee Satisfaction Survey Result

Year	High satisfaction ratio	Employee response rate	High satisfaction ratio of each aspect			
			Job satisfaction	Purpose	Happiness	Stress
2021	75.8%	80.7%	69.8%	82.6%	78.8%	-
2022	84.8%	69.0%	81.1%	89.2%	86.7%	-
2023	78.8%	37.4%	75.5%	91.9%	79.3%	47.0%
2024	73.5%	45.3%	68.9%	87.1%	70.2%	71.0%

Note: Items related to the aspect of "Stress" were first included in the annual employee satisfaction survey in 2023.

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Appendix

• Employee feedback and improvement plan

According to the results of the 2024 employee satisfaction survey, employees expressed a high level of satisfaction with the overall workplace atmosphere, teamwork and clarity of work objectives, indicating a solid foundation in creating a friendly work environment and ensuring clear communication. Based on the survey results, the Human Resource Department and relevant departments will implement improvement plans and actively respond to employees' feedback to improve satisfaction and cohesion. At the same time, we will encourage employees to complete the survey through promotion and reminders.

Improvement item	Action plan
Update information and equipment	✓Prepare annual budget for equipment replacement and network upgrades ✓Regularly provide feedback on IT user experience to improve the quality of information equipment
Establish an inspiring culture	✓Encourage supervisors to provide positive feedback and recognition periodically ✓Conducting management seminars to assist supervisors learn motivation and communication skills ✓Establish a timely recognition system (e.g., honor and recognition wall)
Strengthen the supervisor care and communication mechanisms	✓Quarterly departmental activities ✓Supervisors are requested to provide care to employee families and work conditions, and to provide feedback on employee performance in the forms of recognition and constructive suggestions
Simplification of labor and administrative processes	✓Assess department workload and headcounts, plan allocation and staffing adjustments ✓Facilitate cross-department collaboration, review and simplify operation processes
Optimize benefits	✓Open employee proposals to establish a diverse benefits system ✓Examine and optimize health examination and group insurance programs to increase employee benefits
Diverse feedback channels	Organize employee interviews, with the President or Vice President inviting one employee from each department for a meal, on a quarterly basis, to encourage feedback and suggestions from employees

• Subsidiary's employee satisfaction survey status

The subsidiary, Cotton Field Organic, conducted its first employee satisfaction survey from December 2024 to January 2025, covering all 508 employees. A total of 314 questionnaires were collected, with a response rate of 61.8%. The design and analysis of the questionnaire were consistent with those of the parent company, and evaluations scores of 4 and 5 indicate a high degree of satisfaction. The overall average score was 72.7%, with individual scores for purpose, job satisfaction, happiness and stress were 81.2%, 66.2%, 74.2%, and 75.2%, respectively.

Cotton Field Organic's employees recognize the company's philosophy and product quality, and agree that their jobs are meaningful and valuable. Some store personnel have reported issues on the stability of the information system and hardware, and hope for salary adjustments and improved benefits to keep pace with rising living costs.Improvement measures include:

- **Upgrade of software and hardware:** Update the retail stores' information systems and equipment in priority, to enhance operational efficiency and customer service quality.
 - **Salary and benefit review:** Optimize the salary structure for senior staff, and plan employee travel and other welfare improvement plans.
 - **Process streamlining and system optimization:** Simplify operation procedures to enhance work efficiency.
- The Company will continue to conduct its annual employee satisfaction survey and incorporate the improvement measures into the following year's follow-up actions and human resources strategy planning, to enhance employee cohesion and organizational resilience.
- The other subsidiary, Microbio (Shanghai), is expected to launch an employee satisfaction survey starting in 2025. The same questionnaire will be used to collect feedback from the employees.

5.2 Talent Development and Cultivation

Microbio enhances human capital in multiple aspects. Through a variety of learning channels and courses, employees are equipped with the professional knowledge and communication and management skills to respond to new challenges, while at the same time looking after physical and mental adjustment.

» Comprehensive Education and Training for Employee

To support the professional development and knowledge enhancement of employees, Microbio and its subsidiaries continue to strengthen the education and training system, and the diversity of course contents grow year after year. In 2024, a total of 266 internal training sessions were held, covering professional skills, general education, sales, business integrity (such as intellectual property and

trade secret protection), and management seminars, etc., thereby providing learning resources for comprehensive development of employees.

Microbio particularly emphasizes the transfer of the skills of R&D talents and technology improvements. In 2024, the R&D training courses focused on "Laboratory Instruments and Software", "Introduction to New Technologies", and "Regulations and Quality Systems". Please refer to Section 3.1 (Research and Development of New Drug) for details. In addition, the subsidiary, Cotton Field Organic, also organizes professional and general knowledges courses on diet, product knowledge, and workplace wellness, to enhance employee service and sales skills. Furthermore, Microbio (Shanghai) focuses on new drug processes, food safety regulations and equipment operation to strengthen the SOP practical implementation capabilities of all units.

In 2024, Microbio and its subsidiaries invested a total of 9,612 training hours and an amount of NT\$498,000 in education, with the average of 14 training hours per full-time employee, demonstrating the Group's consistent commitment to talent development. Please refer to Appendix 4 for details on training statistics.

Number of Internal Education and Training Courses at Microbio and Its Subsidiaries in 2024

Type	Microbio	Cotton Field Organic	Microbio (Shanghai)	Total
Professional Competence Training	133	20	15	168
General Training	13	20	65	98
Total	146	40	80	266

2024 Employee Training Development and Resource Allocation for Microbio and Its Subsidiaries

Item	Microbio	Cotton Field Organic	Microbio (Shanghai)	Total	Average per Full-time Employee
Total Training Hours (hours)	4,396	3,387	1,829	9,612	14
Total Training Expenditure (NTD)	352,597	88,367	57,045	498,009	702

》 Establishing a Workplace Mentorship Program

To assist new employees in successfully exploiting their expertise and accelerate their adaptation to the Company's culture and working environment, Microbio launched the "New Employee Mentor System" in 2021. The system upholds the core principle of "Security at Work for New Employees", and through the arrangement of experienced mentors providing guidance and psychological support, new employees to quickly adapt to and maximize their potential at work during the early stage of employment.

For new employees at management positions above the rank of Assistant Manager, the Human Resource Department and their designated mentors jointly develop personalized mentoring plans to improve the job adaptation and management performance of senior executives.

Applicable subject	Implementation method	Reward mechanism	Implementation and management
All new employees	1. Mentor assignment: Before new employees report to work, their unit managers will assign mentors to new employees. Mentors are typically senior employees or those with management experience. 2. Mentor period: The mentor period is three months. Mentors will assist new employees in becoming familiar with the Company's systems, work processes, and the operating environment of the department. 3. Periodic care: Mentors take the initiative to check the status of new employees at least once a month, to listen to their adaptation status and to provide support, thereby reducing work stress and anxiety. 4. Cross-departmental support: Mentors also assist new employees in establishing effective cross-departmental communication and cooperation channels, to promote overall organizational collaboration.	To recognize the contribution and dedication of the mentors, the Company provides each mentor with a monthly assistance subsidy of NT\$1,000.	1. The Human Resource Department uses the "New Employee Mentor Observation Form" to regularly track the mentoring progress and effectiveness to ensure the system quality. 2. We have established an internal resource group consisting of new employees, mentors, and the human resource team to provide immediate assistance and problem-solving support, and to also promote cross-departmental professional exchange and learning, thereby strengthening new employees' personal network and knowledge acquisition. 3. The changes in new employee retention rate and employee satisfaction survey results are used to quantify the management implementation status.

》 Professional Development

To encourage the professional development of employees, Microbio has formulated management procedures for on-the-job training to fund employees to earn professional certificates. The total cost of certifications is fully covered by the Company. There were a total of 15 professional license assistance projects available at Microbio's Longtan Plant and a total 13 professional license assistance projects available at Microbio (Shanghai) in 2024, assisting employees in acquiring professional licenses described below. Furthermore, the company also provides subsidies for Finance and Accounting Managers, Audit Managers and personnel, R&D personnel, etc., to participate in professional seminars or training courses organized by the government or industry, strengthening the company's compliance with relevant domestic and international regulations.

Microbio's Subsidy to Obtain Professional Certificates in 2024

Certificate	Number of Cases
Hypoxia Operation Supervisor	2
Forklift Operator	4
Level 1 Technician for Operating Pressure Container	4
Supervisor of High Pressure Gas Supply and Consumption Operations	2
First Responder Safety and Health On-the-Job Education and Training Course	1
Level B technician for boiler operation	1
LEVEL A Qualified certificate for technical personnel of waste disposal (treatment)	1

Microbio (Shanghai)'s Subsidy to Obtain Professional Certificates in 2024

Certificate	Number of Cases
Person in Charge of Production and Operation Unit	2
Fire Equipment Operation Certificate	2
Certified Safety Production Management Personnel	1
Licensed Hazardous Chemicals Practitioner	3
Food Safety Certificate Level A2	1
Food Safety Certificate Level A1	1
Pressure Vessel Operation Certificate R1	3

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» Succession Plan

The succession plan for the management is of great importance to us. The plan is handled by Human Resources who are responsible for formulating and executing the plan, and reporting to the Chairman on a regular basis. Establish a mechanism for the development of successor talents, define key positions, and propose candidates for succession for key positions. In addition to the operational management ability, professional ability, and outstanding work performance, the successor candidate should have the values and core competences that correspond to the Company's need, including integrity, honesty, proactivity, responsibility and pursuit of innovation.

Supervisors at the manager level and above are an important layer of management. Each supervisor is provided with clear job descriptions and job planning, and designated successors and agents for training and development. The Company utilizes its existing performance appraisal system and talent inventory to assess and review suitable succession candidates and facilitate future development.

Please refer to the official website for the succession planning of Microbio



» Performance Appraisal Management

- We respect professionalism and care about each employee's career development. We also provide diverse development and learning channels with the corporate culture as their core, enabling employees to put their professional competence to good use and achieve their personal goals.
 - We have an open and transparent performance management system in place (goal management and competency management) to help employees set their learning development direction and career planning basis.
1. **Education and training for new employees and mentor system:** After new employees have received training, counselors and unit supervisors who understand the work scenario conduct appraisal on a regular basis and occasionally to provide appropriate advice and assistance.
 2. **Performance management:** According to the Performance Management Rules, two appraisals are performed each year, covering the key performance index (KPI) 70% and competency appraisal 30%. These appraisals are used as the basis for promotion, salary adjustment and various bonus or incentive programs.
 3. **Performance appraisal feedback mechanism:** The appraisal supervisor sets work targets through a performance interview, and provides concrete and executable feedback, guidance and advice afterwards.

New Employee Appraisal

Purpose		Objectively Assess the Performance and Suitability of the New Employee for the Job.		
Object		New Employees Who Have Been on the Job for 3 Months *6 Months for Microbio (Shanghai)		
Company/Subsidiary		Microbio	Cotton Field Organic	Microbio (Shanghai)
Implementation Status	Confirmation Rate	96%	90%	67%
	Retention Rate of New Employees	76%	40%	67%

Note 1: The confirmation rate refers to the rate that new employee participating in and passing the new employee appraisal.

Note 2: Retention rate of new employees refers to the rate that new employees who stay on for more than three months.

Performance Appraisal

Purpose		To achieve company goals, improve company performance, objectively and fairly assess employee performance and develop employee capabilities.		
Object		All employees		
Implementation Status	Microbio	Cotton Field Organic (including Microsoy International)		Microbio (Shanghai)
	Participation rate: 100%	Participation rate: 100%	Participation rate: 100%	

Note: Participation rate refers to the percentage of employees who should participate the performance appraisal in accordance with the Procedures for Performance Management, and actually participated in the performance appraisal.

• Retention rate of high-performance talents

In line with the material topic, we introduce the 2025 sustainability goals, and the retention rate of high-performance talents is one of the action indicators for "human resource development". Microbio defines high-performing employees as employees those rated "Excellent" in the performance appraisal. The talent retention rate for the current year is calculated based on the evaluation results of the previous year. The retention rate of high-performance talents reached 90% in 2024, and we expect to retain outstanding talents in the Company.

• Incorporation of ESG into the Performance Evaluation Indicators for the President and the Management Team

To continuously promote sustainable development and motivate the management team to actively achieve sustainable goals, starting from 2024, the Company will include ESG performance in the performance evaluation indicators of the management team, such as the president, vice president and department heads.

The President is the chairperson of the Sustainable Development Executive Committee. The four functional groups of the Committee, namely "Corporate Governance," "Environmental Protection," "Social Engagement," and "Drug/Health Product Safety" are responsible for coordinating the management of various sustainable development work. Important items of the President's ESG performance indicators include: results in corporate governance evaluations sponsored by TWSE and TPEx, sustainable risk control and implementation of legal compliance, ISO 14064 organizational greenhouse gas inventory verification, and promotion of energy conservation and carbon reduction. Vice presidents and department heads start from the 2025 sustainability goals corresponding to the major sustainability topics and set ESG performance indicators and the ratios of such indicators to annual performance based on their duties. The performance bonuses of the president, vice president, and department heads are linked to their annual performance evaluation results, and ESG performance is linked to their remuneration.

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ESG Performance Evaluation Indicator				
Material Topics	ESG Goals	ESG Performance Indicator	Responsible Department Manage	Indicators as a Percentage of Performance
Regulatory Compliance	Compliance with applicable laws and regulations, ongoing reinforcement of compliance awareness on the part of employees, prevention of legal violations.	Zero incidence of major legal violations.	Manager of Research and Development Center	5%
			Manager of Pharmaceutical Division	5%
			Manager of Longtan Plant	5%
Intellectual Property Management	Strengthening of the intellectual property right management mechanism and optimization of IPR protection for new drug development.	1. Hold at least 3 hours of education and training on legal compliance for business integrity every year. 2. 100% of new employees underwent ethical corporate management legal compliance new employee education and training.	Manager of Human Resources Team	5%
Cyber Security	Establishment and implementation of a sound cyber security management system to prevent major cyber security incidents.	Achieved the 2025 action target ahead of schedule, with ongoing patent re-examination/appeals.	Manager of Research and Development Center	10%
Innovation Management	New drug R&D: Development of globally innovative drugs with a market advantage to satisfy unmet medical needs and individual healthcare demands and thereby increase company value.	1. Zero incidence of cyber security incidents 2. Decrease of phishing success rates to 5% or lower through social engineering drills 3. Cyber security training completion rate of 95% or more 4. Maintain the validity of ISO 27001 certificates	Manager of Information Technology Department	42%
Climate Strategies	Health product development: Ongoing development of new products to enhance corporate competitiveness.	1. Clinical development and clinical trials of new drugs and medical devices according to schedule. 2. Achieved the 2025 action target ahead of schedule, with ongoing publications in internationally renowned journals.	Manager of Research and Development Center*	40%
Drugs, Health Products and Food Safety	Ongoing implementation of energy conservation and carbon reduction measures to reduce carbon emissions and climate risks.	The 2025 action target was completed ahead of schedule in 2024, and the next phase of goals is expected to be reviewed and set in 2026.	Manager of Research and Development Center (As of 2024)	N/A; refer to note.
			Continuing greenhouse gas inventory and verification to assist in promoting energy conservation and carbon reduction efforts.	10%
			Map the energy-management baseline for the Longtan Plant to support energy-saving initiatives.	5%
Talent Recruitment, Cultivation, and Retention	Improvement of product quality and safety to ensure zero incidence of recalls.	Zero incidence of drug/health product returns.	Manager of ESG Team	5%
			Manager of Longtan Plant Manager of Quality Assurance Center	5% 5%
			Number of drug and health product quality-related complaints/Annual production volume<2%.	5% 5%
Raising of the learning motivation of employees to enhance professional expertise and skills in different areas. Cultivation and retention of outstanding talent.	Raising of the learning motivation of employees to enhance professional expertise and skills in different areas. Cultivation and retention of outstanding talent.	1. Average annual training time of 32 hours or more per employee 2. 90% retention rate of top-performing talent.	Manager of Longtan Plant Manager of Quality Assurance	5% 5%
			Manager of Human Resources Team	5%

* The R&D Center is headed by the Vice President of the Company.

* The development of health products was originally included in the 2025 ESG performance indicators; however, since relevant goals were achieved early in 2024 and organizational adjustments reassigned ongoing tasks to other units, this indicator is no longer included in the 2025 ESG performance evaluation. The goals for 2026 are expected to be further planned and updated.

5.3 Compensation and Benefits

The human resource management of Microbio focuses on talent retention, the Company takes industry characteristics, market conditions, and future development as reference for formulating the remuneration system. In accordance with the Company's operational achievements and performance evaluation results of departments and employees, the Company provides appropriate rewards to employees. In addition, employee stock options and other incentive plans are used to align employees with the Company's goals to create business performance and long-term value. The Company's compensation policy is based on the duties of our staff and it does not differ due to the employee's gender, ethnicity, religion, political orientation, marital status, and participation in unions and associations. The Company is also willing to share its operating results and profits with employees and wages paid are in line with Labor Standards Act. The compensation policy is based on duties and responsibilities while bonuses are paid subject to the annual performance appraisal results. Wages and bonuses do not differ based on the employee's gender.

Salary Information for Full-time Employees Who Are Not in Supervisory Positions (NTD thousand)

Year	Total Salary	Average Salary	Average Salary YoY Change (%)	Median Salary	Median Salary YoY Change (%)
2021	116,430	947	10.63	714	2.15
2022	126,482	988	4.33	743	4.06
2023	119,673	942	-4.66	729	-1.88
2024	111,896	982	4.25	793	8.78

Note: Based on the data disclosed on the Market Observation Post System at <https://mops.twse.com.tw/mops/web/t100sb15>

Microbio 2024 Annual Compensation (Including Monthly Pay and Bonus) by Gender

Employee Category	Male	Female
Manager (Assistant Manager or Above)	1	1.342
Non-manager	1	0.820

Microbio 2024 Compensation Ratio by Gender (Male: Female)

Compensation Category	Average	Median
Salary	1 : 1.118	1 : 0.958
Bonus	1 : 1.070	1 : 1.041

Return on Investment in Human Capital

Microbio	2021	2022	2023	2024
A. Consolidated Operating Revenue (NT\$1,000)	1,782,038	1,721,848	1,591,392	1,722,852
B. Consolidated Operating Expenses	1,902,472	970,966	1,110,355	1,127,497
C. Employee Welfare Expenses	1,296,895	519,046	500,890	526,017
Return on Investment in Human Capital (A- (B-C)) / C)	0.90714	2.44666	1.96036	2.13182
Total Employees	680	664	652	709

Implementation of the Incentive System

Item	Description
Excellent Employee Reward	If the incident is verified to be true or there is specific evidence, and according to degree of excellence, an announcement of great merit/small merit/ recognition and cash bonuses will be rewarded.
R&D Rewards	After the patent application is registered for R&D achievements, bonuses will be awarded to the relevant employees of the project.
Sales Bonus	Sales target achieved, and the sales bonus will be awarded.
Group Bonus	Contest winners from department or cross-department, the group bonuses will be awarded.
Proposal Incentives	Based on the score of the proposal, different rewards are provided
Year-End Bonuses	The year-end bonuses will be issued based on the company's annual operating results.
Performance Bonuses	The performance bonuses will be paid based on the employee's annual work performance.
Annual Salary Adjustment	Based on the price index, industry salary adjustment rate, and the degree of outstanding performance, adjusts salary for employees.
Employee Stock Options	Distribute the stock options to outstanding employees in accordance with the principle of stock options subscription.

» Employee Benefits

In addition to the various benefits provided by laws and regulations, The Company also offers the following employee benefits:

• Cash Benefits

Provide year-end bonus, performance bonus, project bonus, Dragon Boat Festival cash gift, Mid-Autumn Festival cash gift, birthday and birthday party cash gift, weddings, funerals, and various cash subsidies.

• Children's Education Subsidy

0-18 years old children's education subsidy, NT\$2,000 per month.

• Establishment of employee stock compensation system

The Company implement employee stock options and treasury stocks, etc., to allow employees to become shareholders, thereby strengthening employee cohesion with the Company. This also promotes the mutual growth and prosperity of both the employer and employees and builds a strong foundation for the Company's future growth.

• Flexible Work Schedule

Provide employees with flexible working hours.

• Team-Building & Social Activities

Irregular department gatherings; weekly clubs (board games, soccer, badminton, aerobic dance); annual employee trip; Christmas and year-end parties. Comfortable employee lounges are provided to help colleagues relax and to foster team communication.

• Employee Health and Wellness

Lactation rooms, on-site massage services, periodic health checkups, free organic/healthy meals at employee cafeterias (Longtan Plant and Microbio (Shanghai)), parking spaces or subsidies; dedicated rest/reading areas with free coffee, milk, soy milk, snacks, and health supplements.

• Employee Discount

Provide employees with preferential prices for organic food and health products sold at Microbio and Cotton Field Organic Market. Employees have easier and more affordable access to healthy and organic products, leading to increased health awareness and embrace an organic lifestyle.

• Learning & Development

The Company orders newspapers every day and regularly purchases new books and magazines on various topics for employees to borrow. In addition, a subsidy of NTD 10,000 (CNY 2,500 from Microbio (Shanghai)) per person per year is provided to encourage employees to continuously improve themselves and implement lifelong learning.

• Paid Volunteer Leave

The Company provides paid volunteer leave to encourage employees to participate in social services, improve their social responsibility and teamwork skills, and promote the development of social welfare undertakings to achieve a win-win situation.

• Insurance and Retirement System

We provide group insurance and business travel insurance as well as labor and health insurance to enhance the protection of employees. For retirement protection, the Labor Retirement Measures have been formulated and the Labor Pension Supervisory Committee has been established in accordance with the law. In the old scheme, the employer appropriates 2% of the employee's total pay for the employee pension system and saves it in the Taiwan Bank account to protect the labor rights. In the new scheme, the employer makes a contribution of 6% of the employee's total pay for the pension fund to the individual pension account at the Bureau of Labor Insurance. If the employee has working seniority in affiliated enterprises, the pension will be disbursed from the old pension reserve accounts established by those affiliates. In accordance with local laws and regulations, Microbio (Shanghai) pays monthly social insurance and housing provident fund for employees.

Note: Among the aforementioned benefits, the children's education subsidy, regulations on the transfer of the Company's treasury shares after buy-back of the Company's shares, and paid volunteer leave items are only applicable to Microbio (parent company). Cotton Field Organic does not provide birthday gift money; Microbio (Shanghai) does not provide employee purchase discounts and parental leave without pay.

• Parental leave without pay and childcare leave

To help employees balance work and family responsibilities, the Group provides childcare-related leave in accordance with Taiwan and Shanghai laws.

- Taiwan (Microbio & Cotton Field Organic): In line with the Gender Equality in Employment Act, employees may apply for parental leave without pay and request reinstatement upon the expiration of the leave.
- Shanghai (Microbio (Shanghai)): Childcare-related leave such as 'lactation leave' and 'childcare leave' is provided in accordance with local law; however since these leaves are not equivalent to Taiwan's unpaid parental leaves, parental-leave statistics exclude Microbio (Shanghai).

The following table shows the statistics of parental leave in 2024 for Microbio and Cotton Field Organic:

Parental leave in 2024	Microbio			Cotton Field Organic		
	Male	Female	Total	Male	Female	Total
Number of employees qualified for parental leave in the current year (A)	7	5	12	1	4	5
Number of employees who actually applied for parental leave in the current year (B)	3	3	6	1	3	4
Application rate for parental leave (B/A x 100%)	43%	60%	50%	100%	75%	80%
Number of employees expected to be reinstated after parental leave in the current year (C)	3	2	5	1	0	1
Number of employees actually reinstated after parental leave in the current year (D)	0	1	1	1	0	1
Reinstatement rate after parental leave (D/C x 100%)	0%	50%	20%	100%	0	100%
Number of employees reinstated in the previous year (E)	1	0	1	0	4	4
Number of employees who have worked for one year after parental leave reinstatement in the previous year (F)	1	0	1	0	3	3
Parental leave retention rate (F/E x 100%)	100%	0%	100%	0	75%	75%

Note: One employee of Microbio (Shanghai) applied for childcare leave in 2024; however, this type of leave is specific to the area of Shanghai only, and is not equivalent to Taiwan's unpaid parental leaves in terms of its definition and benefits. Therefore, it is not included in the statistics of above table.

5.4 Labor Rights

In order to fulfill CSR and protect the human rights of all employees, customers and interested parties, Microbio and its subsidiaries complies with various international human right conventions, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and the UN Global Compact, and other international human rights conventions of the International Labor Organization. We respect internationally recognized human rights and abide by the labor laws and regulations of the places where we operate. Formulate human rights policies and specific management plans, and disclose them on the official website after obtaining the approval of the Chairman. Please refer to the Human Rights Policy of Microbio for details.

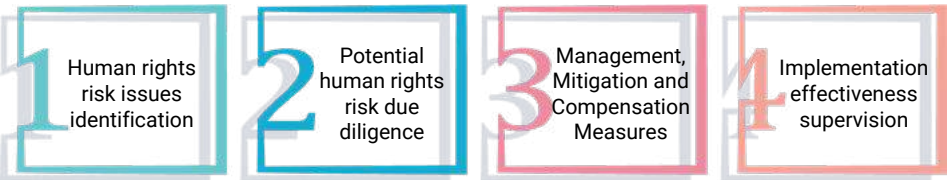
- We support and respect the internationally recognized declaration for the protection of human rights and ensure that human rights are not violated.
- Diversity inclusion and equal opportunity
- Prohibit forced labor and child labor.
- Provide fair and reasonable compensation and working conditions.
- Provide a safe, hygienic and healthy working environment.
- At Microbio, we have not yet established a labor union but hold labor-management meetings in accordance with the law and respect employees' freedom of association. Employees are free to join external labor organizations.

To implement the labor and human rights policy in our operations, we conduct education and training for newcomers when they report to work and conduct human rights-related trainings every year, such as the gender awareness and equality, sexual harassment prevention education and training in November 2024 and the workplace unlawful conduct prevention training at Longtan plant in August 2024. For deepening colleagues' understanding of gender equality, workplace bullying and sexual harassment, the courses also inform them about the Company's grievance mechanism to provide a friendly workplace environment.

When cooperating with suppliers, the Company requires them to sign the "Supplier's Declaration of Corporate Social Responsibility Commitment" to fulfill the Company's human rights commitment. We also revised the "Supplier Management Procedure" and added protection of human rights and equal treatment to the evaluation checklist to regularly review the implementation of the supplier's human rights policy.

• Human Rights Due Diligence

Based on the Company's human rights policy, we regularly conduct due diligence on human rights risk issues to examine whether there is any risk of human rights infringement and management performance.



Implementation status in 2024	
Reference Standard	"United Nations Guiding Principles on Business and Human Rights" and "OECD Due Diligence Guidance for Responsible Business Conduct."
Scope of Investigation	1. Self-operation (employees) 2. Stakeholders in business-related activities (including suppliers, contractors, local residents) 3. Targets of mergers and acquisitions (no mergers and acquisitions in the past three years)

Note: Contractor refers to the company that contracts the operations or projects of Longtan Plant. Suppliers refer to the suppliers evaluated in the current year according to the Rotational Evaluation Plans. "Local residents" refers to the residents living at the location of the Longtan Plant. In terms of sites, the process covered Microbio Co Ltd. (3 offices and 1 plant) and Cotton Filed Organic Co., Ltd. (1 office, 1 logistics center and 80 stores)

• The 12 human rights risk issues of concerns to the Company, those affected by the risks, and risk descriptions

Human Rights Risk Issues	Parties Affected by the Risk				Risk Description
	Self-Operation	Stakeholders in Business-Related Activities			
	Employees	Supplier	Contractor	Local Residents	
Safe and healthy work environment	●	●	●		Lack of appropriate labor safety and health measures can lead to accidents, occupational hazards, and occupational diseases.
Equal pay for equal work	●	●			Providing unfair treatment unrelated to their job performance during employee recruitment, promotion, and compensation.
Freedom of assembly and speech	●	●			Behaviors that hinder employees from organizing or participating in collective bargaining, or restricting their freedom of speech, infringing on employees' right to express opinions
Prohibiting child labor	●	●			Hiring underage workers violates local labor laws and regulations and affects children's health, education, and personality development.
Reasonable working hours	●	●			Forced overtime and under-reporting of working hours may infringe on employees' right to rest, and increase the possibility of workplace injuries and even death from overwork.
Prohibition of forced labor	●	●			Using inappropriate means to force or threaten employees to work or impose leave restrictions
Prohibition of human trafficking	●				Hiring workers involved in human trafficking
Emphasis on employee physical and mental health and work-life balance.	●				Employees who are pregnant, breastfeeding, or raising children cannot apply for related benefits according to law.
Gender equality and sexual harassment prevention	●	●			Sexual harassment and gender discrimination, or experiencing unequal treatment in the hiring, evaluation, and promotion of female employees while conducting business operation.
Avoidance of discrimination and bullying in the workplace	●	●			Behaviors, language, and attitudes that result in differential treatment based on race, nationality, religion, disability, age, appearance, etc.
Avoid environmental pollution	●			●	Noise, waste, wastewater, and biodiversity damage, which have an impact on the health or water resource use rights of employees and local residents.
Protection of personal data and privacy	●				Improper use of digital technology to monitor employee work performance, improper use of personal data, or violation of the Personal Data Protection Act

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• Management and Mitigation Measures, Compensation Measures, and Implementation Effectiveness in 2024

Human Rights Topics	Management Actions and Mitigation Measures	Compensatory Measures	Implementation Effectiveness in 2024
Safe and healthy work environment	- Introduce the ISO 45001 Occupational Health and Safety Management System. - Implement occupational health and safety plans to identify, assess, and mitigate potential health and safety hazards in the workplace. - Hold occupational safety and health-related education and training on an annual basis, and provide the necessary insurance - The factory manages contractors according to the Contractor Management Regulations, and implements hazard notification and occupational safety training.	- Provide adequate medical assistance. - Regular health checkups are arranged for employees. If their original jobs cannot be negotiated due to occupational reasons, appropriate measures such as changing the workplace or shortening working hours will be adopted. - Leave and salary compensation in case of occupational hazards or occupational injury.	One employee traffic accident occurred at the Longtan Plant.
Equal pay for equal work	- The Remuneration Committee regularly reviews the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers. - Establish an evaluation system as the basis for employees' salary, bonus, and promotion.	Evaluate the salary level of employees with reference to the salary scale established by Willis Towers Watson's pharmaceutical industry salary adjustment.	100% employee evaluation
Freedom of assembly and speech	- All employees have the right to freedom of assembly and association. They may also participate in external labor organizations freely. - Establish "Internal Communication and Grievance Channel". hr@microbio.com.tw	There is no union established, but regular labor-management meetings are held in accordance with the law to respect the employees' freedom of assembly and association.	- No instances of relevant complaints - Held four labor-management meetings
Prohibiting child labor	The hiring process requires in-person reporting and inspection of identity documents to verify the authenticity of the personnel.	Once child labors are found, they will immediately leave their jobs and undergo a health checkup to confirm that their physical health are not affected.	No instances of employing child labor
Reasonable working hours	- Review monthly whether departments work overtime and send a reminder. - If it is necessary to work overtime, the department head should seek the employee's consent and apply for it in advance. Overtime work is not allowed until the application is approved. The total working hours per month shall not exceed the relevant provisions of the Labor Standards Act.	Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law.	- No instances of working overtime - No instances of relevant complaints
Prohibition of forced labor	- Manage employee working hours in accordance with regulations, and regularly review whether employees' working hours are reasonable and compliant. - Those applying and employing foreign workers in compliance with local laws.	Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law.	- No instances of forced labor - No instances of relevant complaints
Prohibition of human trafficking	Supervise the employment standards to eliminate the risk of human trafficking.	Upon discovering, individuals will be immediately removed from their positions and reported to the police authorities for investigation and handling	- No instances of human trafficking - No instances of relevant complaints
Emphasis on employee physical and mental health and work-life balance.	- The human resources unit conducts regular dialogues with employees to understand their work conditions and cares for employees. - Set up an employee break room to provide a space for employees to relax and relieve stress. - Employees are encouraged to set up sports clubs, such as basketball or yoga, and organize healthy activities.	Provide various welfare measures to care for employees and strengthen the work-rest balance.	- No instances of working overtime - No instances of relevant complaints
Gender equality and sexual harassment prevention	"Sexual Harassment Prevention Measures, Grievance and Disciplinary Rules" have been established. - The human rights policy is implemented in the selection, appointment, education and retention operations, without considering gender. - Equal pay for equal work and fair benefits, promotion conditions and unemployment protection, and gender and gender data are regularly disclosed.	- Adjust duties or work areas as needed. - Violators will be punished according to the Company's regulations.	For gender equality-related data, please refer to Section 5.1: Trustworthy Employer, "Gender Equality".

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Human Rights Topics	Management Actions and Mitigation Measures	Compensatory Measures	Implementation Effectiveness in 2024
Workplace discrimination and bullying	- Advocacy to Avoid Any Form of Discrimination and Bullying. - Establishment of "Internal Communication and Complaint Channel" hr@microbio.com.tw	- Adjust duties or work areas as needed. - Violators will be punished according to the Company's regulations.	No instances of relevant complaints
Avoid environmental pollution	- Establishment of ISO 14001 Environmental Management System. - The wastewater is treated in compliance with the requirements of environmental laws and regulations, and the effluent quality is monitored regularly. - Strictly review the qualifications of waste disposal providers, reduce waste at the source, and actively promote waste classification and reuse. - Create a stakeholder contact email for grievances or improvement suggestions.	- Establish an emergency response plan. If a pollution incident occurs, contingency measures will be implemented in the shortest time to reduce the scope of pollution. - Immediately report to the relevant units for improvement if there is any violation of residents' rights.	- No relevant penalties imposed - No instances of relevant complaints
Personal data protection and privacy	- The "Personal Data Protection Management Regulations" are formulated to prevent infringement of individual rights and privacy. Regular holding of education and training. - Employee personal data is kept confidential and managed by dedicated personnel. When applying cross-function review, approval from personnel with authority must be obtained.	- Notify the general management unit (human resources unit), notify the parties as soon as possible, and take improvement measures. - Continuous education and training to strengthen employees' awareness of information security and privacy protection.	- No instances of relevant complaints - Hold personal data protection education and training.

• Prevention, Grievance and Disciplinary Methods for Sexual Harassment

To ensure gender equality and other work rights for both genders in order to create an occupational environment free from sexual harassment, we have established the "Sexual Harassment Prevention Measures, Grievance and Disciplinary Rules", as well as the following grievance channels to ensure that prevention, correction, disciplinary action and improvement can be taken as quickly as possible. No incidents of discrimination or sexual harassment occurred in 2024

Grievance hotline: 02-2703-1098 #178

Grievance mailbox: hr@microbio.com.tw

• Communication and Complaint Channels

At Microbio, we value the views and opinions of everyone and provide open and transparent communication channels. In addition, we have also established an employee complaint hotline and e-mail for employees to give feedback. We hold quarterly labor-management meetings, which are carried out based on the principle of honesty to protect the rights of both parties while enhancing labor-management relations. Communication between employees and managers can be carried out via face-to-face communication, meetings, emails, and phone calls from time to time. The HR department also conducts interviews with employees during the probationary period and interviews with resigned employees to understand employees' problems with the organizational system and work environment. Microbio and its subsidiary Cotton Field conduct an annual employee satisfaction survey. The anonymous questionnaires were completed by employees to provide improvement recommendations to the operating process and overall system, for the continual optimizations of process and system by the related units. In 2024, the Company did not receive any complaints.

• Internal Communication and Complaint Channels

Microbio
E-mailbox: hr@microbio.com.tw

Cotton Field
Grievance Hotline: +886-2-2755-5268 ext. 788
E-mailbox: hr01@cottonfield.tw

5.5 Healthy and Safe Working Environment

• Occupational Safety and Health Policy and Implementation Guidelines

The Company places great importance on providing a healthy and safe work environment for employees and workers and protect the environment. The Company has established the "Occupational Safety and Health Policy" as the highest guiding principle for safety and health management and implements the measures. The Company takes safety as the top priority and provides our employees with a safe, hygienic, healthy and comprehensive work environment, while strengthening and deepening their awareness of work safety and the importance of disaster prevention through education and training as well as promotion.

Occupational Health and Safety Policy

Compliance with regulations and standards and implementation of health and safety.
Responsible care and fulfillment of social responsibility.
Cultivation of a culture of sustainability and realization of diversity and equality.
Promotion of communication and participation in continuous improvement.
Prevention and management of risk and enhancement of OHS performance.

Implementation Policy for Occupational Safety and Health Policy

- (1) Meeting or surpassing domestic and international legal requirements, regulations, standards and stakeholder demands in the fields of environmental protection and health & safety, mitigation of operational risks, and safeguarding employee rights.
- (2) Promotion of responsible care, voluntary implementation of management standards, ongoing improvement of operating procedures, equipment and device maintenance, and prevention of environmental incidents and occupational accidents.
- (3) Communication of occupational health and safety policies to suppliers and contractors, gradual implementation of green procurement and ESG management, and creation of beneficial effects for the environment and society
- (4) Caring for and valuing employees, the creation of a healthy and safe work environment characterized by diversity and equal rights, concern for the physical and mental well-being of employees, regular administration of employee health checks, and timely provision of assistance and treatment.
- (5) Intensified communication and engagement with employees, suppliers, contractors, and stakeholders, raising of environmental and occupational health and safety awareness among employees, suppliers, and contractors through exchanges, communication, and training paired with implementation of workplace safety.
- (6) Thorough implementation of occupational health and safety management systems, assessment of potential occupational health and safety risks, setting of priority targets for improvements and formulation of action plans, definition of adequate indicators for tracking and monitoring of implementation results, and ongoing improvement of occupational safety performance.



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A safe and healthy workplace has been created at Microbio Longtan Plant through the effective operation of the occupational safety management system, with ISO 45001 Occupational Safety and Health System certification and the Badge Accredited Healthy Workplace obtained. Provide employees with a safe, healthy, and sound work environment and system. Education and training are also provided to deepen employees' awareness of work safety and enhance their awareness of disaster prevention.



Obtained ISO 45001:2018 Occupational Health and Safety Management Certificate No.: TW16/01272 (Valid Period: 2024/01-2027/01)



Longtan Plant Obtained the Healthy Workplace Certification – Health Promotion Label (Valid Period: 2024/01/01-2026/12/31)

Procurement/Supplier Management

- We select protective gear, equipment, and vendors that meet the requirements based on the supplier assessment and procurement process.
- Supplier site assessment is performed each year to ensure the quality, environment and occupational safety of suppliers.

Contractor Management

- We intend to formulate and announce the Contractor Management Rules to control the safety management, hazard identification and construction quality of contractors and construction works in the plant.



Emergency Exercise Measures

- In accordance with the Company's operating rules: Occupational safety and health emergency response measures must be adopted in the event of toxic chemical spills and other emergencies.

Safety Protection of Process Equipment

- Management rules are formulated and announced in accordance with laws and regulations and regular inspection plans for the plant's machinery, equipment and electricity are implemented.

Chemical Management

- Hazardous chemicals are labeled and stored classified in accordance with the regulations. Chemical management measures are formulated based on laws and regulations to periodically implement tiered management and other matters that should be reported.

Occupational Safety and Health Training

Microbio and the subsidiaries actively creates a “safety first” working environment, regularly organizes occupational safety and health related education and training every year, and invites occupational safety and health consultants to serve as lecturers. The course features topics such as work safety, emergency response, machinery operation, health lectures and occupational disease promotion. It is aimed at enhancing the employee awareness towards occupational safety, hygiene and health. Contractors and dispatched workers must be warned of potential hazards and receive safety-related education and training before entering the factory, to ensure their and the related personnel's operational safety. The personnel in the Microbio Longtan plant and Microbio (Shanghai) who are responsible for environmental protection, occupational safety, fire protection, and machinery operation are all equipped with relevant professional licenses. They are required to attend training provided by external institutions regularly. For detailed statistical information on occupational safety and health training, please refer to Appendix 4.

Occupational disaster statistics and analysis of lost working hours

To enhance transparency and the credibility of disclosed data, the statistics on occupational accidents has been included in the scope of verification, and a third-party has been entrusted to perform verification according to the AA1000 Type 2 Standard. The data calculation method follows the guidelines of the Occupational Safety and Health Administration of the Ministry of Labor and the GRI 403 Standards, covering all sites of Microbio, Cotton Field Organic and Microbio (Shanghai).

Historical Occupational Accident Statistics of Microbio and its Subsidiaries

	Microbio			Cotton Field Organic			Microbio (Shanghai)			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of occupational accidents	1	0	1	2	6	4	0	0	0	3	6	5
Working hours (million hours)	0.9372	0.2907	0.2826	0.2801	0.8906	0.9479	0.1367	0.1247	0.1267	1.3540	1.3059	1.3550
Lost Time Injury Frequency Rate (LTIFR)	1.07	0.00	3.54	7.14	6.73	4.22	0.00	0.00	0	2.22	4.59	3.68
Total number of fatal accidents	0	0	0	0	0	0	0	0	0	0	0	0

Note: The 2022 and 2023 data of Cotton Field Organic include the data of Microsoy International. The statistics on the lost time injury frequency rate (LTIFR) and related occupational accident rates disclosed by Microbio and Cotton Field Organic are summarized based on the actual report records and includes both employees and non-employed workers.

In 2024, Microbio recorded one occupational injury case, which was a commuting traffic accident. The initial report indicated 16 lost workdays due to the injury and the employee is undergoing continued treatment and rehabilitation. The Company continues to handle the labor insurance injury and sickness benefit application in accordance with regulations and provides necessary assistance and care. To prevent similar incidents from occurring again, the Longtan Plant organized a defensive driving awareness course to strengthen employees' awareness of traffic safety and risk identification.

Occupational Injury Statistics of Microbio

Management Indicators	2021	2022	2023	2024
Lost-time injury frequency (LTIFR)	7.32	3.56	0	3.54
Disabling frequency rate (FR)	7.32	3.56	0	3.54
Disabling severity rate (SR)	10.98	3.56	0	56.62
Occupational disease rate (ODR)	0	0	0	0
Ratio of deaths caused by occupational injuries	0	0	0	0
Ratio of severe occupational injuries	0	0	0	0
Ratio of recordable occupational injuries	7.32	3.56	0	3.53
Total number of fatal accidents	0	0	0	0

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In 2024, there were a total of four occupational accidents in the Cotton Field Organic. One of them was a traffic accident that occurred on the way to and from work. It was reported immediately, and the employee received medical treatment and has since returned to work. At the same time, traffic safety promotion was reinforced, and employees were reminded to pay attention to road conditions. The second to fourth occupational safety incidents involved work-related injuries resulting from lapses in attention during duty. All cases were minor contusions, and the affected employees resumed normal work after three days.

Microbio (Shanghai) has had no occupational injuries over the past three years. The site compiles working hours and injury statistics in accordance with the Company's internal occupational safety and health management system. The statistical methodology follows Group standards and is calculated based on GRI 403 and the guidelines of the Occupational Safety and Health Administration of the Ministry of Labor. These data are included in the disclosures of this Report and within the scope of third-party verification (AA1000 Type 2) to ensure consistency and completeness.

Cotton Field Organic and Microbio (Shanghai) Occupational Accident Statistics

Management Indicators	Cotton Field Organic			Microbio (Shanghai)		
	2022	2023	2024	2022	2023	2024
Lost-time injury frequency (LTIFR)	2.13	6.73	4.22	0	0	0
Disabling frequency rate (FR)	2.13	6.73	4.22	0	0	0
Disabling severity rate (SR)	8.53	55.02	45.46	0	0	0
Occupational disease rate (ODR)	0	0	0	0	0	0
Ratio of deaths caused by occupational injuries	0	0	0	0	0	0
Ratio of severe occupational injuries	0	0	0	0	0	0
Ratio of recordable occupational injuries	2.13	6.73	4.22	0	0	0
Total number of fatal accidents	0	0	0	0	0	0

Note:

The calculation is as follows:

- Lost-time injury frequency is calculated in accordance with the indicators published by the Occupational Safety and Health Administration, Ministry of Labor, and GRI 403: Occupational Health and Safety = (Number of work-related injuries / Total working hours) × 10⁶.
- Disabling frequency rate = (Total number of disabling injuries / Total working hours) × 10⁶.
- Disabling severity rate = (Total number of lost days to disabling injuries / Total working hours) × 10⁶.

- Occupational disease rate = (Number of cases of occupational disease identified in the year / Total working hours) × 10⁶.
- Ratio of deaths caused by occupational injuries = (Number of deaths caused by occupational injuries / Total working hours) × 10⁶.
- Ratio of severe occupational injuries = (Number of cases of severe occupational injuries (excluding the number of deaths) / Total working hours) × 10⁶.
- Ratio of recordable occupational injuries = (Number of cases of recordable occupational injuries / Total working hours) × 10⁶.

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• Workplace risk management and health promotion

Microbio's Longtan Plant is the Company's first facility to implement the ISO 45001 Occupational Safety and Health Management System. The following comprehensive management and health promotion actions were implemented:

- There were no fire incidents in 2024. Longtan Plant maintains fire prevention mechanisms through regular inspections and drills.
- Fire drills are held semi-annually; fire equipment is inspected annually; building safety inspections are conducted every two years, and deficiencies are improved.
- Field supervisors inspect fire sources and evacuation facilities daily, and fire equipment is checked monthly.
- Kitchen and gas tanks are equipped with leakage detectors; boiler tanks adopt the explosion-proof design with warning systems; when the fire alarm is triggered, the P-type switchboard automatically notifies relevant personnel.
- Hot work must be approved by the supervisor, and the protection plan shall be submitted in accordance with the law.
- Each year, the Company commissions professional institutions to provide on-site health services, and the content of such services includes health examination classification, personal health education consultation, and health seminars.
- 'Three-high' (hypertension, hyperglycemia, hyperlipidemia) prevention education is promoted, and through physical seminars and surveys conducted by nurses, along with physical examination reports, risk classification and individual health consultations are implemented. In 2023, four employees were identified as being at moderate or high risk, and the average risk level was further tracked and decreased by 3.75% in 2024.

In addition, office locations are also actively promoting health awareness and enhancing emergency preparedness. For example, the human resource unit of the operation center has collaborated with external professional units to organize CPR+AED health seminars and conduct field practice drills, thereby improving the emergency response capabilities of office personnel.

To strengthen practical operation capabilities and accident response experience, Longtan Plant regularly organizes self-defense fire drills. The course and drill topics for the second half of 2024 included:

- **Lecture and seminar promotion:** Fire professionals were invited to provide course instructions on fire response procedures and escape guidelines.
- **Training for reporting team:** Accident alarm triggering and information reporting channels were simulated.
- **Training for firefighting team:** Practical deployment of fire hoses and fire extinguisher operations were performed.
- **Training for evacuation guiding team:** Guiding personnel were trained to guide evacuations in an orderly manner and to simulate escape routes.
- **Drill for rescue team:** Patient extrication and emergency treatment were simulated.
- **Training for safety protection team:** Training for power cuts and suppression of secondary disasters were carried out.



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Reporting Team Training on Site



Evacuation Guidance Team Training



Firefighting Team Training – Fire Hose Drill



First Aid Team Training – Patient Transport

A group of people are holding hands in a circle, standing on a stone staircase or path on a cliff. The background shows a blue ocean and a rocky coastline under a clear sky. The people are wearing various casual clothing, including sweaters and jeans. The hands are of different skin tones, suggesting a diverse group. The overall mood is one of unity and teamwork.

6 Social Inclusion

6.1 Industry-Academia Collaboration

6.2 Public Welfare and Donation

6.3 Actions for Access to Medicines

6.4 Public Participation

6.5 Supporting Animal Welfare Issues

6.6 Cotton Field Golden Cotton Award

6.1 Industry-Academia Collaboration

Microbio has long been actively promoting collaborative projects with the medical community and academia. Through the exchange of technology and experience, we can evaluate the Company's effective mechanism for developing products, and also promote industry-academia communication and cooperation integrating theory and practice.

1. Regular cooperation and exchange platform: Microbio Group and Taipei Medical University have regular R&D

cooperation meetings and maintain a designated liaison/contact window.

2. Invite outstanding domestic and foreign scholars to give speeches to the Group from time to time to increase the possibility of cooperation.
3. Participate in international academic seminars, engage in interaction and exchange with world-class research teams, enhance visibility of R&D achievements, and explore cooperation opportunities.

• Collaborate with academic institutions to enhance R&D momentum

In 2024, Microbio launched an industry-academia collaboration project with Taipei Medical University and Ministry of Health and Welfare Shuang-Ho Hospital. Through such industry-academia collaboration, our employees were able to utilize and learn relevant professional knowledge. This helps increase workplace competitiveness and narrow the gap between academic and practical work requirements. This industry-academia collaboration model closely links academic institutions, working together to train talented people with potential.

2024 Industry-Academia Collaboration Program

Partner Name	Project Title	Number of Participants	Input Resource	Cooperation Achievements
Taipei Medical University	Development of precision probiotics for the adjuvant treatment of precocious puberty (Three-Year Plan)	2	NT\$ 1,125,000/3 years	Future output (1) Patent application for biological targets in gut microbiota associated with precocious puberty. (2) High-quality SCI paper published (first paper: Treatment or adjuvant treatment of precocious puberty with probiotic products through the mechanism of intestinal bacteria). (3) Provide clinical evidence for micro-ecological products of Microbio. (4) Provide strain selection and dosage evaluation for Microbio's subsequent health-product development. (5) Alleviate the side effects of GnRH analogues in the treatment of precocious puberty adolescents and provide new treatment strategies.
Taipei Medical University	Multomics research is adopted to integrate host genetics and gut microorganisms to develop treatment strategies for cardiorenal metabolic syndrome ^{Note}	2	None/4 years	Assist in the commercialization of research results
Taipei Medical University	Analysis of the functional components of fermentation liquid for regulating the microbial communities in the oral cavity, nasal cavity and vagina	2	NT\$700,000/11 months	Identification of effective ingredients of the product's mechanism of action (MOA)
Department of Dermatology, Shuang Ho Hospital, Ministry of Health and Welfare	Research program of efficacy of MB107 in atopic dermatitis murine model	1	NT\$447,000/12 months	Published journal articles Product formulation development and optimization

Note: This collaboration between Microbio and Taipei Medical University is part of the 2024 NSTC project, "Research and Application of the Microbiome in Precision Health."

Our R&D unit is invited by tertiary institutions to give speeches and give lectures to share our valuable experience in biotechnology and industrial development over the years to promote industry-academia cooperation and knowledge exchange. These engagements include lectures given at the Institute of Food Science of National Taiwan University, National Taiwan University - "Precision Science and Technology Colleague" Precision Health Degree Program, and Institute of Pharmacology, National Yang Ming Chiao Tung University, National Taiwan University; the "Pharmacogenomics Laboratory (TR6)", a core medical facility platform project at National Taiwan University and "Biotechnology Management Course" and "Cancer Genomics and Proteomics" at the Institute of Medical Technology, College of Medicine, National Taiwan University. Through these activities, we actively engage in academia to promote the development and advancement of the biotechnology industry.

Every year, the Company collaborates with the School of Food Safety, Taipei Medical University, in organizing an internship program. The interns will participate in the summer internship in July and August. In the process, students will learn the basic knowledge of the health food industry, including food regulations, development skills and product design processes. With guidance from professionals, students will participate in the health products development operation to strengthen their understanding of industry practices.

The internship also covers domestic and international health product market trends and consumer behavior analysis, thereby assisting students to gain a comprehensive understanding of the industry's current situation and future development. At the same time, interns will also be exposed to various food certification systems, such as Halal, Kosher, organic and clean label certifications, to cultivate their international perspective and legal application capabilities.

During the product development stage, interns will participate in market research, competitive product analysis, product positioning and development schedule planning, etc., to comprehensively enhance their planning and development skills. Finally, the interns will conduct new product development and present their results. The Company will evaluate their overall performance, ensuring that learning is effectively applied in practice.



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6.2 Public Welfare and Donation

• Charity Donation

Microbio abides the mission of "developing new drugs and caring for life" and provide long-term sponsorship of the "Taiwan Cancer Nutrition and Immunity Association" activities to promote cancer health education knowledge and help the public establish a correct diet and nutrition concept. In 2024, a total of NT\$140,800 were donated to the children's cancer charity project.

We have also been working with the BOYO Social Welfare Foundation for many years and support the Foundation to train local community teachers by monthly donations. Through the Foundation, to provide children in rural areas with abundant learning resources and opportunities. In 2024, a total of 600,000 dollars was donated.

Since 2018, Cotton Field Organic has collaborated with Taishin International Bank and launched a Taishin Cotton Field co-branded card. 0.6% of the money spent at Cotton Field Organic stores is allocated and donated to promote organic agriculture, organic product verification, and other educational and charitable activities. This helps more farmers to invest in organic farming, further purifying and revitalizing our land and letting consumers have more choices of organic agricultural products.

At the same time, Cotton Field Organic also worked with the Chinese Children's Home & Shelter Association (CCSA) and donated healthy Chinese New Year dishes, accumulated to nearly 1,000 dishes by 2024. By sharing these Chinese New Year dishes with children in the organization, not only to show our care for these children, but also hope those children from disadvantaged families feel warmth and would positively face their future. We believe that with continuous sharing, the seeds of love will keep growing.



Cotton Field Organic 2024 Chinese New Year Dishes Sharing Event
Employees worked together to prepare charitable meals for Chinese New Year dinner and to convey the Company's warmth and care.



Delivery of Chinese New Year Dishes to Orphanages
Healthy Chinese New Year dishes were delivered to orphanage to accompany children in having a warm Chinese New Year.

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• Light Up the Dual-Color Pink Ribbon and volunteer to participate in the activity

Microbio's operational offices and laboratories along with its subsidiary Cotton Field Organic's headquarters and most of its retail stores are located in Taipei City and New Taipei City. As a member of the Taipei and New Taipei areas, we uphold the principle of "Healthy Living, Sustainable Prosperity" and actively participate in local public welfare activities, to face health and environmental issues with the community jointly.

According to the statistics of the National Health Administration of the Ministry of Health and Welfare, in 2021, the incidence of breast cancer was the first in women and the 33rd in men; the mortality rate was the second in women and the 34th in men. With more than 15,000 new cases each year, an average of one breast cancer case occurs every 35 minutes. It is a health issue that citizens cannot afford to ignore, and it is a topic that both men and women should pay attention to. Overseas research data shows that diet, exercise, and lifestyle habits can reduce the risk of breast cancer by one third. It is also important to pay attention to breast health and regular screening.

On October 20, 2024, the Company participated in the "Light Up the Dual-Color Pink Ribbon" event organized by the Taiwan Breast Cancer Alliance at the Taipei Sun Yat-sen Memorial Hall. In addition to promoting international "World Breast Cancer Care Month", we also encourage the public to pay attention to their health and go for regular breast cancer screenings. Our volunteers also set up a charity booth to share education on gut health and cancer prevention with guests through interactive activities like fun quizzes and lucky draws. In the process, we felt the patients' optimism and proactive spirit in the face of cancer. A total of NT\$150,000 and 16 people were invested in the activity to interact with more than 500 breast cancer patients and their families.



Volunteer service stalls at the Pink Ribbon Carnival
The volunteers from Microbio and Cotton Field Organic set up a charity booth to promote intestinal health and convey health-related knowledge.



Group photo for Light Up the Dual-Color Pink Ribbon event
In response to the Breast Cancer Awareness Month, volunteers and patients together supported breast cancer awareness and prevention.

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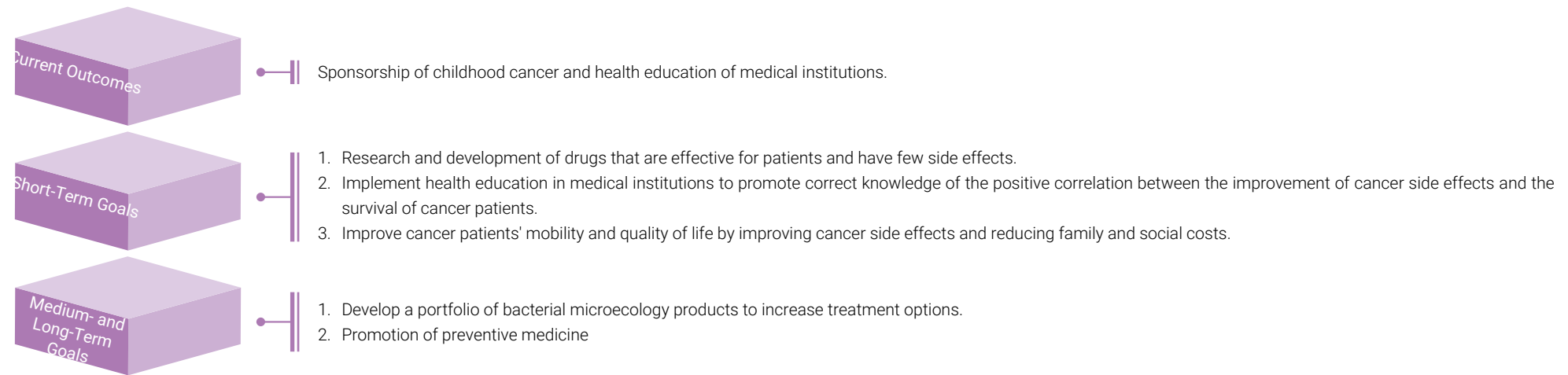
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Microbio's Core Business and Community Involvement					
Unit	Event Theme	Our Actions	People Involved	Amount Invested (NT\$)	Corresponding SDGs
Taiwan Cancer Nutrition Association	--	By recruiting professionals, we proactively promote public welfare services and cancer health education, while at the same time providing aid for people to establish correct dietary and nutrition concepts. This approach further helps people be healthier, achieving the object of improving quality of life.	--	140,800	SDG 3: Good health and well-being
BOYO Social Welfare Foundation	--	Uphold the idea of "preventing the cycle of poverty", help cultivate local teachers, produce learning materials, provide sufficient learning resources and opportunities for children in remote areas and make children more competitive in the future.	--	600,000	SDG 4: Quality education
Taishin Bank	Organic farming promotion	0.6% of the money spent at Cotton Field Organic stores is allocated and donated by Taishin Bank for the promotion of organic farming, certification of organic farming products and other educational and charitable activities.	2	A total of NT\$ 571,450 was donated NT\$554,000 was spent on promotion	SDG 3: Good health and well-being SDG 12: Responsible consumption and production
Chinese Children home & Shelter Association	Spring festival public welfare activity	As of 2024, nearly 1,000 healthy New Year meal sets have been donated to child care institutions.	1	Donation value of NT\$133,020 NT\$4,800 was spent on promotion	SDG 2: Zero hunger
Breast Cancer Support Association	Light Up the Dual-Color Pink Ribbon	In response to the international breast cancer awareness event, and to enhance public awareness on personal health and to emphasize the importance of regular breast cancer screening, we have also set up charity booths to promote organic health knowledge and the benefits of organic products.	16	NT\$150,000	SDG 3: Good health and well-being

6.3 Actions for Access to Medicines

The issue of access to medicines has been receiving ongoing attention from the World Health Organization and international non-profit organizations. The main goal is to encourage pharmaceutical companies to ensure that patients can obtain necessary medications in a reasonable, affordable, appropriate and easily accessible, thereby strengthening the resilience of healthcare systems. Microbio has set short, medium, and long-term goals regarding access to medicine and has taken action through pediatric cancer charity sponsorships and healthcare facility education and training programs.

• Goals for Access to Medicines



• Actions for Access to Medicines in 2024

Children Cancer Charity Sponsorship Program	Medical Institute Health Education Training Program
We have sponsored the Children Cancer Charity Sponsorship Program since 2002. In addition, we have donated Chemo Young Oral Solution quarterly to children with cancer, cancer patients from poor families, and patients with related immune diseases and have done so for over a decade.	For many years, Microbio has worked closely with various major medical centers, district and regional hospitals, pharmacies and clinics to provide health education on drug information and usage methods for medical-related personnel. Moreover, Microbio also provides consultation and information associated with the side effects of cancer at cancer information centers in hospitals. By the end of 2024, the Company has worked with 65 hospitals and over 3,580 pharmacies and clinics.

6.4 Public Participation

List of Public participation in 2024

Participation in External Associations	Membership Status
Taiwan Traditional Chinese Medicine Industry Association	Member
Taiwan Parenteral Drug Association	Member
Taoyuan Pharmacists Association	Member
Taiwan Research-based Biopharmaceutical Manufacturers Association	Member
Institute for Biotechnology and Medicine Industry	Member
Taipei Biotech Association	Member
Taiwan Clinical Research Association	Member

6.5 Supporting Animal Welfare Issues

As we uphold a spirit of animal conservation and humanitarian concern, we respond to animal welfare protection issues and follow the code of ethics for animal testing. For in-house and outsourced animal testing, we are committed to the following:

Microbio value and comply with national laws and regulations, and all health food-related certifications we apply for have been handled in accordance with the law. Considering animal welfare issues, no animal experiments were performed as a result of applying for health food-related certifications from 2013 to 2024. The health food-related certifications applied for by Microbio are based on human consumption/clinical studies. We do not conduct, sponsor, or entrust/outsourced third-party animal experiments to animal testing unless explicitly required by regulation.

With regard to the development of drugs, we are committed to compliance with the 3R principles: Reduction, Replacement and Refinement, and we will also prioritize the use of in vitro or cellular models to replace animal testing. Since Microbio has not established an in-house animal testing site, all pharmaceutical animal testing required by laws or regulations have been outsourced to third-party testing units that have been certified by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC International). The experiment is designed based on the principles of using the minimal number of animals and the shortest duration of treatment, and it is also reviewed by the Institutional Animal Care and Use Committee (IACUC), in order to ensure animal welfare.

In addition, the subsidiary, Cotton Field Organic, takes animal welfare considerations into account during the product selection stage, and guarantees that all egg products launched are cage-free eggs, to support the animal-friendly farming environment and production model, to help improve egg farming conditions, and to encourage suppliers to obtain high-standard animal welfare certification.

6.6 Cotton Field Golden Cotton Award

» Activity introduction

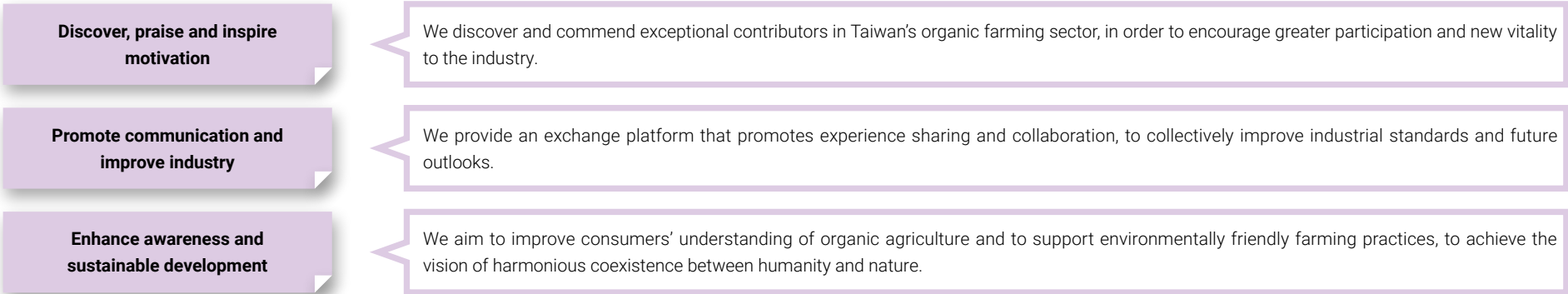
• Background

Taiwan is a land that nurtures rich ecosystems and unique species. "Organic agriculture" demonstrates our care and is a way of giving back to this land. It not only provides healthy and safe food but also protects the sustainable future of this land. Every organic farmer is a silent guardian who tirelessly cultivate the land to steadfastly protect Taiwan's ecological balance.

To honor these unsung heroes and to showcase the beauty of organic agriculture to the public, Cotton Field Organic has organized the "Golden Cotton Award", expressing gratitude for the hard work of producers. This is more than just a competition, it is a celebration of the spirit of organic agriculture and a commitment to a sustainable future.

• Purpose

The "Golden Cotton Award" aims to reward Taiwan's outstanding organic farmers and organic promotion organizations that contribute mightily to the sustainable development of the industry, thereby allowing consumers to have better understanding of and trust in organic agricultural products.



• Event organizers

- Organizer: Cotton Field Organic
- Advisory unit: Agriculture and Food Agency, Ministry of Agriculture
- Co-organizer: National Training Institute for Farmers' Organizations

» Introduction to the four main categories of the Golden Cotton Award and selection criteria

Category	Highlighted keywords	Evaluation focus
Ecological conservation	Biodiversity, biological control, sustainable seed sources	Focus on contribution to on-farm ecosystem conservation
Innovative management	Technology adoption, brand establishment, and diversified management.	Evaluate innovative technologies, business management and revenue models
Organic leadership	Market development, organic supply chain, product innovation	Assess their roles in promotion and industry leadership
Food education contributions	Organic education, knowledge promotion, and cultural connection	Emphasize the depth and breadth of promoting organic food and agricultural education

» Evaluation process and judge composition

To ensure the professionalism and impartiality of the evaluation process, we invite scholars, experts, and industrial group representatives from the agricultural industry to form a professional evaluation committee. Adhering to the principles of fairness, impartiality and openness, the committee conducts a three-stage evaluation rigorously, to select the most representative organic practitioners.

» Sustainable practices starting from the land

Organic farms across Taiwan are practicing eco-friendly agriculture in a variety of ways. Some have created habitats for protected species through long-term organic cultivation, while others have introduced natural cycles and carbon footprint management to minimize their environmental impact. In addition, some farms utilize the land’s natural resources and traditional techniques to achieve balanced production and habitat conservation. Some have also received the leopard cat-friendly mark in recognition of their conservation efforts.

These efforts are the result of years of dedication and contribution of countless small farmers. Through the "Golden Cotton Award", we honor the great efforts of organic farmers in engaging in ecological conservation, business innovation, and education promotion. The award is presented to organic farms in Taiwan, and through collaboration with the Agriculture and Food Agency, Ministry of Agriculture and National Training Institute for Farmers' Organizations, a positive cycle supporting the organic industry has been established.

In the future, Cotton Field Organic will continue to play a leading role in supporting organic small farmers through the award event, resource integration, and platform development, to promote environmentally friendly farming practices and to achieve the goal of sustainable agriculture with all sectors through joint practice.



7 Environmental Protection

7.1 Environmental Management

7.2 Climate Actions

7.3 Water Resources Management

7.4 Packaging Materials Management

7.5 Food Loss & Waste (FLW) and
Waste Management

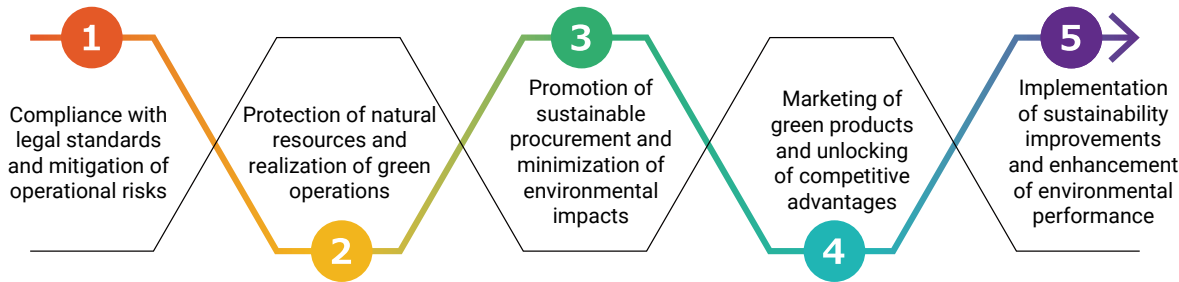


7.1 Environmental Management

A study by Nielsen (2018) revealed that 81% of global respondents feel strongly that companies have a responsibility to protect the environment. According to a 2021 research from GlobalData, 43% of pharmaceutical industry professionals see environment as the most important issue of sustainability ESG development for pharmaceutical industry. Among environmental issues, climate change, pollution prevention, and resource conservation attract most attention. To comprehensively and systematically manage material environmental issues, Microbio follows the ISO 14001 environmental management system to establish and supervise effective management mechanisms, enhance resource efficiency, and reduce environmental impact.

• Five Key Environmental Policies

The Company actively establishes good interactions with stakeholders such as employees, suppliers, and contractors, based on which environmental and occupational safety and health policies are formulated and implemented after the chairman's approval. For information on environmental policy-related commitments, implementation guidelines, roles and responsibilities, please refer to the Company's website. [https://www.twmicrobio.com/wp-content/uploads/2024/12/環境與安全衛生政策 .pdf](https://www.twmicrobio.com/wp-content/uploads/2024/12/環境與安全衛生政策.pdf)



ISO 14001 Environmental Management System Certification

• "Enforcement Guidelines for Environmental Protection Policy"

- (1) Comply with or exceed domestic and international environmental protection regulations, standards, and other stakeholder requirements to reduce operational risks.
- (2) Adoption of eco-friendly actions, enhancement of energy and resource use efficiency, reinforced controls at the source, waste reduction and recycling and pollution control measures, ongoing improvement of environmental performance, and pursuit of the goal of a circular economy.
- (3) Constant monitoring of global climate change trends, assessment of risks and opportunities, eco-friendly design as the fundamental principle, consideration of life cycle factors including manufacturing, packaging, and delivery, adoption of carbon emission reduction measures, and enhancement of green competitiveness.
- (4) Communication of environmental policies to suppliers and contractors, gradual implementation of green procurement and ESG management, and creation of beneficial effects for the environment and society.
- (5) We strengthen communication and participation with employees, suppliers and contractors, and enhance their awareness of environmental safety and health through communication, education and training, in order to implement environmental protection jointly.
- (6) Thorough implementation of environmental management systems, assessment of potential environmental risks, setting of priority targets for improvements and formulation of action plans, definition of adequate indicators for tracking and monitoring of implementation results, and ongoing improvement of environmental performance.

Internal Audits

An internal audit is performed once a year, during which personnel from across departments review the operation of the environmental system according to the principles of impartiality, objectivity, and independence. If anomalies or defects are found, the responsible unit will take corrective measures and complete them within a certain period of time. The latest internal audit was completed on November 15, 2024.

External Verification

External professional review and communication will help to enhance the effective operation of the environmental management system. The Company regularly commissions an independent third-party organization to conduct verification. The most recent verification was completed in December 2022, and the verification is valid until December 2025.

Implementation of environmental policy and performance tracking mechanism

In order to strengthen the implementation of environmental policies, Microbio has established hierarchical responsibility and a result-oriented management framework. Longtan Plant conducts internal and external audits and management reviews in accordance with the ISO 14001 environmental management system, and also establishes relevant goals and improvement measures. For other business locations, the sustainable development team coordinates their ESG management indicators and tracking. These two jointly constitute the Company's environmental performance management mechanism, and its content includes:

Implementation responsibilities and management structure	Performance tracking and internal & external communication	Commitment on information disclosure and continuous improvement
- For Longtan Plant, the Factory Affairs Section is responsible for the operation of the ISO 14001 system, and its scope covers risk identification, goal establishment, audit and continuous improvement; - The sustainable development team coordinates the ESG indicators (such as waste recycling rate, energy intensity, and carbon emission intensity) of Microbio and its subsidiaries, which are also disclosed in the ESG report and reviewed annually; - All units of Microbio and its subsidiaries collaborate with each other to promote field actions and to regularly report their implementation status.	- Longtan Plant conducts ISO 14001 system internal audits and management reviews annually, and improvement items completed on schedule; - In addition to improving deficiencies found during audits, key performance indicators (KPIs) are also reviewed, such as workplace environment monitoring (dust, organic solvents, and noise) and resource use efficiency (such as water and electricity consumption, cold chain energy consumption, and waste recycling rate), etc. - The sustainable development team tracks the ESG indicators of Microbio and its subsidiary (such as cold chain energy consumption and carbon emission intensity, etc.), and incorporates these indicators into the reporting mechanism for the executive committee and the Board of Directors. - In 2024, a total of 17 environmental safety and health related communication matters (15 official documents from government agencies, 1 internal communication, and 1 external feedback) were received and recorded in the official document system and the "Environmental Safety and Health Consultation and Response Form", in order to ensure stakeholder care and facilitate improvement feedback.	- The Company discloses its environmental management results and action progress annually through ESG reports, on its website and in internal briefings, in order to enhance information transparency; - We continue to collect stakeholder opinions and incorporate them into internal reviews in order to use such opinions as reference for optimizing future environmental management actions and implementing the PDCA improvement cycle principle.

This mechanism reflects the Company's emphasis on continuous improvement and ensures that the environmental management policy is implemented effectively.

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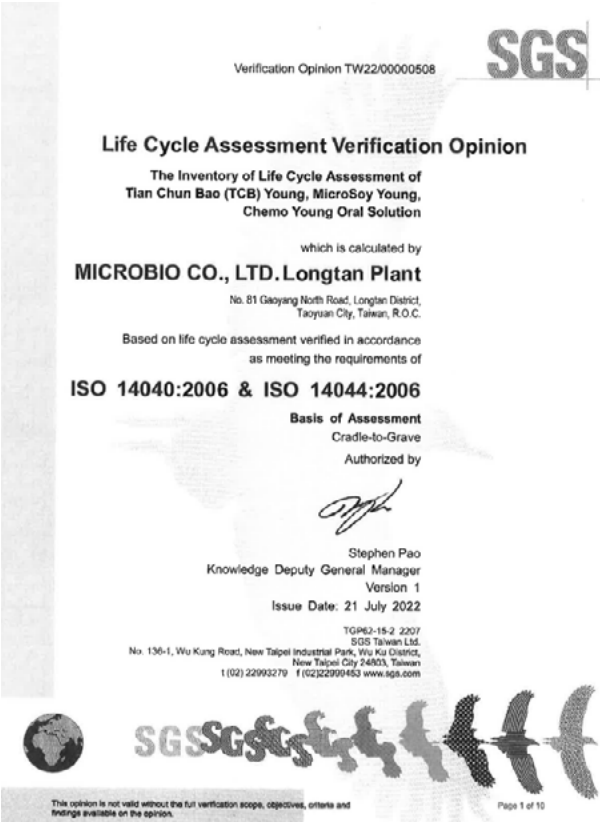
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• Environmentally Friendly Design

Through environmentally friendly design, the impact of products and processes on the environment can be effectively reduced. In addition to the obligation to comply with environmental regulations, we further analyze and assess significant environmental impact factors from a life cycle perspective. In 2022, the Company conducted a life cycle assessment of Tien Chun Bao, MicroSoy, Chemo Young, and so on products in accordance with ISO 14040 and ISO 14044. We conduct a comprehensive inventory from the acquisition of raw materials, manufacturing, distribution and sale of products to their use and final recycling of waste. We also analyze the impact of each step on resource utilization, ecological impact, and human health. The relevant information is verified by a third-party through SGS.

Life cycle stage	Strategies and measures to reduce environmental impacts
Raw materials	Tien Chun Bao, MicroSoy, and Chemo Young are made with natural herbs as the main raw material. Natural ingredients can reduce GHG emissions and environmental impact compared to using chemical raw materials.
Manufacturing	According to the analysis, electricity consumption in the production stage is a significant source of carbon emissions. We will gradually promote energy-saving measures such as air conditioners and air compressor improvements by purchasing environmentally friendly materials and energy-saving equipment. At the same time, no hazardous substances are used in the manufacturing process, and materials with a high recycling rate are used.
Packaging and shipping	Our packaging materials are lightweight, does not contain hazardous substances and materials are with a high recycling rate or recyclables. At the same time, transportation routes are optimized to avoid unnecessary transportation trips.
Use stage	Tien Chun Bao, MicroSoy, and Chemo Young are health products that do not consume energy during use and require only a small amount of tap water. The products themselves cause little environmental impact. Therefore, our main strategy is to reduce the environmental impact caused by the use of packaging materials.
Waste disposal	Implement sorting, reuse, and recycling of waste.



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7.2 Climate Actions

According to the World Economic Forum's Global Risks Report 2024 (released January 2024), enterprises, governmental organizations, and civil leaders interviewed consider "Extreme Weather" and "Earth-system tipping points" as the top 2 most severe risks over the next decade. Mitigating climate change has become the world's most urgent problem that should be solved.

Implementing ESG strategies to drive low-carbon operations has become a global trend, and the pharmaceutical industry cannot stand aside. According to a 2019 study published in the Journal of Cleaner Production, because pharmaceutical manufacturing requires tighter temperature and humidity control, higher sanitation standards, and small-batch production, it exhibits higher electricity intensity, larger heating and cooling loads, and greater energy-regulation needs than many other industries—indicating both significant energy-saving potential and carbon-management challenges. As global carbon pricing and supply-chain decarbonization pressures rise, the pharmaceutical industry must accelerate the adoption of low-carbon technologies and operational optimization to achieve sustainable transformation.

Microbio recognizes the enormous impact of climate change on the economy, society, and the environment. As one of the leading biotech pharmaceutical companies in Taiwan, we must heed our corporate social responsibility and respond to the challenges brought forth by climate change. To measure and analyze the impact of climate-related risks and to formulate control measures, we adopted the framework from the Task Force on Climate-related Financial Disclosure (TCFD) issued by the Financial Stability Board (FSB). Based on the framework, we disclosed our governance, strategies, risk management and metrics, and targets to help investors and stakeholders understand Microbio's climate actions.

» Governance

We have incorporated climate issues into our sustainable development strategy. The Board of Directors monitors, manages, and makes decisions on such issues and sets up dedicated units in charge of implementation of corresponding contingency measures.²

Board of Directors	Sustainability Committee	Sustainability Executive Committee
The Board of Directors, which is the highest governance unit responsible for the promotion of the sustainable development, oversees a wide range of environmental risks and opportunities, including climate change-related impacts. It receives regular reports from the Sustainability Committee on relevant issues and supervises the formulation of management approaches, strategies, and goals for sustainability or climate-related issues.	The Sustainability Committee, which was formed in November 2022 as a unit subordinate to the Board of Directors, is responsible for the formulation of sustainability policies, strategies, and approaches. The Committee convenes at least once a year and is supervised by the independent directors of the company. It reports the status of its operations to the board on a regular basis. ³	The CEO serves as the Chairman of the Sustainability Executive Committee, which is responsible for the execution of sustainable actions and the submission of annual reports to the Sustainability Committee. In terms of climate actions, the committee acts as a platform for horizontal linkage and vertical integration. It evaluates potential climate-related risks and opportunities, formulates countermeasures, executes and discloses greenhouse gas inventories based on the responsibilities of each designated team, and regularly tracks carbon management performance.

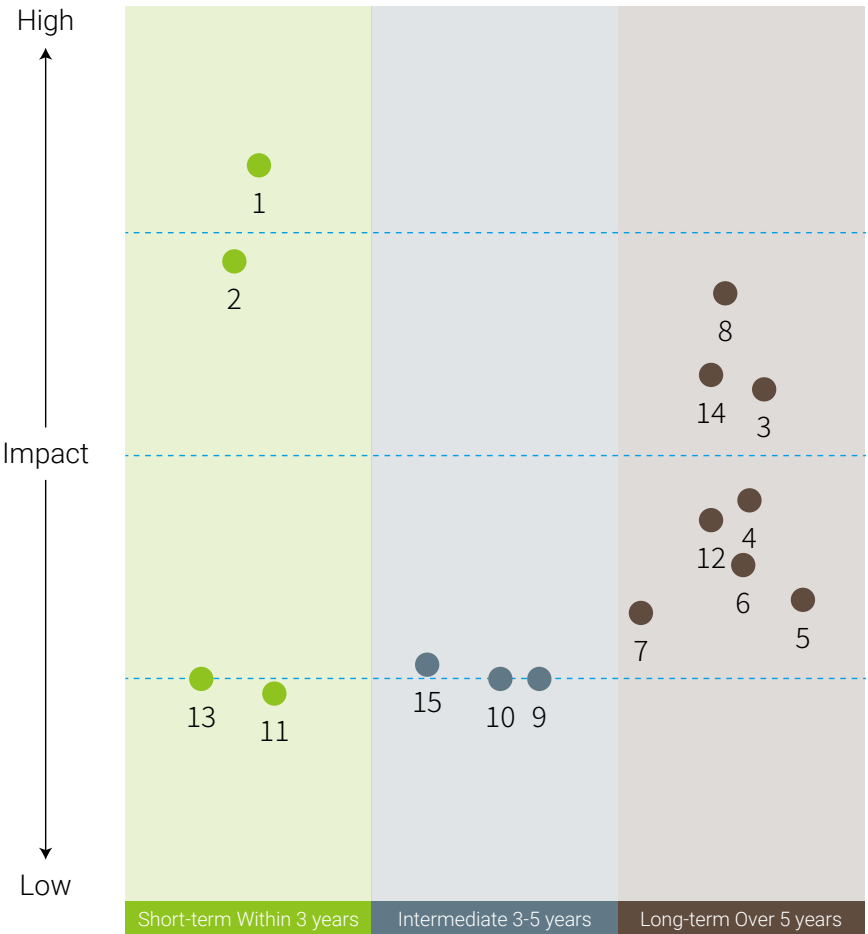
Note 1: Carbon footprint of the global pharmaceutical industry and relative impact of its major players, 2019
Note 2: Please refer to Section 2.4 Sustainability Management Framework.
Note 3: For the 2024 operations of the Sustainability Development Committee, please refer to Section 4.1 Governance Practices – Functional Committees.

» Strategy

Microbio had held multiple workshops participated by dedicated specialists and senior managers from various departments who had intensive discussions with external third-party professional teams to analyze short, intermediate, and long-term potential physical and transition risks as well as related business opportunities. The Company then formulated mitigation and adaptation strategies to enhance corporate climate resilience.

• Climate Change Risk and Opportunity Matrix

Risk Types		Climate Risk	
Physical Risks Related to Climate Change Impacts	Immediate Risks	1.	Extreme rainfall and droughts
		2.	Increase in the severity and frequency of extreme climate events
	Long-term Risks	3.	Rainfall patterns and changes in climate patterns
		4.	Long-term rise in average temperature
		5.	Long-term rise in sea level
Transition Risks Related to the Low- carbon Economy	Market Risks	6.	Market uncertainty, making it difficult to grasp market demand
		7.	Changes in customer behavior, with product choices influenced by companies' sustainability performance
	Technology Risks	8.	Poor low-carbon performance makes it difficult to attract investment
		9.	Failure to invest in low-carbon transition technologies, risking missing the shift toward low-carbon R&D
		10.	Inability to provide low-carbon products and services affects the company's revenue performance
	Policy and Regulatory Risks	11.	Fines or lawsuits for violating climate regulations
		12.	Carbon pricing and renewable energy policies leading to increased operating costs
		13.	Operational costs for maintaining climate information transparency and potential losses arising from insufficient transparency
		14.	Increased operating costs due to low-carbon requirements of international agreements and national policies
		Reputational Risks	15.



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In consideration of the degree of impact and occurrence time, as for short-term (within 3 years), we have identified two major climate-related risks, namely “extreme precipitation and drought” and “increased severity and frequency of extreme climate events”. For long-term (over 5 years), “Difficulty to attract investments due to poor low-carbon performance” and “increased operational costs caused by low-carbon directions in international agreements and national policies.”represents the higher impacts. We have therefore formulated contingency strategies and launched mitigation and adaptation actions to enhance climate resilience.

Risk factors	Risk types	Description of Impact	Response strategies
Extreme Rainfall and Drought	Physical	Impact on raw material yields, causing difficulties in raw material acquisition and increased costs	Diversify production sources and increase material preparation to enhance resilience of supply chains
		Extreme rainfall and drought cause unstable water quality and affect production processes	Increase the proportion of recycled and reused water resources, and add water purification equipment to ensure stable water quality and quantity
Increase of Severity and Frequency of Extreme Climate Events	Physical	Damage to equipment or personnel at operating sites, increase in operating costs	Assess the drought/flood risk in the plant area and formulate an adaptation strategy
		Increasing probability of disruptions of raw material production or supply, decrease in revenue	Diversify production sources and increase material preparation to enhance resilience of supply chains
Difficulty to Attract Investments Due to Poor Low-carbon Performance	Transition	Since international capital flows to enterprises with low-carbon operations, businesses with poor low-carbon performance have difficulty attracting capital	Formulation of low-carbon development strategies, execution of GHG inventories, and improvement of energy efficiency
Increase of operating cost due to low carbon direction of international agreements and national policies	Policy and regulatory risks	Governments and international climate agreements require the promotion of net zero transformation, such that the energy consumption cost is increasing	Conduct cost-effectiveness analysis to gradually replace old and obsolete energy-consuming equipment and plan renewable energy strategies

In order to enhance climate resilience, the Company not only mitigates risks, but also identifies potential opportunities in response to climate change. We considered the occurrence time of climate opportunities are long-term (occur over 5 years).

Opportunity factors	Description of impacts	Response strategies
Average rise in temperature	Research findings show that rising average temperatures will trigger allergies and increase demand for drugs and health products	Invest in R&D momentum for potential markets by continuously developing new products with innovative microbiome technologies.
Low-carbon Technology Transition	Low-carbon technology production reduces carbon footprint, reduces operating costs, and improves corporate reputation	Improve energy efficiency and plan for the use of renewable energy to strengthen ESG performance and competitiveness

Note: For details on product development using microbiome innovative technology, please refer to Section 3.1 New Drug Development and the Medical Devices section on the official website.

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Scenarios for Resilience

We assess physical and transition risks arising from the impact of climate change on business operations with reference to IPCC (Intergovernmental Panel on Climate Change) and AR6 (Assessment Report) methods. AR6 proposes the SSPs (Shared Socioeconomic Pathways) assessment method for climate change. This method is based on five narratives (scenarios) describing alternative socio-economic developments.

Scenario		Description
SSP1	Sustainability	The whole world views climate change as a material issue and makes an all-out concerted effort to mitigate its impact
SSP2	Middle of the Road	The world follows a path in which development trends do not shift markedly from current patterns
SSP3	Regional Rivalry	A resurgent nationalism or regionalism results in an economic development path characterized by an increasing focus on national/regional competitiveness and disregard of cross-regional environmental impacts
SSP4	Inequality	Increasing inequalities and stratification between developed, underdeveloped, and developing countries result in varying levels of concern for climate issues
SSP5	Fossil-fueled Development	Against the backdrop of increasing integration of global markets and successful resolution of numerous environmental issues, there is faith in the ability to realize sustainable development despite the ongoing exploitation of abundant fossil fuel resources

Physical Risk



Longtan Plant Flood Risk Map (NCDR)

Microbio adopts the disaster potential map of the National Science and Technology Center for Disaster Reduction (NCDR), and the flood potential caused by extreme rainfall exceeding the daily rainfall of 500 mm is used to conduct an overlay analysis with the Longtan Plant map. After the assessment, the Longtan Plant is currently not located in an area of flood potential during extreme rainfall and is considered a low-risk flooding area. At the same time, Microbio utilizes the AR6 statistical downscaling data provided by the Taiwan Climate Change Projection and Information Platform (TCCIP) to analyze the changes in the annual maximum temperature in the Longtan area under the SSP5.5 extreme scenario. In comparison to 2015, the highest temperature is 25.3°C, and it will increase to 27.6°C by 2050, and further to 31.4°C by the end of the century. The increase in average temperature will increase the electricity consumption demand of air conditioners of factories, and the probability of heatstroke and other heat-related injuries of employees will also be increased.



Longtan Area Annual Average Maximum Temperature Analysis (SSP5-8.5, TCCIP)

Note 4: According to the Taoyuan City Government's Evacuation Standard Operating Procedures, "flood-hazard potential areas" are defined as (i) areas where the flood-potential map indicates an inundation depth of 50 centimeters or more under a 24-hour, 500-millimeter rainfall scenario, and (ii) areas within the jurisdiction that have experienced major flooding in recent years

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The IPCC Sixth Assessment Report revealed that every increase in global temperature by 0.5° C causes statistically significant increases in the frequency and intensity of extreme temperatures, which includes heat waves and agricultural and ecological droughts. The chance of extreme heat waves, currently expected to occur once every 50 years, increases 39.2 times at a global warming level of 4.0° C. In other words, such heat waves will occur almost every year and their severity will increase.

We therefore simulate raw material hikes caused by extreme droughts and resulting cost increases based on worst-case scenarios and formulate mitigation and adaptation strategies accordingly.

Through independent R&D, Microbio has obtained Taiwan’s first oral cancer auxiliary new drug license for “MICRSOY” oral solution and the medical food “Symbiota”, both of which utilize a large amount of soybeans in their production processes. To provide consumers with healthy and safe products while also being environmentally friendly, we use soybeans meeting the international and Taiwanese “organic” standards, accounting for 32.8% of the total weight of our raw material purchase in 2024. Accordingly, the effects of physical climate risks on soybean crops have a direct impact on Microbio’s operations. To avoid supply disruptions caused by natural disasters, the factory has established a safety stock and utilizes contract-farming arrangements that ensure a stable supply of raw materials

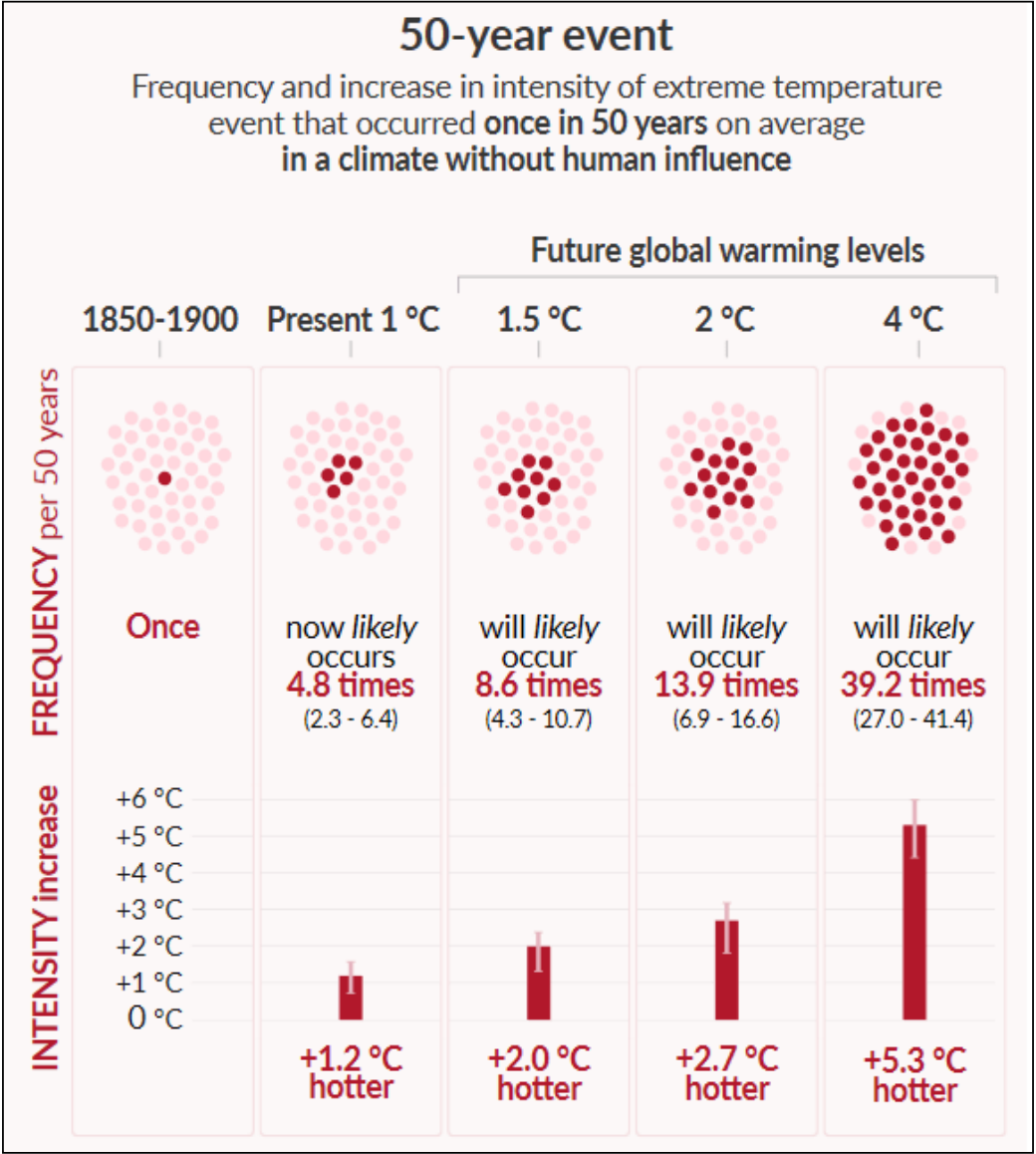


Image Source: Intergovernmental Panel on Climate Change (IPCC).

• Our strategy

- Diversify production sources and increase safety stock to prevent business disruptions.
- Assess the drought/flood risk in the plant area and develop adaptation strategy.
- Enhance supply chain ESG performance and strengthen supply chain resilience.

• Transition Risks

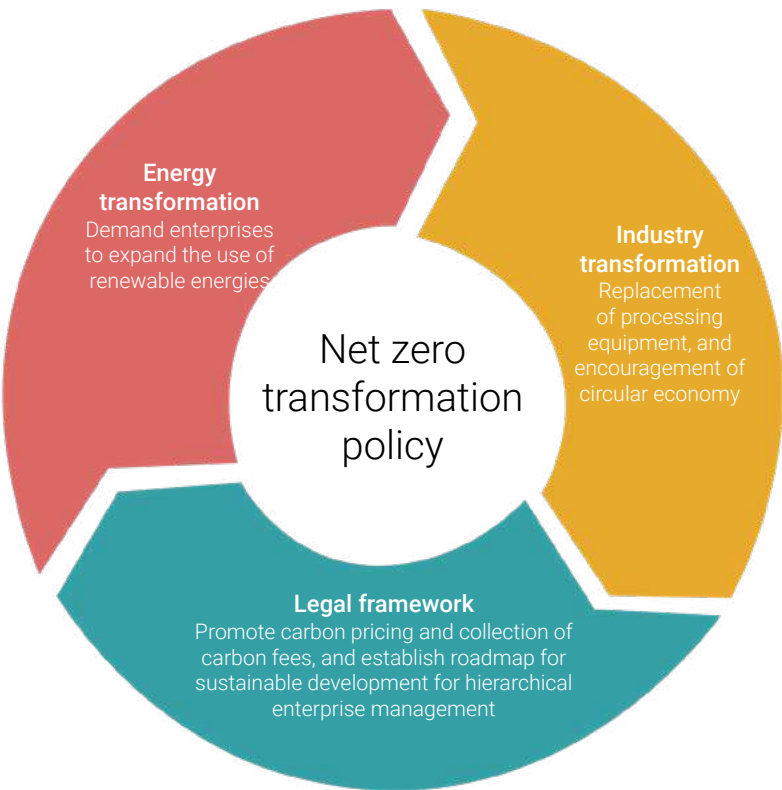
Autonomous analysis of potential financial impacts caused by transition risks by utilizing IPCC AR6 SSP1-1.9 carbon-reduction scenarios SSP1 represents the most sustainable development path. With a view to achieving the low-carbon environment as specified in this scenario, global emphasis on economic growth shifts toward a broader emphasis on human well-being. International capital therefore flows to businesses with excellent low-carbon and ESG performance. Based on a simulation of information transparency and carbon reduction achievements failing to satisfy the requirements of institutional investors, it can be surmised that we will face potential capital acquisition risks, which requires the formulation of contingency strategies.

In addition, to comply with the Paris Agreement, after the submission of INDC in 2015, the government further passed the “Climate Change Response Act” in 2023, explicitly specifying the achievement of the goal of net-zero emissions by 2050, and has also established four main strategies and two key foundations, in order to promote transformation. We expect the government to promote relevant policies and regulations based on the strategies and foundations, in order to conduct scenario simulations based on the INDC and to evaluate transformation risk.

• Microbio Strategy

Although Microbio is not part of an energy-intensive industry, we closely monitor global climate-related actions and policies. To reduce the impact of transition risks, we have adopted the following strategies:

- Assess the feasibility of use of renewable energies, prioritize the procurement of renewable energy for the Group’s Operation Center Zhongxiao Office, and the installation of solar panels on the rooftops of office building of the subsidiary Microbio (Shanghai).
- The Longtan Plant gradually replaces old and obsolete chiller units and also installs monitoring meters on equipment identified as high-energy consuming with potential for electricity savings. In addition, external third-party consultants were arranged to conduct energy diagnosis and analysis on the retail stores and logistics center of the subsidiary Cotton Field Organic, in order to identify areas of high energy consumption for energy-saving planning.
- Continue to promote a circular economy and increase the proportion of factory raw material waste recycling and reuse.
- We implement a timeline superior to the schedule requirements of the government’s sustainable development roadmap by including carbon emissions data of subsidiaries indicated in the consolidated statements in the inventory and completing assurance ahead of schedule.



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» Risk Management

In order to enhance the Company's corporate governance, establish an effective risk management mechanism, assess and supervise the risk-taking ability and the current risk management situation, the Microbio Board of Directors approved the "Risk Management Policies and Procedures" in 2020 as the Company's highest guiding principle of risk management. Through the policies and procedures, the Company integrates and manages various potential strategic, operational, financial and hazardous (climate change, regulatory compliance, market competition) risks that may affect operations and profitability ; it operates an early-warning mechanism and implements appropriate preventive measures, and—in the event of an incident—works to ensure continuity of operations.



The responsible units identify relevant risk factors, assess and analyze the potential impact of each risk on the Company's operations, develop and adopt measures to control risks within the Company's tolerable range. Audit Committee receives regular reports from the Risk Management Task Force and supervises the status of risk management execution by the Company and its material subsidiaries.⁵

Note 5: For more information, please refer to Section 4.4 – Risk Management.

» Metrics and Goals

• Emissions Reduction Target

In line with the government's 2050 net zero target, Microbio has taken active carbon reduction actions after completing the greenhouse gas inventory in 2021. For example, equipment at the plant has been replaced with ultra-low-temperature (ULT) freezers bearing the ENERGY STAR® label and using R-170 and R-290 refrigerants, which comply with environmental regulations effective after 2025. These new systems save electricity and reduce heat generation by 25% compared with traditional ones. From 2022 to 2024, the inventory process was carried out ahead of the schedule set by the Sustainable Development Guidemap for TWSE- and TPEx-listed companies, and the emission data of subsidiaries in the consolidated financial statement were included. Due to the inclusion of subsidiaries and office resource consolidation, changes in the organizational boundary occurred. Since the cumulative change exceeded the materiality threshold, we reset the baseline year to 2024. Microbio will continue to promote energy-efficient equipment replacement, evaluate the use of renewable energy and carbon credits, and gradually reduce carbon emissions. Using the 2024 emissions as the baseline, and taking both the parent company and its consolidated subsidiaries as the inventory boundary, Microbio sets the goal of reducing carbon emissions by at least 2% annually compared to the base year.

• Mitigation Measures

"80% of the environmental impact of a product is determined at the design phase." In order to take into account the health of human beings and the environment, our products are made using natural herbs as the main raw material. Compared to using chemical raw materials as the source, natural ingredients can reduce greenhouse gas emissions and environmental impact. In order to further reduce carbon, Microbio conducted product carbon footprint (PCF) assessments of the main products in 2021 and obtained a third-party verification from SGS in July 2022. As the first step of carbon reduction, product carbon footprint inventory enables Microbio to understand the emission hotspots in product life cycles and take effective improvement measures.



According to the carbon footprint analysis, the emission hotspots of Microbio occur in the electricity usage during the production stage. Consequently, we view the enhancement of energy efficiency as a key factor in reducing the carbon footprint. We will implement energy conservation measures such as making improvements to air conditioners, water recycling and air compressors. As of 2023, the Longtan Plant has replaced a 60RT water-cooled chiller that has been in use for more than 20 years. It is estimated that the annual power consumption of the Longtan plant can be saved by 6.8%, and the carbon emissions by 51.046 tCO2e. In addition, priority is placed on the procurement of renewable electricity for the Group's operations center through wheeling mechanisms, and the installation of rooftop solar photovoltaic systems at the offices and production plant of Microbio (Shanghai).

• Adaptation Measures

In the face of increasingly extreme weather phenomena and events, resilience against climate disasters is an important part of business operations. In preparation for future climate disasters, including extreme weather events (e.g., floods and typhoons) and high-temperature droughts which seriously impact supply and delivery and raw material yields, we have maintain a safety stock equivalent to six months of demand to guarantee the ability to replenish inventories. In addition, we adopt contract farming models with major raw material traders to reduce short-term price volatility and secure stable supply, and we diversify countries of import to avoid concentration risk from climate impacts in any single region.

• Carbon Emissions Analysis

Since 2021, Microbio has adopted ISO 14064-1:2018 for its greenhouse gas inventory, in order to identify emission sources using the operational control approach. Relevant inventory operations have been verified by a third party, in order to ensure the transparency and accuracy of carbon emission information. Since 2022, the inventory boundary has included subsidiaries, which is consistent with the annual consolidated financial statements. In 2024, DNV completed the verification according to ISO 14066:2011, ISO 14065:2020, and ISO 14064-3:2019. Please refer to Appendix 5 for detailed information on Scope 1 (direct emissions) and Scope 2 (energy indirect emissions) of each business location.

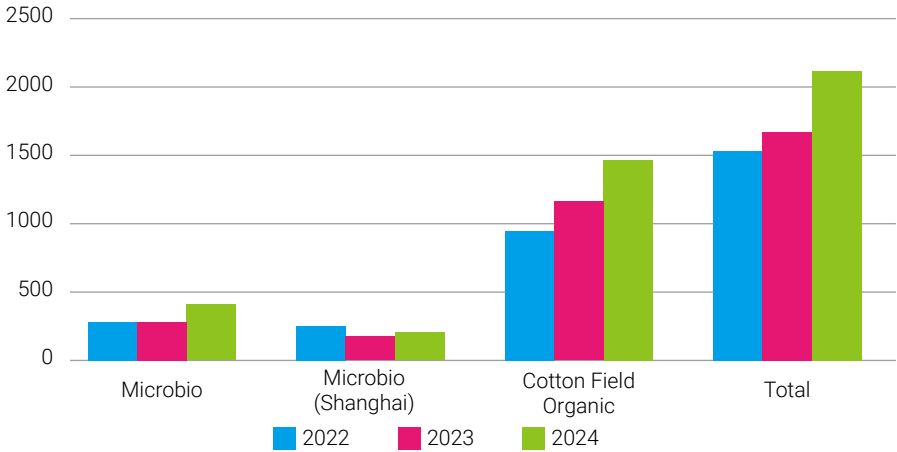
Greenhouse Gas Emissions of Microbio and Its Subsidiaries

	2022	2023	2024
Scope 1 Emissions (tCO ₂ e)	1,543.217	1,684.424	2,127.285
Scope 2 Emissions (tCO ₂ e)	5,207.114	5,354.093	5,286.971

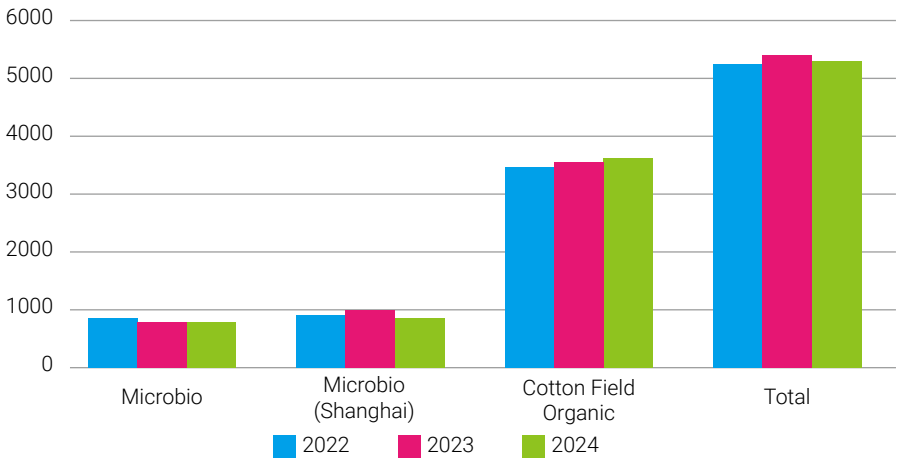
Scope 3 – Other Indirect Emissions

According to the product carbon footprint (PCF) life-cycle assessments for key products of Tien Chun Boo, Qing Ti Hu and MICRSOY, and based on the comprehensive consideration of the five significance principles— expected emissions, monitoring capability, reduction potential, risks and opportunities, and stakeholder concerns—we have selected five representative Scope 3 emissions sources for disclosure, "Product upstream transportation", "Business travel", "Operating waste", "Upstream leased assets", and "Licensing operation and franchise". We will also continue to review and expand the scope of disclosure annually.

Scope 1 Emission(tCO₂e)



Scope 2 Emission(tCO₂e)



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Summary of other significant indirect emission sources

Type (ISO 14064)	Name of indirect emissions (GHG Protocol)	Microbio	Cotton Field Organic
3	Transportation		
	Product upstream transportation/distribution		
4	Use of products		
	Business travel		
	Waste generated in operations		
6	Other indirect emissions		
	Upstream leased assets		
	Licensed operations and franchises		

Note: After evaluation, the indirect emissions of Microbio (Shanghai) did not meet the significance threshold.

The statistics for 2024 are as follows (emission coefficients and the basis for quantification are summarized in Appendix 5):

- Upstream transportation and distribution:** Based on the procurement list, the transportation distance from supplier's site to Longtan Plant, and vehicle type (marine or land transportation), total emissions were 2.588 tCO₂e
- Business travel:** For carbon emissions from business travel, domestic and international (flights, self-driving cars, and high-speed rail), total emissions were 40.781 tCO₂e
- Operating waste disposal:** Emissions estimation is made based on the waste disposal and transportation method at Longtan Plant, and the total emissions is were approximately 10.719 tCO₂e.
- Upstream leased assets:** The inspection of the air conditioning and public facility electricity in the offices of the parent company and subsidiaries indicates a total emissions of 180.229 tCO₂e.
- Franchise operating locations:** One additional franchise store was established in 2024, and the disclosure of Scope 1 and Scope 2 emissions indicates a total 129.414 tCO₂e of emissions.

Greenhouse Gas Emissions Statistics of Microbio and Its Subsidiaries (GHG Protocol)

Emission Category		Microbio	Microbio (Shanghai)	Cotton Field Organic	Total
Scope 1		422.535	221.890	1,482.860	2,127.285
Scope 2		785.243	890.307	3,611.421*	5,286.971
Scope 3	Upstream Transportation and Distribution	2.588	-	-	2.588
	Operational Waste	10.719	-	-	10.719
	Business Travel	34.233	-	6.548	40.781
	Upstream Leased Assets	139.009	-	39.894	178.903
	Franchising and Licensing	-	-	129.414	129.414
Total (Scope 3)					362.405

Note:* In November 2024, Microbio disposed of its equity in Microsoy International. Therefore, the greenhouse gas emissions from office electricity usage of Microsoy International before disposal have been included in Cotton Field Organic.

Greenhouse Gas Emissions Statistics of Microbio and Its Subsidiaries (ISO 14064-1:2018)

Emission Categories	Microbio	Microbio (Shanghai)	Cotton Field Organic	Total
Category 1 – Direct Emissions and Removals	422.535	221.890	1,482.860	2,127.285
Category 2 – Purchased Energy	785.243	890.307	3,611.421*	5,286.971
Category 3 – Transportation	36.821	-	6.548	43.369
Category 4 – Use of Products	149.728	-	39.894	189.622
Category 5 – Product-Related	-	-	-	-
Category 6 – Others	-	-	129.414	129.414

Note:* In November 2024, Microbio disposed of its equity in Microsoy International. Therefore, the greenhouse gas emissions from office electricity usage of Microsoy International before disposal have been included in Cotton Field Organic.

In addition, regarding GRI 305-6, our company does not use any ozone-depleting substances (ODS) listed in the Montreal Protocol during operations. Current refrigeration and air-conditioning equipment utilize unrestricted refrigerants and are regularly maintained to prevent refrigerant leakage; therefore, there is no record of ODS emissions.

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Carbon Reduction Measures

Process Decarbonization

Boilers which used on Very Low Sulfur Fuel Oil (VLSFO) as their main fuel source were the main energy consuming facilities of the Company in the past. With a view to reducing carbon emissions, a replacement and conversion program was launched in the third quarter of 2020 with the goal of replacing oil-fired boilers with gas-fired boilers, using Liquefied Petroleum Gas (LPG) as the fuel source . This program was completed in February 2021. Calculations based on IPCC carbon emission coefficients clearly indicate that this program has generated significant improvements in the field of GHG emissions, while still achieving equivalent heating values.

During the second quarter of 2023, the Longtan Plant replaced a 60RT water-cooled chiller that was in use for more than 20 years. It is estimated that the annual power consumption of the Longtan Plant can be reduced by 6.8%, and the carbon emissions by 51.046 tCO₂e. In addition, to further improve energy efficiency, the factory conducted equipment inventory and energy review during the fourth quarter of 2024. The review found equipment that consumed high amounts of electricity and for which electricity saving measures were feasible. Four pieces of equipment had independent monitoring meters installed in order to establish an energy baseline and performance indicators, which are annual ISO 14001 management goals.

Product Decarbonization

Herbaceous plants, which represent our main raw materials, generate fewer GHG emissions and environmental impacts than chemicals used for production processes.

In order to reduce the carbon emission during transportation, we gradually changed the packaged beverages from glass bottles to aluminum bags. As such as the product, 4-in-1 Supplement, if calculated per the same unit of sales, the weight of the glass bottle is about 490 kg, and the weight of the aluminum bag is about 1.5 kg, and the carbon reduction rate is 99.7%.

Emission factor at equivalent calorific value (kgCO ₂ e /GJ)	CO ₂	CH ₄	N ₂ O	CO ₂ e
VLSFO	77.4	0.082	0.164	77.65
LPG	63.1	0.136	0.027	63.26
Estimated benefits of the conversion program	18%	-66%	84%	19%

Note: VLSFO is based on Residual Fuel Oil as defined in IPCC 2006 Guidelines for National GHG Inventories (Volume 2, Chapter 2).

Office carbon reduction

To balance operational efficiency and the goals of energy savings and carbon reduction, Microbio regularly reviews its office space and resource allocation annually. By optimizing resource use efficiency, it not only enhances management performance but also effectively reduces energy consumption and operating costs. In addition, the Company prioritizes the procurement of environmentally friendly or energy-saving labeled products for the office area, in order to implement and support sustainable operations through actual actions.

In 2024, the two servers (HPE ProLiant DL380 Gen10) purchased for the operation headquarters' new information server room have received the U.S. ENERGY STAR certification. According to the official data of Energy Star, such servers are able to reduce energy consumption by approximately 30% compared to traditional models, and each unit can save over 650 kWh of electricity annually with the power management function activated, thereby effectively reducing carbon emissions.

To further strengthen the use of renewable energies, the Group also plans to increase its annual green electricity purchase ratio for its operating offices starting in 2025. The goal is to achieve 75% green electricity with respect to the total electricity consumption of the operation center and offices.

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• Energy Management Plan

In response to corporate governance evaluation and international sustainability disclosure trends, Microbio Group has launched an energy management plan and is gradually establishing the core elements in compliance with the ISO 50001 energy management system, which covers the aspects of energy audits, energy-saving actions, performance evaluations, and employee participation, in order to improve energy efficiency and to reduce greenhouse gas emissions. The Group's energy management plan covers the following key contents, which are classified and explained according to the energy management system, strategy development, and action plan:

(1) Energy review and audits:

- Since 2022, the Group has commissioned professional teams to conduct energy consumption analysis on the air conditioning, cold chain, and lighting equipment of its manufacturing and retail locations, including the Longtan Plant, Cotton Field Organic Qidu Logistics Center, and the Roosevelt retail store.
- The recommended measures include chiller replacement, cooling system defrost optimization, installing variable-frequency drives (VFDs) on air compressors and chilled-water pumps, and a proposal for the introduction of the Energy Management System (EMS) to enhance monitoring.
- Some of these items have been introduced based on technology maturity and cost-effectiveness. The remainder are listed in the medium- to long-term plans for further implementation depending upon operating conditions.

(2) Energy-saving targets:

- Establishment of 2025 energy-saving goals for the Longtan Plant: reduce annual electricity consumption by 3% in comparison to electricity consumption in the base year, 2021;
- The Group has also set the long-term goal of annual carbon reduction of 2% with the base year of 2024 and increase of the use of renewable energies, covering both the parent company and subsidiaries indicated in the consolidated financial statements.
- Although a complete energy baseline has not yet been established, we will continue to promote a comprehensive assessment of the electricity consumption structure and to further refine our goals.

(3) Energy-saving actions and performance evaluation:

- In 2023, old and obsolete 60RT servers exceeding 20 years of use at the Longtan Plant were replaced. This is estimated to reduce annual electricity consumption by approximately 6.8%, offsetting carbon emissions by 51.046 metric tons of CO₂e;
- In 2024, the Longtan Plant has also installed electricity monitoring meters on four systems selected based on their high electricity consumption and energy-saving potential, to be used as the basis for subsequent energy management system planning and tracking of energy-saving performance;
- From January to February 2025, the logistics center of Cotton Field Organic optimized the cooling defrost settings by extending the defrost frequency from 4 hours to 8 hours and reducing the defrost time from 40 minutes to 20 minutes. This results in an annual electricity consumption reduction of approximately 2,000 kWh. Subsequent performance will be monitored during the

summer to evaluate the effectiveness of these changes;

- The Company evaluates the effectiveness of energy-saving equipment annually by assessing the Taiwan Power Company's electricity bills and the actual usage curves, and gradually establishes key system monitoring data, in order to be used as the basis for making adjustments to the action plan.
- The Group has also set long-term goals for renewable energy use: With 2024 set to be the base year, the scope covers the parent company and subsidiaries included in the consolidated financial statements, and we expect to reduce carbon emissions by at least 2% annually starting in 2025. As part of our climate strategies and greenhouse gas reduction actions, we will also increase the proportion of renewable energy consumption.

(4) Innovation and R&D investment:

- Considering budget and scale limitations, the Group has not yet adopted large-scale energy-saving technologies. Currently, the focus is mainly on low-capital improvements and optimization of cooling defrost parameters and replacement of servers. Subsequently, the Group will continue to assess potential items and adjust the implementation strategy based on operating conditions and cost-benefit analysis.

(5) Energy efficiency training:

- Longtan Plant regularly organizes energy-saving and environmental training courses, and also emphasizes proper equipment operation and electricity-saving behaviors;
- Retail stores organize cold chain equipment operation training based on internal SOPs, covering the aspects of defrosting, temperature control, and access control management, in order to enhance the energy-saving awareness of entry-level staff.

(6) Introduction of green energy:

- Presently, green energy is still under the feasibility evaluation stage. In 2025, the Group will consider the purchase of renewable energy to supply electricity for the operation center and office area first, and also plans to install rooftop solar panels at the office and production plant of the subsidiary Microbio (Shanghai). According to the current assessment data, solar power generation in the plant area can reach 23–24% (weekdays) and 29% (weekends) of the total electricity consumption. The total installed capacity is 344.4 kW, distributed across three buildings. Detailed design and implementation will be subsequently conducted based on building structure, sunlight conditions and regulatory requirements.

• Energy Consumption Analysis

The main energy consumed by Microbio and its subsidiaries is electricity, accounting for 88.49% of total energy consumption. We didn't use any renewable energy sources or sell energy to external parties in the reporting year. Detailed information on energy consumption at each site can be found in Appendix 5.

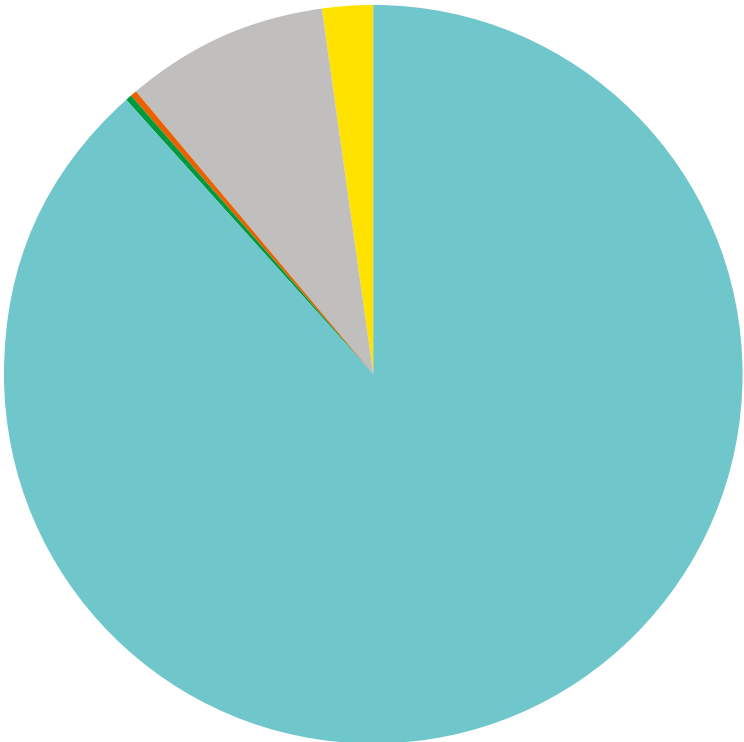
Energy Usage Trends of Microbio and Its Subsidiaries Over the Years

Energy Categories	2021	2022	2023	2024
1. Total Non-Renewable Energy (MWh)	3,099.365	12,818.570	13,572.386	14,301.420
-1.1. Microbio (MWh)	3,099.365	2,847.499	2,797.004	3,296.399
-1.2. Cotton Field Organic (MWh)	-	7,720.890	8,334.271	8,789.391
-1.3. Microbio (Shanghai) (MWh)	-	2,250.181	2,441.111	2,215.630
2. Total Renewable Energy (MWh)	0	0	0	0
Data Coverage (calculated based on the paid-in capital according to consolidated financial statements)	66.76%	100.00%	100.00%	100.00%

Note: Since 2022, subsidiaries Cotton Field Organic and Microbio (Shanghai) have conducted greenhouse gas inventories and energy analyses. Energy usage data for Cotton Field Organic from 2022 to 2023 also include Microsoy International.



Energy assessment for Microbio and Subsidiaries



- Electricity 88.49%
- Liquefied Petroleum Gas (LPG) 0.33%
- Natural Gas 0.07%
- Diesel 8.96%
- Gasoline 2.15%

7.3 Water Resources Management

The Company's operating sites in northern Taiwan (e.g., Taipei Office and Taoyuan Longtan Plant) are located in areas of "low" water stress level according to Aqueduct assessment tool of the World Resources Institute (WRI), meaning that a relatively balanced overall water demand and supply has been achieved. The water for the Taipei area is supplied by Feitsui Reservoir, and the water source is stable with no record of water shortage in the past years. Longtan Plant primarily uses groundwater, and there is no immediate risk in the short term; however, it is still necessary to monitor the potential risks associated with over-extraction and policy restrictions. On the other hand, the subsidiary's manufacturing facility located in the Songjiang District of Shanghai, China, is situated in a "high water stress area" assessed according to WRI, indicating that the water resources in the area face intense competition and the stability of the water supply is lower, such that it is likely to be affected by water restrictions or supply interruption, causing potential challenges to the Company's operational continuity.

Although the annual average rainfall in Taiwan is approximately 2,500 mm, 2.6 times the global average, the country still faces a high risk of water shortage due to its steep terrain and concentrated population, resulting in per capita water availability being only 1/5 of the global average. In response to the differences in regional water resource risks, the Company not only continues to promote water saving measures and diverse water consumption strategies, but also incorporates "production flexibility" into the risk management consideration. When a specific location experiences water shortages or regulatory restrictions, production capacity can be allocated across factories to flexibly adjust production deployment. For example, priority can be given to the Longtan Plant, which has a relatively stable water supply, so as to reduce the risk of potential supply interruptions or delivery delays, thereby enhancing overall operational resilience and sustainable competitiveness.

Water resource risk assessment for operating locations

Location	Area	Water withdrawal source	WRI Aqueduct water stress rating	Potential risk	Management approach
Taipei office and retail stores	Taipei City	Tap water (Feitsui Reservoir)	Low	Water source is stable with no record of water shortage in past years; however, Taiwan is a country with a high risk of water shortage	Monitor water conditions, and implement daily water-saving management.
Longtan Plant	Taoyuan Longtan District	Groundwater	Low	The plant does not rely on surface water; however, it is necessary to be aware of the policy risks of excessive groundwater extraction and potential future water withdrawal limitations	Manage water-use efficiency, regular water quality monitoring, and regulatory monitoring
Microbio (Shanghai) Headquarters and Songjiang Plant	Songjiang District, Shanghai	Tap water (local water plant)	High	The region where the headquarters and plant are located is a high-stress water area, and competition for water resources is intense. Potential risks include water use restrictions and interruption of the water supply.	Promote water-saving improvement projects, assess the feasibility of water reclamation and other solutions.

• Water Withdrawal and Water-Resource Management

Water is an indispensable key factor for Microbio's operations, from the planting of raw materials, water usage for the production process, to R&D experiments, which all require stable water resources. In order to tackle the potential water shortage challenges in the future and make a substantial contribution to SDG 6's "Ensure availability and sustainable management of water and sanitation for all", we are committed to promoting excellent water resource management. This includes water recycling and strict drainage water treatment measures. To enhance water saving and water-use management, Microbio regularly collects water-use data and implements comprehensive water monitoring. The main source of water consumed by Longtan Plant is groundwater for production and cooling processes. Groundwater is withdrawn in compliance with permits issued by the Taoyuan City Government, and the plant regularly reports withdrawal amounts and conducts water quality testing as required. Although it is not a traditional municipal water source, the plant treats groundwater as a precious resource and manages it effectively. In recent years, we have continued to implement pipeline leakage repair, water-tank recovery, and equipment water-saving optimization measures to improve water-use efficiency and alleviate water resource stress. The feasibility of introducing reclaimed water has been assessed; however, based on the consideration of the installation cost, reclamation conditions, and expected benefits, it is not yet economically feasible in the short term and has not yet been included as part of the items for recent implementation. We will continue to monitor policy trends and technological developments and perform reviews regularly. The following is the water resource statistics for Microbio and its subsidiaries over the past years. Please refer to Appendix 5 for details on water withdrawal and sources of each business location.

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Historical Water Resource Statistics of Microbio and Its Subsidiaries (Unit: Million Liters)

Location	2021			2022			2023			2024		
	Withdrawal	Discharge	Consumption	Withdrawal	Discharge	Consumption	Withdrawal	Discharge	Consumption	Withdrawal	Discharge	Consumption
Microbio	12.033	4.617	7.416	12.986	4.517	8.469	9.020	5.227	3.793	16.763	6.450	10.313
Microbio (Shanghai)	10.734	-	-	6.909	-	-	8.275	8.275	0	6.180	6.180	0
Cotton Field Organic	-	-	-	13.290	13.290	0	14.017	14.017	0	14.045	14.045	0
Total (Raw Sum)	22.767	4.617	7.416	33.185	17.807	8.469	31.312	27.519	3.793	36.988	26.675	10.313
Total (Based on CSA Formula)	18.150			15.378			3.793			10.313		
Coverage Rate (Consolidated Paid-in Capital Basis)	66.76%			100.00%			100.00%			100.00%		

Note 1: According to the S&P Global Corporate Sustainability Assessment (CSA) equation, if the complete water resource statistics are not available: Total Water Consumption = Total Water Withdrawal - Total Water Discharge.

Note 2: No statistics are available for the Nangang Office since the Building Management Unit didn't provide any water fee information.

Note 3: The operation center of Microbio has been relocated from the Xinyi Office to the Zhongxiao Office since January 1, 2024.

Note 4: Water consumption statistics for Cotton Field Organic have been tracked since 2022. The water consumption data for some of the retail stores is included in the rent and cannot be separated for statistical purposes. The water resource used by Cotton Field Organic's headquarters, retail stores, and logistics center is primarily domestic water, and withdrawal is deemed equal to discharge.

Note 5: Some production activities continued at Microbio (Shanghai) between 2021 and 2022; however, complete water resource data was not available, such that the water drainage volume and water consumption volume were not disclosed. It has been converted to office and R&D use since February 2023, and the water resource consumption primarily refers to domestic water, and withdrawal is deemed equal to discharge.

In 2023, due to a decrease in the production of the Longtan Plant, four abnormal water leakage points in the plant area were repaired, including the leakage repair of the water replenishment pipeline of the 6-ton water tower, the repair of the cracked bottom of the cooling water tower, the leakage repair of the RO water dispenser system, and the water backwash bucket inflow. Floating balls were repaired, so water consumption was reduced by 31.94% compared to the previous year. The underground pipeline leakage at Microbio (Shanghai) has been repaired after routine data monitoring and comparison with the data of the same period. In 2024, Longtan Plant's capacity utilization rate increased such that the water consumption also increased. The Factory Affairs unit performed routine equipment inspections, and no abnormalities were found. Water resource management is also one of the Company's climate risk adaptation measures and is integrated with the flexible design of production line relocation, in order to ensure operational resilience and to reduce the risk of water supply interruption.

Wastewater Discharge and Water Pollution Prevention

In order to mitigate the potential environmental impact of the operations, the wastewater treatment of Microbio complies with the requirements of environmental laws and regulations. Wastewater from the Xinyi and Nangang locations is discharged into municipal sewages for treatment. Longtan Plant operates in accordance with legal requirements and commissions an independent third party to conduct effluent quality testing every six months. Domestic wastewater from the subsidiary Cotton Field Organic and the Group's office facilities is directly discharged into the municipal sewer system. As such, discharge volumes are not separately recorded. According to GRI 303-4 Standards, for office water with negligible evaporation and consumption, water withdrawal volume can be reasonably considered to be equivalent to water discharge volume. Consequently, this report estimates the water discharge volume based on actual water withdrawal volume. Since there was no production activity at the Microbio (Shanghai) headquarters and the Songjiang Plant during the reporting period, the water drainage volume was estimated based on actual water withdrawal volume, and wastewater quality met the required standards and was discharged to the Songjiang sewage treatment plant. Wastewater volumes and discharge destinations for each site are detailed in Appendix 5.

• Water Resource and Bio-Diversity

It has been determined upon assessments conducted with the aid of IBAT (Integrated Biodiversity Assessment Tool) that the Microbio Longtan Plant is located in an environmentally non-sensitive area with no environmental protection areas, nature reserve areas, or major wildlife habitats within a radius of 10 kilometers. Direct impacts on biodiversity have therefore been ruled out. On the other hand, Microbio is deeply aware of the fact that water and biodiversity are closely intertwined and that water resources are crucial for the normal functioning of ecosystems. Since the Longtan Plant discharges water into the receiving water body, Xiaoli River, Microbio focuses on water resource management as a top-priority measure to maintain biodiversity in the vicinity of the plant and avoid indirect impacts on the river ecosystem.

Microbio conducts waste and sewage treatment in high standards. The drugs and health products produced by the Longtan Plant has no heavy metals or harmful chemical substances are included in the production process. Pollutants are prevented from entering the discharged water from the source. The use of the Upflow anaerobic sludge bed treatment (UASB) and the BioNET systems developed and designed by ITRI allows wastewater to be treated by biological methods to reduce the use of chemicals, and achieves the goal of zero impact on natural water bodies.

The subsidiaries Cotton Field Organic, Microsoy International, and Microbio (Shanghai) are all situated in environmentally non-sensitive areas. Their effluents conform to local laws and regulations and don't generate any negative impacts on biodiversity and water resource protection. Cotton Field Organic also promotes products of "organic agriculture", "vitality", "product traceability", and "sustainable seafood" through product quality declarations and product selection standards. The aim is to emphasize support for friendly farming practices and conservation-oriented aquaculture certifications as a practical strategy for retailers and consumers to jointly participate in biodiversity protection.

In addition, the photocopy paper used in Microbio operation center Zhongxiao office meets the PEFC (Programme for the Endorsement of Forest Certification) standards, ensuring that the papers come from sustainably managed forests and supports responsible forest protection and biodiversity conservation. The subsidiary, Cotton Field Organic, launched a newly developed organic product, Symbiota, in 2024. The product's packaging uses colorful boxes certified by the Forest Stewardship Council (FSC), demonstrating the Group's commitment to sustainable packaging and biodiversity protection. Through these international certification systems, the Group is committed to avoiding excessive deforestation and destruction of endangered species' habitats, supporting the health and integrity of forest ecosystems, and promoting the realization of the goals of overall biodiversity conservation.

In addition to the continuous implementation of ecological-friendly actions within the scope of its own operations, we also actively support the United Nations Convention on Biodiversity. In 2023, we formulated a biodiversity policy, which was officially released in 2024 after the Chairman's signature approval. Execute biodiversity risk assessment and engage and communicate with stakeholders, committed to creating positive biodiversity value and mitigating impacts on biodiversity.

To strengthen its sustainable initiatives of the upstream production end, the subsidiary Cotton Field Organic organized the first "Golden Cotton Award" event in 2024 as a way recognizing farmers and organizations demonstrating outstanding achievements in ecological conservation, sustainable agriculture, and circular economy practices. The event also covered award categories like "Ecological Conservation" and others, emphasizing the importance of biodiversity conservation and sustainable farming practices. The event also received guidance and recognition of expert review mechanism from the Agriculture and Food Agency, Ministry of Agriculture. Through the systemic initiative and benchmark selection of the Golden Cotton Award, distribution channels will gradually enhance the ability to identify sustainability risks and provide positive incentives to the upstream agricultural supply chain. In terms of the biodiversity dependency risk assessment, Microbio has preliminarily identified that its pharmaceutical and health food production processes are highly dependent on clean water sources and a stable supply of raw materials (such as medicinal plants). In the future, the Company will follow the principles outlined in the policy to progressively conduct an inventory on current ecological resource use status, to identify the level of dependency and to evaluate alternative solutions, in order to use such information as reference for internal resource management and stakeholder communication.

7.4 Packaging Materials Management

In the face of global resource shortages and plastic pollution issues, countries around the world are promoting the Extended Producer Responsibility (EPR) system, requiring manufacturers and brand owners to bear the management responsibility for the entire lifecycle of packaging, including environmental considerations during the design stage, the establishment of recycling mechanisms, and the improvement of recycling effectiveness. The (European Union) EU passed the draft amendment to the "Packaging and Packaging Waste Regulation" (PPWR) at the end of 2023, setting the goal for all packaging to achieve the "Recyclable Design" by 2030, and to gradually increase the proportion of recycled materials used. The United Nations (UN) is also drafting the "Global Plastics Treaty", requesting enterprises to take action in the reduction of plastics and increase of recycling. In 2022, Taiwan's Ministry of the Environment issued the "Guidelines for Packaging Reduction in Internet Shopping", requiring packaging materials used by large-scale e-commerce retailers to meet the principles of reduction, to be recyclable, and to be non-toxic. Since 2023, the Ministry of Environment has officially included e-commerce businesses of a certain scale to be under the government's management scope, and also requires enterprises to implement packaging reduction measures in accordance with the guidelines, including:

- The number of e-commerce shipments, the weight of packaging materials, and the method of use shall be disclosed annually.
- Recyclable or reusable materials (such as recycled cartons, cushioning materials, and eco-friendly tapes) shall be used in priority.
- Excessive packaging and disposable plastics shall be reduced.
- Recycling and reuse mechanisms (such as recycling bins and reusable bags) are encouraged.

The Group actively responds to the above trends and promotes packaging reduction and reuse plans in stages according to the operational roles of the parent company and its subsidiaries. The manufacturing end is handled by Microbio to focus on the introduction of lightweight and recycled materials during product packaging design. The retail end is promoted by Cotton Field Organic to strengthen the plastic reduction actions and recycling and reuse mechanisms for logistics, retail stores and e-commerce shipping, etc., in order to fully implement the goal of a circular economy.

• Packaging management commitment

To demonstrate its commitment to sustainable packaging management, the Group has established the following specific management goals for the production end and the distribution end:

Item	Commitment content	Starting year	Achievement deadline / progress	Applicable subject
Packaging weight reduction goal	Cotton Field Organic sets 2023 as the base year, and the goal is to achieve a 35% reduction in the average weight of the packaging materials used by e-commerce operators by 2026.	2023	12% achieved in 2024	Cotton Field Organic (retail)
Use of recycled materials	- Paper packaging: Recycled paper pulp >90% (Microbio and Cotton Field Organic) - Glass bottles: Recycled content ratio shall not be less than 50% (Microbio) - Cushion/plastic boxes & bags: Recycled materials >25% (Cotton Field Organic's e-commerce operators)	Long-term	Under continuous implementation	Depending on the material
Introduction of certified materials	Introduction of FSC-certified color boxes since 2024	2024	Under implementation	Microbio and Cotton Field Organic
Prohibition of hazardous packaging materials	Prohibition of all packaging materials containing harmful substances such as PVC	Long-term	Continuous compliance with laws and regulations	Microbio and Cotton Field Organic
Plastic reduction and alternatives	- No provision of disposable plastic bags; - Promote customers to bring their own bags; - Comply with the Plastics Reduction Guidelines of the Ministry of Environment in Taiwan.	Long-term	Under continuous implementation	Cotton Field Organic (retail)

• Packaging Reduction Measures at the Production Stage

- As the manufacturing core of the Group, Microbio continuously advances packaging management through two approaches: reducing packaging materials from the design stage and incorporating recycled materials.
- **Glass bottles (100% recyclable; ~50% recycled content):** Proprietary health products use 100% recyclable glass bottles, with a virgin-to-recycled material ratio of approximately 1:1.
 - **High Recycled-Content Cartons:** Product outer cartons are made with over 95% recycled pulp.
 - **Carton Weight Reduction Project:** In 2023, a carton lightweighting assessment was initiated. After passing drop tests and quality inspections, the lightweight cartons were fully adopted. By 2024, material weight was reduced by 6.3%, saving approximately 0.844 metric tons of paper.

• Packaging Management for Retail and E-Commerce

With a retail brand centered on organic, green, and environmentally friendly values, Cotton Field Organic actively pursues packaging decarbonization and circularity, and implements the "Targets and Measures for Restrictions on Internet Shopping Packaging" announced by the Ministry of Environment in Taiwan, in order to optimize the packaging efficiency across all operations from retail stores to logistics. Since the fourth quarter of 2021, the packaging for organic vegetables has used 100% environmentally friendly and biodegradable materials, in order to effectively reduce the environmental impact of single-use plastic packaging. We also continue to assess the packaging materials used for all products and promote the carbon reduction action of "no over-packaging". Our physical retail stores do not actively provide paper bags, and the packaging policy primarily focuses on the e-commerce shipping stage. In addition, our scope of packaging commitment excludes products delivered directly by suppliers. These products retain their original manufacturers' packaging, and the Group provides guidance and promotes the packaging policy only. The Cotton Field Organic's performance in e-commerce packaging management measures and lightweight design are summarized in the following:

Shipping type		Packaging use characteristics		Sustainable management measures		
Home delivery (company's own logistics center)		High consumption amount of cartons, tapes and cushioning materials		Promote lightweight cartons, use recycled paper materials, and reduce the use of cushioning materials or replace them with environmentally friendly alternatives		
Self-pickup (retail stores)		No additional packaging required		Encourage consumers to bring their own bags; retails stores provide no free plastic bags		
Direct delivery from suppliers		Manufacturer's packaging, and without the Group's packaging materials		Promote suppliers to follow plastic reduction principles and to use recyclable or environmentally friendly packaging materials in priority		
Selected stores with express delivery		Products are shipped from retail stores and delivered by the delivery platform		Retail stores are encouraged to use simple and recycled cartons for packaging and to cooperate with delivery personnel to use their own boxes, in order to prevent excessive packaging or use of disposable packaging materials		

Year	Number of shipments	Total weight (g)	Average weight (g/case)	Papers (Cartons) (g)	Plastics (Tapes/cushioning materials) (g)	Average weight reduction ratio
2023 (Base year)	7,464	1,758,612	235.6	1,551,878	199,294	-
2024	18,778	3,904,481	207.9	3,448,939	455,542	12%

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7.5 Food Loss & Waste (FLW) and Waste Management

As natural resource shortages and waste generation from natural resource extraction and linear economic models become more severe, enterprises are facing growing regulatory pressure and demands for social responsibility. Microbio Group includes the parent company Microbio (specialized in manufacturing) and the subsidiary Cotton Field Organic (specialized in retail channels). Both companies promote surplus food and waste management according to their own operational characteristics, in order to support the circular economy philosophy and to actively introduce a management system centered on reduction, classification, and reuse, thereby achieving the goal of maximizing resource efficiency and reducing environmental impact.

According to the general definition of "Food Loss and Waste" (FLW) of the international community, surplus food can be regarded as part of waste management, especially "food waste" generated during the retail and consumer stages. Under GRI 306: Waste (2020), these waste types fall within the scope of disclosure. "Food Loss" typically occurs at the front end of the supply chain (e.g., during harvesting, storage, or transportation), whereas "Food Waste" generally refers to edible food discarded at the retail and consumer stages. In terms of the nature of operations of the Microbio Group, only its subsidiary Cotton Field Organic is in the retail business. Near-expiry, expired, or damaged foods generated during its sales and logistics processes are within the scope of "Food Waste" according to the international definition. The soybean residues and Chinese herbal medicine residues generated by Microbio are byproducts of the health food production process and are not edible food; therefore, they are not included in FLW statistics.

This chapter will describe the Group's integrated management objectives, operating structure, the sources and treatment methods of surplus food at each stage (i.e., food waste generated during the retail stage), and the management and reuse performance of various types of waste.

• Management Policy and Framework

Based on the lifecycle approach, Microbio Group promotes the management of food loss and waste (FLW) and waste (general and hazardous industrial waste) through its parent company, Microbio (specializing in health product manufacturing) and its subsidiary Cotton Field Organic (specializing in retail) according to their respective business characteristics. However, according to international FLW definitions, only food waste generated at the retail stage by Cotton Field Organic is included in the scope of food waste statistics and management. The soybean residues and Chinese herbal medicine residues generated during the manufacturing processes of Microbio are byproducts of health foods and are not edible food; therefore, they are not classified as food waste. The Company establishes unified management framework and classification standards to quantify and disclose discarded retail products and factory wastes according to their sources, characteristics and methods of disposal.

Four main management goals:

- 1. Ensure that the storage, collection and transport, and treatment/disposal of waste comply with applicable laws and regulations.
- 2. Enhance resource efficiency through reduction, recycling, and reuse.
- 3. Continue to promote zero-waste to landfill and circular-economy principles to reduce environmental impact.
- 4. With 2023 as the base year, increase the raw material waste recycling rate by at least 1% annually, and achieve a recycling rate of at least 70% by 2030.

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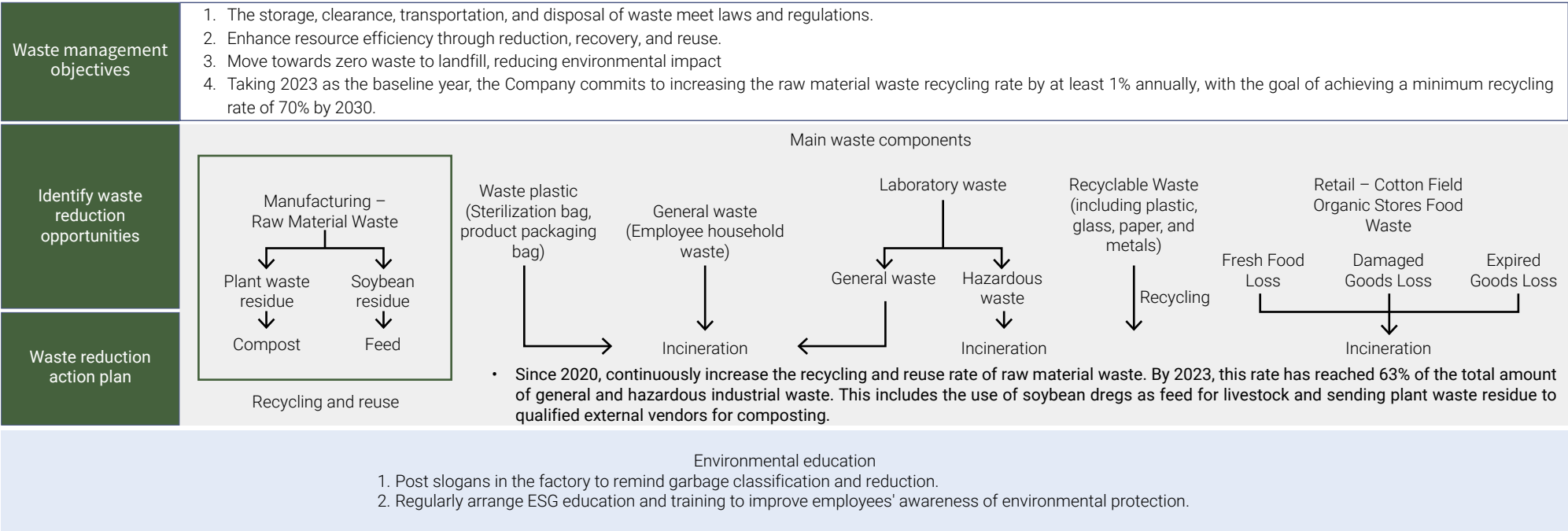
The following figure illustrates the sources, classification and disposal methods for overall wastes and surplus food generated by the Group's manufacturing and retail operations, and the statistics and management boundary specified for the food waste of Cotton Field Organic is also presented simultaneously. The boundary covers all raw materials, semi-products and products of the Group's manufacturing and retail stages. The manufacturing end mainly refers to plant-based wastes such as soybean residues and Chinese herbal medicine residues, whereas the retail end mainly refers to fresh food loss, damaged products and expired products. All types of food waste are equipped with comprehensive statistical and tracking mechanisms. Loss during the logistics stage and the surplus food of the consumption end are excluded, and waste during logistics and inedible or non-food waste (such as packaging materials and domestic waste) are also excluded, in order to ensure statistical consistency and comparability.

- The manufacturing end mainly refers to plant-based waste (soybean and herbal medicine residue) that are reused as feed and compost.
- Other waste (e.g., waste from laboratories, domestic waste, waste plastics from packaging) are classified according to their nature for incineration or recycling processes;
- The food waste from the retail end includes fresh food loss, damaged products and expired products, which are disposed of through incineration after being discarded according to the retail stores' SOP process.

The manufacturing and retail ends also simultaneously promote "Identification of waste Reduction Opportunities", "Waste Reduction Action Plan" and "Environmental Education", in order to strengthen source management and total participation.

The management framework is designed with reference to the principles of the FLW Standard, and management types are classified according to the characteristics of food manufacturing and retailing, along with the internal scrap SOP, reuse system, and outsourced treatment process, in order to implement strategies for source prevention, mid-stream reuse, and end-of-life disposal.

Note: Food waste of retail end is currently the only category included in the FLW statistics.



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• Surplus Food (FLW) Management and Commitment

Microbio has established a commitment and implementation strategy for managing surplus food, which includes monitoring systems, reduction actions, and reuse applications. In addition, the Company also gradually establishes quantitative goals and schedules, and relevant management mainly focuses on the scope of food waste during the retail stage. Core practices include:

- The system for monitoring and quantifying food loss and waste (FLW) has been established
- Continue to promote total volume reduction, and improve promotion and classification of waste management
- Statistically analyze and disclose of total food waste at the retail end for the first time, and initiate source hotspot analysis to serve as a basis for future target setting;
- The retail end collaborates with upstream suppliers to optimize replenishment and nearly expired product adjustment strategies, in order to reduce sales loss;

To enhance disclosure transparency and assessment management outcomes, a system for tracking surplus food weight and categorizing the purpose of use is established. The following key indicators are summarized to be used as the basis for annual performance management:

Indicator item	Unit	2024
A) Total food loss and waste	tons	28.7
B) Total amount of alternative use and reuse	tons	0
A-B) Actual scrap and loss amount	tons	28.7
Data coverage	Revenue coverage ratio (%)	100%

Note: Approximately 4% of the scrapped items are excluded from the statistics due to the lack of weight information and inventory records, of which, approximately 80% refers to fresh vegetables and fruits.

The retail end focuses on the near-expiry scrap and classification handling of fresh products, damaged products and expired products. Before the scrap process, we also promote multiple food conservation measures to postpone or avoid scrap, including providing discounts on nearly expired products, transferring short-shelf-life products for employee welfare purchase, and returning parts of items to suppliers according to the contract terms. According to the POS system records, the total surplus food loss in retail stores in 2024 was 28.7 tons, mainly from scrap of fresh products (26.4 tons). The scrap process is performed according to the internal SOP regulations, including nearly expired product promotional sale management, off-shelf classification, photography for evidence and application operations. The operations department reviews scrap data monthly and investigates and any abnormal losses and creates subsequent improvement plans. In addition, Cotton Field Organic also actively develops the nearly expired product adjustment mechanism and supply prediction logic, and plans to complete the surplus food source hotspot analysis in 2025, in order to be used as the basis for establishing the reduction goal.

• Waste management and reduction actions

The Group has established internal processes and classification principles for waste management. The manufacturing implements waste disposal and reporting in accordance with regulations, while the retail incorporates greater management measures related to waste classification, treatment, and loss in practice since product scrap is highly linked to revenue. Specific actions include:

- The retail end regularly takes inventory on the scrapped items and their weights in order to be used as a basis for stock replenishment and nearly expired product adjustment strategies, thereby achieving both loss reduction and waste minimization at the same time;
- Waste registration and classification are performed monthly by each retail store of Cotton Field Organic according to the SOP. The operation team summarizes the data to track and provide feedback on abnormal losses, in order to promote continuous internal tracking and optimization of waste reduction measures;
- Establishment of quantitative goals at Group level: With 2023 as the base year, the goal is to increase the raw material waste recycling rate by 1% annually and to reach 70% by 2030;
- Continue to invest in the research and development of packaging material reduction and alternative designs, such as introduction of recyclable materials, reduction of basis weight, and optimization of the recycling process;
- Retail store personnel regularly receive standard operation procedure training related to waste disposal procedures, with the training focus on managing nearly expired products, scrap applications, and recording operations, in order to strengthen personnel awareness on loss and to improve operational efficiency;
- The manufacturing end has established a basic waste classification and recycling system, and the environmental safety unit regularly reviews the disposal list and reporting documents, in order to ensure compliance with regulatory requirements. Most of the retail locations are located in the Greater Taipei Area and primarily comply with the local government waste and resource recycling regulations;

In addition, some by-products, including soybean residues and Chinese herbal medicine residues, are generated during the manufacturing process; however, they are not used in the final product; Although such residues are not considered within the scope of food loss according to the FLW definition, Microbio has established a proper treatment system, such that soybean residues are recycled and reused by livestock farmers as feed, and Chinese herbal residues are processed by compost plants for resource treatment. The treatment volumes in 2024 were 54.27 tons and 6.93 tons, respectively, both of which have been incorporated into the reuse system, thereby realizing the principle of resource recycling and circulation. To continue the aforementioned management actions, the waste type, disposal method, and weight of each operating site between 2021 and 2024 have been summarized. Please refer to Appendix 5, "Waste Statistics of Microbio and Subsidiaries", for detailed statistical information. This information can be used as a basis for measuring the resource utilization progress and subsequent management indicators of each unit.

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To strengthen information transparency and respond to international evaluation and disclosure requirements, the following table describes the waste disposal methods from 2021 to 2024, which are classified into the two main categories of recycling/reuse and final disposal, serving as a basis for resource management performance:

Historical waste disposal method classification and statistical table of Microbio and subsidiaries

Item	Unit	2021	2022	2023	2024
Total waste recycling/reuse volume	tons	2.9	37.105	35.710	61.2
Total waste disposal amount	tons	14.301	52.905	58.418	116.063
- Landfill disposal volume	tons	-	-	-	-
- Incineration volume (with energy recovery)	tons	-	-	-	-
Incineration volume (without energy recovery)	tons	11.361	15.8	22.673	54.849
- Other disposal methods (such as chemical treatment)	tons	0.04	0	0.035	0.014
- Disposal method unknown	tons	-	-	-	-
Data coverage ratio (calculated based on paid-in capital indicated in the consolidated financial statements)	%	91.58%	92.16%	92.63%	100%

Note: All contracted waste-incineration plants used by Microbio and its subsidiaries are equipped with energy-recovery systems.



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Appendix 1 Companies and the locations

Company Name	Location	Address
Microbio Co., Ltd	Nangang Lab and Office	18F-1, No. 3, Yuanqu St., Nangang Dist., Taipei City
	Zhongxiao Office	34F., No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
	Taoyuan Longtan Plant	No. 81, Gaoyang N. Rd., Longtan Dist., Taoyuan City
	Taichung Office	7F-5, No. 20, Dalong Rd., West Dist., Taichung City
Microbio (Shanghai) Co., Ltd.	Microbio Shanghai headquarter	No. 1188, Guangxing Rd., Songjiang District, Shanghai City
	Microbio Shanghai Songjiang Plant	No. 200, Rongyang Rd., Songjiang District, Shanghai City
Cotton Field Organic Co., Ltd.	Xinyi Office	22F., No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
	Logistics center	No. 2, Gongjian S. Rd., Qidu Dist., Keelung City
	Stores	List as the table below

• Cotton Field Organic Co., Ltd. – List of Stores

	Store	Phone	Address
1	Shilin	2836-4746	1F., No. 282, Zhongzheng Rd., Shilin Dist., Taipei City
2	Neihu	8791-9976	No. 181, Sec. 3, Chenggong Rd., Neihu Dist., Taipei City
3	Beitou	2892-8356	No. 39, Sec. 1, Zhongyang S. Rd., Beitou Dist., Taipei City
4	Xinyi	2351-1787	No. 139-1, Sec. 1, Jinshan S. Rd., Zhongzheng Dist., Taipei City



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	Store	Phone	Address
5	Roosevelt	2364-8899	No. 273-1, Sec. 3, Roosevelt Rd., Da'an Dist., Taipei City
6	Donghu	2630-9728	No. 126, Donghu Rd., Neihu Dist., Taipei City
7	Dazhi Lequn	2533-8888	No. 158, Lequn 2nd Rd., Zhongshan Dist., Taipei City
8	Tamsui Minzu	2809-6218	No. 25, Minzu Rd., Tamsui Dist., New Taipei City
9	Shilin Shidong	2871-1377	No. 97, Shidong Rd., Shilin Dist., Taipei City
10	Shipai	2822-6298	No. 50, Sec. 2, Shipai Rd., Beitou Dist., Taipei City
11	Yingzhuan, Tamsui	2623-0658	No. 20, Yingzhuan Rd., Tamsui Dist., New Taipei City
12	Zhongzheng	2948-3098	No. 198, Zhongzheng Rd., Yonghe Dist., New Taipei City
13	Yongan	8923-2258	No. 422, Zhonghe Rd., Zhonghe Dist., New Taipei City
14	Fuzhou	2396-1918	No. 11-10, Fuzhou St., Zhongzheng Dist., Taipei City
15	Jiangshan	2516-0818	No. 1, Aly. 281, Longjiang Rd., Zhongshan Dist., Taipei City
16	Dingxi	2927-2338	No. 9, Xinyi Rd., Yonghe Dist., New Taipei City
17	Qingnian	2332-5398	No. 12, Qingnian Rd., Wanhua Dist., Taipei City
18	Fuhe	8925-2077	No. 162, Fuhe Rd., Yonghe Dist., New Taipei City
19	Sanmin	2768-7758	No. 93, Sanmin Rd., Songshan Dist., Taipei City
20	Jiannan	2700-6099	No. 201, Sec. 2, Jianguo S. Rd., Da'an Dist., Taipei City
21	Zhonghe Xingnan	2945-0289	No. 63, Sec. 1, Xingnan Rd., Zhonghe Dist., New Taipei City
22	Zhonghe Nanhua	2246-6368	No. 18, Nanhua Rd., Zhonghe Dist., New Taipei City
23	Taichung Dalong	04-23100779	No. 168, Dalong Rd., Xitun Dist., Taichung City
24	Taichung Henan	04-22585297	No. 356, Sec. 4, Henan Rd., Nantun Dist., Taichung City
25	Nanjing E	2764-3069	No. 137, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City
26	Yongchun	2746-7837	No. 457, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City



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27	Houshanpi	2651-6558	No. 6, Sec. 6, Zhongxiao E. Rd., Nangang Dist., Taipei City
28	Zhuangjing	8786-7178	No. 376, Zhuangjing Rd., Xinyi Dist., Taipei City
29	Guangfu	2755-5929	No. 390-2, Guangfu S. Rd., Da'an Dist., Taipei City
30	Da'an	2705-0929	No. 182, Sec. 1, Da'an Rd., Da'an Dist., Taipei City
31	Zhongxiao 216	2771-3698	No. 11, Aly. 33, Ln. 216, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City
32	Zhonglun	2577-5788	No. 8, Ln. 74, Sec. 3, Bade Rd., Songshan Dist., Taipei City
33	Keelung Xin 2nd	2425-7698	No. 236-9 & No. 236-10, Xin 2nd Rd., Xinyi Dist., Keelung City
34	Keelung Ren'ai	2428-6878	No. 40, Ren 4th Rd., Ren'ai Dist., Keelung City
35	Minsheng E	2718-3538	No. 4, Ln. 80, Sec. 4, Minsheng E. Rd., Songshan Dist., Taipei City
36	Dun'nan	2706-0977	No. 65, Ln. 81, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
37	Xizhi	8691-5296	1F., No. 47, Nanchang St., Xizhi Dist., New Taipei City
38	Bo'ai	2388-5257	No. 98, Bo'ai Rd., Zhongzheng Dist., Taipei City
39	Fuzhong	8969-9388	No. 9, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City
40	Zhongping	2279-6398	No. 4, Ln. 92, Zhongping Rd., Xinzhuang Dist., New Taipei City
41	Sanchong Zhengyi	8982-7358	No. 188, Zhengyi N. Rd., Sanchong Dist., New Taipei City
42	Zhongshan	2563-6578	No. 116, Sec. 1, Zhongshan N. Rd., Zhongshan Dist., Taipei City
43	Xinzhuang Xintai	2201-8928	No. 97, Xintai Rd., Xinzhuang Dist., New Taipei City
44	Sanxia Daya	3501-7689	No. 266, Daya Rd., Shulin Dist., New Taipei City
45	Banqiao Xipu	2256-2938	No. 11, Ln. 435, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City
46	Tucheng Xuefu	2260-7689	No. 185, Sec. 1, Xuefu Rd., Tucheng Dist., New Taipei City
47	Xinzhuang Min'an	2202-0288	No. 135, Min'an W. Rd., Xinzhuang Dist., New Taipei City
48	Luzhou Guangfu	2285-0377	No. 25, Guangfu Rd., Luzhou Dist., New Taipei City



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49	Linkou Wenhua	2600-1937	1F.-1, No. 374, Sec. 1, Wenhua 2nd Rd., Linkou Dist., New Taipei City
50	Taoyuan Zhongzheng	03-3260908	No. 1189, Zhongzheng Rd., Taoyuan Dist., Taoyuan City
51	Taoyuan Zhongshan	03-3321038	No. 260, Zhongshan Rd., Taoyuan Dist., Taoyuan City
52	Taoyuan Daye	03-3166128	No. 376, Sec. 1, Daye Rd., Taoyuan Dist., Taoyuan City
53	Taoyuan Nankan	03-2120398	No. 42, Zhongxiao W. Rd., Luzhu Dist., Taoyuan City
54	Zhubei Xianzheng	03-5585308	No. 163, Xianzheng 9th Rd., Zhubei City, Hsinchu County
55	Hsinchu Zhongyang	03-5152250	No. 174, Zhongyang Rd., East Dist., Hsinchu City
56	Hsinchu Guanxin	03-6662197	No. 53, Guanxin Rd., East Dist., Hsinchu City
57	Zhubei Wenxing	03-6675458	No. 17& No. 19, Sec. 1, Wenxing Rd., Zhubei City, Hsinchu County
58	Taoyuan Bade	03-3615389	No. 934, Sec. 1, Jieshou Rd., Bade Dist., Taoyuan City
59	Zhongli Huan E	03-2852588	No. 212, Huanzhong E. Rd., Zhongli Dist., Taoyuan City
60	Xindian	8911-5538	No. 219, Zhongzheng Rd., Xindian Dist., New Taipei City
61	Bitan	8911-3928	No. 8, Sec. 1, Beiyi Rd., Xindian Dist., New Taipei City
62	Xinglong	2936-5578	No. 153, Sec. 4, Xinglong Rd., Wenshan Dist., Taipei City
63	Jingmei	8663-3528	No. 117, Jingwen St., Wenshan Dist., Taipei City
64	Xindian Zhonghua	2911-7958	No. 63, Zhonghua Rd., Xindian Dist., New Taipei City
65	Beixin	2918-2977	No. 252-2, Sec. 2, Beixin Rd., Xindian Dist., New Taipei City
66	Muzha Zhinan	2938-2488	No. 22, Sec. 1, Zhinan Rd., Wenshan Dist., Taipei City
67	Xindian Zhongyang	2218-2818	No. 30, Zhongyang 5th St., Xindian Dist., New Taipei City
68	Yilan Zhongshan	03-9312968	No. 88, Sec. 3, Zhongshan Rd., Yilan City, Yilan County
69	Luodong Zhongzheng	03-9558698	No. 146, Zhongzheng Rd., Luodong Township, Yilan County



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70	Xindian Ankang	2211-5086	No. 149, Sec. 2, Ankang Rd., Xindian Dist., New Taipei City
71	Roosevelt Guting Store	02-23683253	1F., No. 43, Sec. 3, Roosevelt Rd., Da'an Dist., Taipei City
72	Donghu Kangning Store	02-26336382	1F., No. 101, Sec. 3, Kangning Rd., Neihu Dist., Taipei City
73	Anhe Store	02-27017119	1F., No. 22, Ln. 265, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City
74	Tianmu Store	02-28720229	1F., No. 1, Ln. 63, Sec. 7, Zhongshan N. Rd., Shilin Dist., Taipei City
75	Haishan Store	02-29649730	1F., No. 352, Hansheng E. Rd., Banqiao Dist., New Taipei City
76	Xizhi Fuxing Store	02-26434055	1F., No. 17, Fuxing Rd., Xizhi Dist., New Taipei City
77	Qingshan Store	02-82112141	4F., No. 200, Qingshan Rd., Xindian Dist., New Taipei City
78	Taichung Fengle Store	04-23897325	1F., No. 939, Xiangxin S. Rd., Nantun Dist., Taichung City
79	Dapinglin Store	02-29181088	1F., No. 7, Ln. 105, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City
80	Qidu E-commerce Store	0800-238888	1F., No. 2, Gongjian S. Rd., Qidu Dist., Keelung City



Appendix 2 GRI Content Index

Statement of use	Microbio Co., Ltd. has reported in accordance with the GRI Standards for the period 2024/01/01 to 2024/12/31.
GRI 1 used	Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable. GRI has not published the applicable Standard for phamaceutical sector.

GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
GRI 2: General Disclosure 2021	2-1	Organizational details	Preface/About this report /About Microbio	III	
	2-2	Entities included in the organization's sustainability reporting	Preface/About this report	II	
	2-3	Reporting period, frequency and contact point	Preface/About this report	II	
	2-4	Restatements of information	-		No restatement of information
	2-5	External assurance	Preface/About this report	II	
	2-6	Activities, value chain and other business relationships	Preface/About this report /About Microbio Health Care/Supply Chain Management	III 3-20	No product is banned in certain markets; No significant changes in activities, value chain and other business relationships compared to the previous reporting period.
	2-7	Employees	Safe Workplace/Trustworthy Employer	5-2	
	2-8	Workers who are not employees	Safe Workplace/Trustworthy Employer	5-2	
	2-9	Governance structure and composition	Corporate Governance/Governance Practice	4-2	
	2-10	Nomination and selection of the highest governance body	Corporate Governance/Governance Practice	4-2	

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GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
					The Chairman of the Company concurrently serves as the President, with a view to improving operational efficiency and decision-making execution. In addition, to implement corporate governance, the Company has implemented the following specific measures: (1) There are 4 independent directors. They have professional backgrounds in financial accounting, law, and the industry, and are familiar with industry developments and can effectively exert their supervisory functions. (2) More than half of the directors do not concurrently serve as employees or managers. (3) Every year, directors are arranged to participate in professional director courses offered by external organizations to enhance the operational effectiveness of the Board. (4) Independent directors can fully discuss in all functional committees and make suggestions for the board of directors' reference, to implement corporate governance. (5) For directors' recusal of the motion due to conflicts of interests, the director's name, content of the motion, reason for avoidance, and participation in voting shall be given.
	2-11	Chair of the highest governance body	Corporate Governance/Governance Practice	4-2	
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Overview/Material Topics Analysis Corporate Governance/Governance Practice Safe Workplace/Performance Appraisal Management	2-4 4-2 5-10	
	2-13	Delegation of responsibility for managing impacts	ESG Overview/Sustainable Management StructureCorporate Governance/Governance Practice	2-3 4-2	
	2-14	Role of the highest governance body in sustainability reporting	Preface/About this report Corporate Governance/Governance Practice ESG Overview/Sustainable Management Structure	II 4-2 2-3	In accordance with the requirements of Corporate Governance Evaluation Indicator 4.24 for the year 2025, the 2024 Sustainability Report, prepared based on the latest GRI standards, must be submitted to the board of directors for discussion and approval before being published.

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GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
	2-15	Conflicts of interest	Corporate Governance/Board of Directors	4-4	Additionally, in the 2024 Annual Report Part II, Corporate Governance Report / Directors and Supervisors Information, disclose whether a director currently holds an office in the Company or another company, and whether the director is a spouse or a relative within second degree of kinship.
	2-16	Communication of critical concerns	ESG Overview/Material Topics Analysis Corporate Governance/Governance Practice, Governance Practice, Integrity-Based Operation, Internal Audit, Risk Management	2-4 4-2 4-9 4-13 4-14	No major issue.
	2-17	Collective knowledge of the highest governance body	Corporate Governance/Governance Practice	4-4	Additionally, the 2024 Annual Report Page 55 discloses the continuing education status of the directors.
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance/Governance Practice/Board of Directors	4-4	
	2-19	Remuneration policies	Safe Workplace/Performance Appraisal Management	5-10	Please refer to the 2024 Annual Report, Section Two "Corporate Governance Report" — I. Information on Directors, Supervisor, General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branches (pages 31–36).
	2-20	Process to determine remuneration	Annual Report 2024/The composition and operation of the Remuneration Committee.		
	2-21	Annual total compensation ratio	Safe Workplace/Compensation and Benefits	5-12	Not disclosed due to the confidentiality concerns of compensation.
	2-22	Statement on sustainable development strategy	Preface/Message from the Chairman, About this Report ESG Overview/Sustainability Vision and Strategy	I II 2-2	
	2-23	Policy commitments	ESG Overview/Material Topics AnalysisSafe Workplace/Labor Rights	2-4 5-15	
	2-24	Embedding policy commitments	Corporate Governance/Integrity-Based Operation Safe Workplace/Labor Rights	4-9 5-15	
	2-25	Processes to remediate negative impacts	Corporate Governance/Integrity-Based Operation Safe Workplace/Labor Rights	4-9 5-15	

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GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
	2-26	Mechanisms for seeking advice and raising concerns	Company official website/Investors, Confirmation of Stakeholders Company official website		
	2-27	Compliance with laws and regulations	Corporate Governance/Regulatory Compliance	4-21	The 2024 Annual Report (Section IV: Business Overview, pages 160–166) discloses information on environmental protection expenditures, labor-management relations, and information security management.
	2-28	Membership associations	Social Inclusion/Public Participation	6-8	
	2-29	Approach to stakeholder engagement	ESG Overview/Material Topics Analysis/Engagement with stakeholders	2-5	
	2-30	Collective bargaining agreements			No unions were established, and no collective bargaining agreements were signed. Microbio holds labor-management meetings in accordance with regulations every 3 months.
Material topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	ESG Overview/Material Topics Analysis	2-4	
	3-2	List of material topics	ESG Overview/Material Topics Analysis	2-4	
Economic performance					
Regulatory Compliance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance/Regulatory Compliance	4-21	
Regulatory Compliance	NA	Number and penalty of major violation of laws and regulations	Corporate Governance/Regulatory Compliance	4-21	
Cyber Security					
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance/Cyber Security	4-23	
Cyber Security	NA	Number of breaches to Cyber Security	Corporate Governance/Cyber Security	4-23	
Innovation Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Health Care/Innovative Drugs Research and Development	3-2	
			Health Care/Development and Safety of Health Products	3-11	

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GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
Innovation Management	NA	Expenses and human resource for R&D	Health Care/Innovative Drugs Research and Development	3-2	
Intellectual Property Rights Protection					
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance/Intellectual Property Rights Protection	4-27	
Innovation Management	NA	Accumulated number of patent applications	Corporate Governance/Intellectual Property Rights Protection	4-27	
Environmental Performance					
Climate strategies					
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Protection/Climate Actions	7-5	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental Protection/Climate Actions	7-5	
	302-3	Energy intensity	Environmental Protection/Climate Actions	7-5	
	305-1	Direct (Scope 1) GHG emissions	Environmental Protection/Climate Actions	7-5	
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Protection/Climate Actions	7-5	
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Protection/Climate Actions	7-5	
GRI 305: Emission 2016	305-4	GHG emissions intensity	Environmental Protection/Climate Actions	7-5	
	305-5	Reduction of GHG emissions	Environmental Protection/Climate Actions	7-5	
	305-6	Emissions of ozone-depleting substances (ODS)	Environmental Protection/Climate Actions	7-5	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix V/Environmental Data	8-27	
Social performance					
Drug and Health Food Safety					

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GRI STANDARD/ OTHER SOURCE	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation
GRI 3: Material Topics 2021	3-3	Management of material topics	Health Care/Drug Safety Health Care/Development and Safety of Health Products	3-9 3-11	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Health Care/Drug Safety	3-9	
			Health Care/Development and Safety of Health Products	3-11	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health Care/Food Quality and Safety	3-15	
			Health Care/Drug Safety	3-9	
			Health Care/Development and Safety of Health Products	3-11	
			Health Care/Food Quality and Safety	3-15	
Talent Recruitment, Development, and Retention					
GRI 3: Material Topics 2021	3-3	Management of material topics	Safe Workplace/Trustworthy Employer	5-2	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Safe Workplace/Trustworthy Employer	5-2	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safe Workplace/Trustworthy Employer	5-2	
	401-3	Parental Leave	Safe Workplace/Compensation and Benefits	5-12	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Safe Workplace/Trustworthy Employer	5-2	
	404-2	Employee competency enhancement and transition assistance programs	Safe Workplace/Talent Development and Training	5-7	
	404-3	Percentage of employees regularly receiving performance and career development reviews	Safe Workplace/Talent Development and Training	5-7	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance/Governance Practice Safe Workplace/Trustworthy Employer	4-2 5-2	
	405-2	Ratio of female-to-male basic salary and remuneration increase	Safe Workplace/Compensation and Benefits	5-12	Salary ratio data is based primarily on the parent company.

Appendix 3 Sustainability Accounting Standards Board (SASB) Content Index

Health Care Sector – Biotechnology & Pharmaceuticals (Version: Dec 2023)

Code	Accounting Metric	Category	Disclosure	Chapters	Page
Safety of Clinical Trial Participants					
HC-BP-210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	All Microbio-sponsored clinical trials are conducted in accordance with the Principles of Good Clinical Practice (GCP), applicable local regulations, Helsinki Declaration and other internationally recognized ethical principles regarding human experimentation to safeguard the rights and benefits of human subjects.	Health Care/ Clinical Trials	3-8
HC-BP-210a.2	Number of inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation or (2) regulatory or administrative actions taken against the entity	Quantitative	Not applicable (Our products are currently not available in the US market). Zero (No VAI or OAI occurred during the reporting period).	Health Care/ Clinical Trials	3-8
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	Pharmaceutical products are currently only available in Taiwan - Zero (No monetary losses occurred in the reporting period).	Health Care/ Clinical Trials	3-8

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
Access to Medicines					
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	The Company hasn't adopted any actions to improve access to medicine for priority diseases in high-priority countries listed in the Access to Medicine Index. Actions adopted in Taiwan in 2024 include the following: Children Cancer Charity Sponsorship Program We have been sponsoring the Children Cancer Charity Sponsorship Program since 2002. In addition, we have been donating Chemo Young Oral Solution to children with cancer, cancer patients from poor families, and patients with related immune diseases since it became available on the market in 2013. Medical Institute Health Education Training Program For many years, Microbio has worked closely with various major medical centers, district and regional hospitals, pharmacies and clinics to provide health education on drug information and usage methods for medical-related personnel. Moreover, Microbio also makes an effort to provide consultation and information associated with the side effects of cancer at cancer information centers in hospitals. By December 2024, the Company has worked with more than 65 hospitals and 3,580 pharmacies and clinics.	Social Inclusion/ Actions for Access to Medicines	6-5
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	Microbio has no such products during the reporting period.		

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
Affordability & Pricing					
HC-BP-240b.2	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	Quantitative	Not applicable (Chemo Young's standard retail price has remained unchanged from 2018 to 2024. In August 2024, the oral solution of "Chemo Young" was approved by the Ministry of Health and Welfare to be renamed as "Chemo Young" oral solution (hereinafter referred to as "Chemo Young").)		
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	0 (Microbio Chemo Young Oral Solution is available in three packaging specifications in the Taiwan market: 4 oz glass bottles in packs of 14 and 45, and 180 ml glass bottles. The standard retail prices are NT\$3,000 for the 14-pack, NT\$8,800 for the 45-pack, and NT\$8,800 for the 180 ml bottle. The standard prices have remained unchanged from 2018 to 2024.)		
Drug Safety					
HC-BP-250a.1	Products listed in public medical product safety or adverse event alert databases	Discussion and Analysis	0		
HC-BP-250a.2	Number of fatalities associated with products	Quantitative	0 (No such cases occurred during the reporting period)		
HC-BP-250a.3	(1) Number of recalls issued, (2) total units recalled	Quantitative	0 (No such cases occurred during the reporting period)		
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	0 (No such cases occurred during the reporting period)		
HC-BP-250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	Quantitative	0 (No such cases occurred during the reporting period)		

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
Counterfeit Drugs					
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	1. Lot numbers and expiry dates are printed and anti-counterfeit markings are attached to the external packaging for every batch. 2. A domestic PIC/S GDP logistics provider is engaged for the storage and transportation of drugs, which allows comprehensive tracking and tracing and effectively prevents the emergence of counterfeit or prohibited drugs in the supply chain.	Health Care/ Drug Safety	3-9
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Discussion and Analysis	1. Consumers, channel operators, and business units are encouraged to immediately notify the logistics provider or Microbio of suspected counterfeit or prohibited drugs. Upon receipt of such reports, competent quality assurance personnel initiate investigations in a prompt manner. 2. If no instances of drug recall occur in the respective year, the Quality Assurance Center conducts a simulated drill of recall operations to familiarize personnel with relevant operations. 3. Business units educate employees on relevant reporting and handling methods through internal announcements and training to ensure familiarity with procedures governing risks associated with counterfeit or prohibited drugs.	Health Care/ Drug Safety	3-9
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	Zero (No such cases occurred during the reporting period).		
Ethical Marketing					
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	Zero (No such cases occurred during the reporting period).		

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	Micrbio established the "Codes of Ethical Conduct" and "Marketing and Sales Code of Conduct" and comply with the regulations, including WHO's requirements, the Pharmaceutical Affairs Act, the Pharmaceutical Affairs Act Enforcement Rules and other drug and medical-related regulations. Microbio holds internal trainings to ensure the compliance with regulations.	Health Care/ Ethical Marketing	3-16
Employee Recruitment, Development & Retention					
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	We are firmly committed to attracting talent by creating blissful and safe workplace environments and offering job opportunities based on the principles of diversity and equality.	Safe Workplace/ Trustworthy Employer, Talent Development and Cultivation	5-1 5-6
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	Quantitative	We disclose relevant in accordance with applicable indicators (for more details please refer to the turnover rate statistics chart in the section titled "Talent Development and Cultivation").	Safe Workplace/ Talent Development and Cultivation	5-6
Supply Chain Management					
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	Quantitative	(1) 0% (2) 0% Microbio has adopted the "Manufacturer Management Procedures" to prescribe procedures for the examination, evaluation, and approval of raw materials and suppliers to ensure that raw materials and supplies are procured from qualified suppliers and that the raw materials and supplies used in the drug production process meet relevant quality requirements.	Health Care/ Supply Chain Management	3-17
Business Ethics					
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	Zero (No such losses occurred during the reporting period).		

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	Microbio has adopted a "Marketing and Sales Code of Conduct" to explicitly prohibit sponsorship utilized in exchange for issuance of prescriptions or recommendation, procurement, supply, marketing, or administration of drugs by medical personnel. This Code of Conduct also strictly prohibits the offering of monetary gifts or other items (e.g., tickets for sports competitions or performances and electronics products) to medical personnel. It further expressly forbids the offering or payment for entertainment programs or social events such as performances or movie appreciation activities to entertain medical personnel (for more details please refer to the section titled "Health Care/ Ethical Marketing")	Health Care/ Ethical Marketing	3-16
Activity Metric					
HC-BP-000.A	Number of patients treated	Quantitative	For many years, Microbio has worked closely with various major medical centers, district and regional hospitals, pharmacies and clinics to provide health education on drug information and usage methods for medical-related personnel. Moreover, Microbio also makes an effort to provide consultation and information associated with the side effects of cancer at cancer information centers in hospitals. By December 2024, the Company has worked with more than 65 hospitals and 3,580 pharmacies and clinics.	Health Care/ Innovative Drugs Research and Development	3-1
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Quantitative	As for the current progress in the field of new drug development, please refer to the "Research and development of new drugs" in this report. Two drug licenses have been acquired in Taiwan	Health Care/ Innovative Drugs Research and Development	3-1

Appendix 4 Social Related Information

• Workforce Profile

Employee Structure of Microbio and Its Subsidiaries in 2024 – Gender Breakdown by Employment Contract and Type

Category		By Employment Contract ¹		By Employment Type ²		Total Employees
		Permanent	Temporary	Full-time	Part-time	
Microbio Co., Ltd.	Male	67	0	67	0	67
	Female	70	0	70	0	70
	Subtotal	137	0	137	0	137
Cotton Field Organic Co., Ltd.	Male	91	0	85	6	91
	Female	417	0	370	47	417
	Subtotal	508	0	455	53	508
Microbio (Shanghai) Co., Ltd.	Male	23	0	23	0	23
	Female	40	1	41	0	41
	Subtotal	63	1	64	0	64
Total Employees		708 (99.86%)	1 (0.14%)	656 (92.5%)	53 (7.5%)	709 (100%)

Employee Structure of Microbio and Its Subsidiaries in 2024 – Regional Breakdown by Employment Contract and Type

Category		By Employment Contract ¹		By Employment Type ²		Total Employees
		Permanent	Temporary	Full-time	Part-time	
Microbio Co., Ltd.	Northern Taiwan ³	121	0	121	0	121
	Other Regions in Taiwan ³	16	0	16	0	16
	Subtotal	137	0	137	0	137
Cotton Field Organic Co., Ltd.	Northern Taiwan ³	495	0	443	52	495
	Other Regions in Taiwan ³	13	0	12	1	13
	Subtotal	508	0	455	53	508
Microbio (Shanghai) Co., Ltd.	Shanghai ⁴	63	1	64	0	64
	Other Regions ⁴	0	0	0	0	0
	Subtotal	63	1	64	0	64
Total Employees		708 (99.86%)	1 (0.14%)	656 (92.5%)	53 (7.5%)	709 (100%)

Note1 :

1. By Employment Contract
 - Permanent employees: Those with indefinite-term employment contracts.
 - Temporary employees: Those with fixed-term employment contracts.
2. By Employment Type
 - Full-time employees: Employees whose weekly working hours meet the legal definition of full-time employment in their respective jurisdictions.
 - Part-time employees: Employees whose weekly working hours are below the legal definition of full-time employment.
 - Employees without guaranteed working hours: Employees with irregular working hours (e.g., on-call staff). No such employees were hired by Microbio or its subsidiaries.
3. Regional Definition (Taiwan)
 - Northern Taiwan includes Keelung, Taipei, New Taipei, Taoyuan, Hsinchu, Yilan, and Hualien.
 - Other Regions in Taiwan refer to all areas outside Northern Taiwan.
4. Regional Definition (China)
 - Shanghai refers to Microbio (Shanghai)'s headquarters and manufacturing site located in Songjiang District.
 - Other Regions refer to areas outside Shanghai.

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Microbio Employee Structure by Year

Category		2021		2022		2023		2024	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
Region	Northern Taiwan	135	90.6%	128	92.1%	119	90.8%	121	88.3%
	Other	14	9.4%	11	7.9%	12	9.2%	16	11.7%
Ethnicity	Han Chinese	149	100%	139	100%	131	100%	137	100%
	Indigenous Peoples	0	0.0%	0	0.0%	0	0.0%	0	0%
	Others	0	0.0%	0	0.0%	0	0.0%	0	0%
Gender	Male	77	51.7%	67	48.2%	64	48.9%	67	48.9%
	Female	72	48.3%	72	51.8%	67	51.1%	70	51.1%
Management	Male	8	34.8%	5	27.8%	5	38.5%	5	38.5%
	Female	15	65.2%	13	72.2%	8	61.5%	8	61.5%
R&D (STEM-Related Positions)	Male	12	50%	19	52.8%	17	56.7%	10	66.7%
	Female	12	50%	17	47.2%	13	43.3%	5	33.3%
Age	<30	28	18.8%	19	13.7%	16	12.2%	21	15.3%
	30~50	93	62.4%	95	68.3%	88	67.2%	94	68.6%
	>50	28	18.8%	25	18.0%	27	20.6%	22	16.1%
Total Workforce		149		139		131		137	

Note 1: Management positions are defined as supervisors at the manager level and above in each department.

Note 2: In 2021, R&D personnel only included staff from the R&D Center. From 2022 to 2024, R&D personnel are defined as those engaged in R&D work, including personnel from the R&D Center, Quality Assurance Center, and R&D project staff.

Note 3: As of December 2024, Microbio had 6 non-employee workers, including 2 females responsible for office cleaning and 4 males serving as security guards at the Longtan Plant. Their main duties include plant access control, night patrols/monitoring, waste removal confirmation, and reporting abnormal incidents. Non-employee workers accounted for 4.6% of the total workforce, with no significant change compared to the previous year.

Note 4: Northern Taiwan refers to the counties and cities of Keelung, Taipei, New Taipei, Taoyuan, Hsinchu, Yilan, and Hualien.

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Employee Composition of Cotton Field Organic by Year									
Category		2021		2022		2023		2024	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
Region	Northern Taiwan	463	97.0%	456	97.4%	450	98.0%	495	97.4%
	Other	14	3.0%	12	2.6%	9	2.0%	13	2.6%
Ethnicity	Han Chinese	472	99.0%	465	99.4%	456	99.3%	504	99.2%
	Indigenous Peoples	5	1.0%	3	0.6%	3	0.7%	4	0.8%
	Others	0	0.0%	0	0.0%	0	0.0%	0	0%
Gender	Male	73	15.3%	80	17.1%	86	18.7%	91	17.9%
	Female	404	84.7%	388	82.9%	373	81.3%	417	82.1%
Management	Male	5	45.5%	4	40.0%	7	63.6%	3	42.9%
	Female	6	54.5%	6	60.0%	4	36.4%	4	57.1%
Age	<30	36	7.5%	41	8.8%	49	10.7%	46	9.1%
	30~50	292	61.2%	297	63.5%	273	59.5%	280	55.1%
	>50	149	31.3%	130	27.8%	137	29.8%	182	35.8%
Total Workforce		477		468		459		508	

Note 1: From 2021 to 2023, the figures include the employees of Microsoy International: 4 women (2021), 5 women (2022), and 3 women (2023).

Note 2: Management positions are defined as supervisors at the manager level and above in each department.

Note 3: In 2024, Cotton Field Organic had 2 non-employee workers (consultants).

Note 4: Northern Taiwan refers to the counties and cities of Keelung, Taipei, New Taipei, Taoyuan, Hsinchu, Yilan, and Hualien.

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Microbio (Shanghai) Employee Structure by Year

Category		2021		2022		2023		2024	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
Ethnicity	Han Chinese	54	100.0%	57	100.0%	62	100.0%	64	100.0%
	Indigenous Peoples	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Others	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gender	Male	22	40.7%	23	40.4%	23	37.1%	23	35.9%
	Female	32	59.3%	34	59.6%	39	62.9%	41	64.1%
Management	Male	1	100.0%	2	66.7%	3	60.0%	3	60.0%
	Female	0	0.0%	1	33.3%	2	40.0%	2	40.0%
R&D (STEM-Related Positions)	Male	6	35.3%	8	40.0%	6	27.3%	6	25.0%
	Female	11	64.7%	12	60.0%	16	72.7%	18	75.0%
Age	<30	4	7.4%	4	7.0%	6	9.7%	5	7.8%
	30~50	47	87.0%	48	84.2%	46	74.2%	47	73.4%
	>50	3	5.6%	5	8.8%	10	16.1%	12	18.8%
Total Workforce		54		57		62		64	

Note 1: A management role is defined as a manager or higher in each department.

Note 2: R&D personnel are defined as those engaged in R&D, including personnel of the Pharmaceutical Research Institute and the quality assurance center.

Note 3: Microbio (Shanghai)'s headquarters and factory are both located in Songjiang District, Shanghai.

Note 4: As of the end of 2024, Microbio (Shanghai) had no non-employee workers, consistent with the previous year.

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Average Age and Years of Service of Employees at Microbio and Its Subsidiaries

Company		Microbio			Cotton Field Organic			Microbio (Shanghai)		
Year		2022	2023	2024	2022	2023	2024	2022	2023	2024
Average Age		40.5	42	41.1	42.9	43.8	45.1	40.1	41.9	42.8
Average Years of Service	Male	8.2	8.2	9.2	4.4	4.4	4.4	2.9	4.6	5.7
	Female	8.9	9	8.8	5.7	6.2	5.9	4.5	5.4	6
	Overall	8.5	8.6	9.0	5.6	5.9	5.6	3.9	5.1	5.9

Microbio 2024 Employee Turnover and New Hire Rates

Category	Item	New Hires		Voluntary Turnover		Involuntary Turnover	
		Total	Percentage	Total	Percentage	Total	Percentage
		46	33.6%	31	22.6%	4	2.90%
Age	< 30 years old	12	8.8%	3	2.2%	0	0.00%
	30–50 years old	33	24.1%	28	20.4%	2	1.50%
	> 50 years old	1	0.7%	0	0.0%	2	1.50%
Gender	Male	18	13.1%	11	8.0%	2	1.50%
	Female	28	20.4%	20	14.6%	2	1.50%
Job Level	Senior Management	2	1.5%	0	0.0%	0	1.50%
	Middle Management	1	0.7%	2	1.5%	0	0.00%
	Professionals	2	1.5%	4	2.9%	0	0.00%
	Others	41	29.9%	25	18.2%	2	1.50%

Note:
Definition of senior managers: Manager (inclusive) or higher position
Definition of middle managers: Assistant Manager and Assistant Director
Definition of professional staff: R&D related staffs who are not senior/middle managers
Others: Employees not in the above 3 categories
Employment Rate = [Total number of new employees of the year] / [Total number of employees at the end of the year]
Turnover Rate = [Total number of departed employees for the year] / [Total number of employees at the end of the year]

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Cotton Field Organic 2024 Employee Turnover and New Hire Rates

Category	Item	New Hires		Voluntary Turnover		Involuntary Turnover	
		Total	Percentage	Total	Percentage	Total	Percentage
		227	44.7%	174	34.3%	3	0.6%
Age	< 30 years old	40	7.9%	35	6.9%	1	0.2%
	30–50 years old	112	22.0%	100	19.7%	2	0.4%
	> 50 years old	75	14.8%	39	7.7%	0	0.0%
Gender	Male	54	10.6%	53	10.4%	1	0.2%
	Female	173	34.1%	121	23.8%	2	0.4%
Job Level	Senior Management	1	0.2%	4	0.8%	0	0.0%
	Middle Management	2	0.4%	1	0.2%	0	0.0%
	Others	224	44.1%	169	33.3%	3	0.6%

Note:
Definition of senior managers: Manager (inclusive) or higher position
Definition of middle managers: Assistant Manager and Assistant Director
Others: Employees not in the above 2 categories
Employment Rate = [Total number of new employees of the year] / [Total number of employees at the end of the year]
Turnover Rate = [Total number of departed employees for the year] / [Total number of employees at the end of the year]

Microbio (Shanghai) 2024 Employee Turnover and New Hire Rates

Category	Item	New Hires		Voluntary Turnover		Involuntary Turnover	
		Total	Percentage	Total	Percentage	Total	Percentage
		3	4.7%	0	0.0%	1	1.6%
Age	< 30 years old	0	0.0%	0	0.0%	0	0.0%
	30–50 years old	3	4.7%	0	0.0%	1	1.6%
	> 50 years old	0	0.0%	0	0.0%	0	0.0%
Gender	Male	1	1.6%	0	0.0%	1	1.6%
	Female	2	3.1%	0	0.0%	0	0.0%
Job Level	Senior Management	0	0.0%	0	0.0%	0	0.0%
	Middle Management	0	0.0%	0	0.0%	0	0.0%
	Professionals	0	0.0%	0	0.0%	0	0.0%
	Others	3	4.7%	0	0.0%	1	1.6%

Note:
Definition of senior managers: Manager (inclusive) or higher position
Definition of middle managers: Assistant Manager and Assistant Director
Definition of professional staff: R&D related staffs who are not senior/middle managers
Others: Employees not in the above 3 categories
Employment Rate = [Total number of new employees of the year] / [Total number of employees at the end of the year]
Turnover Rate = [Total number of departed employees for the year] / [Total number of employees at the end of the year]

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• Employee Training and Development

Number of Internal Education and Training Courses at Microbio in 2024

Type	Number
Professional competence	133
General training	13
Total	146

2024 Education and Training Results at Microbio

Item	Number of Trainees	Total Training Hours	Average Training Hours	Expenditure (TWD)
Professional competence (including external courses)	1,499	2,877	18.0	345,597
General training	731	1,519	8.9	7,000
Total	2,230	4,396	23.3	352,597

2021–2024 Employee Training Overview at Microbio

Year		2021	2022	2023	2024
Average Training Hours per Employee (Hours)		33.08	37.9	27.2	23.4
By Gender	Female	24.96	33.5	25.7	21.7
	Male	40.67	42.7	28.7	25.6
By function	Management	20.4	43.1	86.9	42.7
	R&D(STEM)	12.6	51.2	19.9	22.8
	General	32.38	32.4	19.7	18.4
	Business	80.1	21.1	17.9	6.8

Note: Management roles refer to managers or above of each department; R&D(STEM) roles refer to R&D-related personnel; business roles refer to business-related personnel; and general roles refer to other employees in non-management, R&D(STEM), and business roles.

Number of Occupational Safety Training Courses and Participants at Microbio in 2024

Training Objective		Courses	participants
Internal	On-the-job safety and health training for general employees and new recruits, and annual self-defense fire safety team training	16	519
External	Occupational safety and health training (including boiler operators, hazardous equipment operators, and first responders) and on-the-job safety and health training for hazardous operation supervisors	10	17
Total		26	536



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Internal Education and Training Courses at Cotton Field Organic in 2024

Course Category	Number of Courses
Professional Competency Training	20
General Training	20
Total	40

Education and Training Results at Cotton Field Organic in 2024

Item	Participants	Total Hours	Average Hours	Cost (NTD)
Professional Competency Training (including external)	411	1,691.5	4.1	72,667
General Training	384	1,695	4.4	15,700
Total	795	3,386.5	4.3	88,367

2024 Employee Training at Cotton Field Organic

Company		Cotton Field Organic
Average Training Hours per Employee (hours)		6.6
By Gender	Female	6.3
	Male	8.0
By Job Category	Management	12
	R&D(STEM)	Not applicable
	General	6.5

Note: Management roles refer to managers or above of each department; R&D roles refer to R&D-related personnel; and general roles refer to other employees in non-management and R&D roles.

Number of Occupational Safety Training Courses and Participants at Cotton Field Organic in 2022

	Training Topic	Number of Courses	Number of Participants
Internal	New employee labor safety and occupational health training	2	154
External	2024 Seminar on Gender Diversity, Workplace Equality, and Sexual Harassment Prevention	1	1
Total		3	156



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Microbio (Shanghai) 2024 Internal Training Courses

Course Category	Number of Courses
Professional Competency Training	15
General Training	65
Total	80

Microbio (Shanghai) 2024 Internal Training Courses

Item	Participants	Total Hours	Average Hours	Cost (NTD)
Professional Competency Training (including external)	116	842	7.26	57,045
General Training	683	987	1.45	0
Total	799	1,829	8.7	57,045

The expenses were converted from RMB to NTD based on the exchange rate as of December 31, 2024 (1 RMB = 4.4882 NTD).

Microbio (Shanghai) 2024 Employee Training Overview

Company		Microbio (Shanghai)
Average Training Hours per Employee (hours)		20.3
By Gender	Female	19.0
	Male	22.7
By Job Category	Management	0.6
	R&D(STEM)	17.1
	General	24.7

Note: Management roles refer to managers or above of each department; R&D(STEM) roles refer to R&D-related personnel; and general roles refer to other employees in non-management and R&D(STEM) roles.

Microbio (Shanghai) 2024 Occupational Safety Training

	Training Topic	Number of Courses	Number of Participants
Internal	On-the-job safety and health training for general employees and new recruits, and fire safety drills	11	199
External	Fire equipment operation, production safety management, hazardous chemical handling, and pressure vessel operation	5	9
Total		16	208



Appendix 5 Environmental Related Information

• Task Force on Climate-related Financial Disclosures (TCFD) Content Index

Indicators	Page	Remark
Governance Disclose the organization's governance around climate-related risks and opportunities		
Describe the board's oversight of climate-related risks and opportunities.	7-5	
Describe management's role in assessing and managing climate-related risks and opportunities.	7-5	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	7-6	
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	7-6~7-7	
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	7-8~7-9	
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.		
Describe the organization's processes for identifying and assessing climate-related risks.	7-11	
Describe the organization's processes for managing climate-related risks.	7-11	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	7-11	
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	7-11	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	7-11	
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	7-11	

• Climate-related Information of TPEX-listed Companies

1 Climate-related Information Implementation Status

Item	Implementation Status
1. Describe the monitoring and governance of climate-related risks and opportunities between the Board and management. 2. Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (short-, medium-, and long-term). 3. Describe financial impacts of extreme climate events and transformational actions. 4. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system. 5. If the scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described. 6. If transition plans exist to manage climate-related risks, specify the contents of the plans, as well as the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, specify the basis for setting the pricing. 8. If climate-related goals have been set, specify the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified. 9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and specific action plans (fill in separately in 1-1 and 1-2).	1. For items 1 to 6 and 8, the Company has adopted the Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) for disclosing climate-related risks and opportunities in the sustainability report on the governance, strategy, risk management indicators and targets are provided for investors and stakeholders to understand the Company's response measures. 2. Paragraph 7 The Company does not use internal carbon pricing. 3. Please refer to the Company's website and Sustainability Report for the status of the Company's GHG inventory and assurance in paragraph 9.

• 1-1 Greenhouse Gas Inventory and Assurance Status for the Past 2 Years

1-1-1 Greenhouse Gas Inventory

Please state the greenhouse gas emissions (in metric tons CO₂e), intensity (metric tons CO₂e/million NTD), and the scope of data coverage for the past two years.

Scope of Data Coverage: 2023 and 2024: Parent company individual data and subsidiaries included in the consolidated financial report.

Greenhouse Gas Emissions Inventory and Verification Standards: ISO 14064-1 for inventory, ISO 14064-3 for verification

Scope 1					Scope 2				
Scope 1	2023		2024		Scope 2	2023		2024	
	Total Emission (t CO ₂ e)	Intensity (t CO ₂ e / Million TWD)	Total Emission (t CO ₂ e)	Intensity (t CO ₂ e / Million TWD)		Total Emission (t CO ₂ e)	Intensity (t CO ₂ e / Million TWD)	Total Emission (t CO ₂ e)	Intensity (t CO ₂ e / Million TWD)
Parent Company	296.952	1.579	422.535	1.844	Parent Company	813.827	4.327	785.243	3.426
Subsidiaries	1387.471	0.926	1704.750	1.067	Subsidiaries	4541.162	3.031	4501.728	2.818
Total	1684.424	1.058	2127.285	1.235	Total	5354.989	3.175	5286.971	3.069

Scope 3

In accordance with the principle of materiality (considering emission volume, monitoring capability, reduction potential, risk, and stakeholder concern), Microbio discloses representative sources of Scope 3 (Other Indirect GHG Emissions). The statistics cover both the parent company and its subsidiary Cotton Field Organic, including emissions from "upstream transportation of products," "operational waste," "business travel," "upstream leased assets," and "franchises and licensed operations." Emissions are calculated based on actual activity data.

The following summarizes the company's Scope 3 GHG emissions for the year 2024:

Category (ISO 14064)	Indirect Emission Source	Microbio Inc. (t CO ₂ e)	Cotton Field Organic (t CO ₂ e)	Total Emissions (t CO ₂ e)
Category 3	Upstream Transportation and Distribution	2.588	-	2.588
Category 3	Business Travel	34.233	6.548	40.781
Category 4	Operational Waste	10.719	-	10.719
Category 4	Upstream Leased Assets	139.009	129.414	268.423
Category 6	Franchises and Licensed Operations	-	39.894	39.894
Total Emissions (t CO ₂ e)		186.549	175.856	362.405

Note: Emissions from Microbio (Shanghai) were not included in the Scope 3 inventory, as all categories of indirect emissions were assessed to be below the materiality threshold.

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1-1-2 Greenhouse Gas Assurance Information

The following describes the assurance details for the most recent two years as of the annual report publication date, including the scope of assurance, assurance institution, assurance standards, and assurance opinion:

	2023	2024
Assurance Scope	Parent company and consolidated subsidiaries	Parent company and consolidated subsidiaries
Assurance Institution	DNV GL Business Assurance Co., Ltd.	DNV GL Business Assurance Co., Ltd.
Assurance Standards	ISO 14064-3 : 2019	ISO 14064-3 : 2019
Scope 1 Assurance Opinion	Reasonable Assurance	Reasonable Assurance
Scope 2 Assurance Opinion	Reasonable Assurance	Reasonable Assurance

• 1-2 Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans

Specify the GHG reduction base year and data, reduction goals, strategies and specific action plans, and the status of achievement of the reduction goals.

In 2021, the heavy oil boilers in the Longtan Plant were replaced with gas-fired boilers. Their GHG emissions were calculated based on the carbon emission coefficient to achieve the same calorific value. After the equipment is replaced, the emissions of methane, nitrous oxide and carbon dioxide can be reduced. The equipment in the plant has also been replaced with ENERGY STAR certified ultra-low temperature freezers, and refrigerants that meet the requirements of post-2025 environmental regulations are used to save electricity and reduce heat production by 25% compared to traditional systems. Completed the replacement of the old chiller system and its ancillary equipment at the Longtan Plant in the second quarter of 2023. The new system is estimated to save 6.8% of the Longtan Plant's annual electricity consumption, reducing carbon emissions by 51.046 tCO₂e.

Taking 2024 as the baseline year, the inventory boundary includes the parent company entity and subsidiaries consolidated in the financial report. The target is to reduce carbon emissions by at least 2% annually compared to the baseline year. Starting with electricity usage at the Zhongxiao office, the use of renewable energy will be gradually increased each year, aiming to reach 75% renewable electricity consumption by 2030. The subsidiary Microbio (Shanghai) is also evaluating the installation of solar power systems, with an estimated renewable energy usage reaching 20% of its annual electricity consumption.

» Greenhouse Gas Related Information

• Scope 1: Direct Emissions Information

Annual Analysis of Seven Types of Greenhouse Gases

Microbio and Subsidiaries

(Unit: tCO₂e)

Company	CO ₂	CH ₄	N ₂ O	NF ₃	SF ₆	PFCs	HFCs	Total
Microbio	372.774	5.084	0.185	0.000	0.000	0.000	44.492	422.535
Microbio (Shanghai)	23.488	0.133	0.406	0.000	0.000	0.000	197.863	221.890
Cotton Field Organic	308.958	4.642	5.221	0.000	0.000	0.000	1164.039	1482.860
Total	705.220	9.859	5.813	0.000	0.000	0.000	1406.394	2127.285

Scope 1 Historical Emissions and Emission Intensity

Microbio

Microbio and Subsidiaries

	2021	2022	2023	2024
Emissions (tCO ₂ e)	323.979	299.717	296.952	422.535
Stand-alone Revenue (Million TWD)	230.403	279.843	188.092	229.171
GHG Intensity (tCO ₂ e/Million TWD Revenue)	1.406	1.071	1.579	1.843

	2022	2023	2024
Emissions (tCO ₂ e)	1,543.217	1,684.424	2,127.285
Stand-alone Revenue (Million TWD)	1,721.848	1,591.392	1,722.852
GHG Intensity (tCO ₂ e/Million TWD Revenue)	0.896	1.058	1.235

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• Scope 2: Energy Indirect Emissions Information

Microbio				
	2021	2022	2023	2024
Longtan	809	781.427	752.331	738.786
Nangang HQ	24	23.525	21.937	19.706
Zhongxiao Office*	91	44.969	39.560	26.751
Total	924	849.921	813.827	785.243
*Since 2024, all staff from Xinyi Office have relocated to Zhongxiao Office. Taichung Office is only used by the sales team and included under Zhongxiao Office for inventory.				

Subsidiaries' Energy Indirect Emissions				(Unit: tCO ₂ e)
	2022	2023	2024	
Microbio (Shanghai)	917.629	987.227	890.307	
Cotton Field Organic	3,439.564	3,553.039	3,611.421	
Total	4,358.061	4,541.162	4,501.728	

Scope 2 Historical Emissions and Emission Intensity

Microbio				
	2021	2022	2023	2024
Emissions (tCO ₂ e)	924.387	849.921	813.827	785.243
Stand-alone Revenue (million TWD)	230.403	279.843	188.092	229.171
GHG Intensity (tCO ₂ e/million TWD)	4.012	3.037	4.327	3.426

Microbio and Subsidiaries			
	2022	2023	2024
Emissions (tCO ₂ e)	5,207.114	5354.989	5,286.971
Stand-alone Revenue (million TWD)	1,721.848	1,591.392	1,722.852
GHG Intensity (tCO ₂ e/million TWD)	3.024	3.175	3.069

• Scope 3 (2024) Emission Information

Upstream Product Transportation/Distribution

Based on the annual procurement list provided by the purchasing unit, including raw materials and materials, each supplier's registered distance to the Longtan Plant, emissions are calculated according to land and sea transportation methods.

• **Quantification Method:** Σ (Material weight $\times$ Distance $\times$ Emission factor [land or sea])

Transportation Mode	Emissions (tCO ₂ e)	Emission Factor (kg CO ₂ e/tkm)	Source of Emission Factor
Land Transport	2.490	1.31E-01	Product Carbon Footprint Database
Sea Transport	0.098	1.98E-02	
Total	2.588		

Note: 11.3% of materials were excluded from this inventory disclosure due to no inventory or missing weight information during the audit period. These materials are lightweight and account for an extremely low overall proportion.

Scope 3 Emissions – Business Travel

Statistics include overseas business trips (air travel), domestic self-driving (private car for business), and domestic mass transit (high-speed rail).

• **Quantification Methods:**

- Overseas Travel: Calculated based on carbon emission guidelines from the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA), using carbon footprint calculators provided by airlines or ICAO websites.
- Domestic Self-Driving: For eligible private car use under the business trip management policy, calculated based on actual trip distances; vehicle cost is NT\$5 per kilometer.
- Domestic Transport (High-Speed Rail): Calculated using the carbon footprint per passenger published by Taiwan High-Speed Rail, where the Nangang to Taoyuan trip emits 1.46 kg CO₂e per passenger. Total annual expenses divided by the ticket price for Nangang to Taoyuan (NT\$200) multiplied by 1.46 kg CO₂e/p is used for calculation.

Business Travel Type	Emissions (tCO ₂ e)	Emission Factor	Source of Emission Factor
Overseas Travel (Plane)	3.872	EVA Air Passenger Carbon Emission Calculator; ICAO Carbon Footprint Calculator	
Domestic Self-Driving (Car)	32.214	0.115 kgCO ₂ e/km	Product Carbon Footprint Database (Private Passenger Car)
Domestic Transport (High-Speed Rail)	4.695	1.46 kgCO ₂ e/p	Taiwan High-Speed Rail Transportation Carbon Footprint
Total	40.781		

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Operational Waste

Operational waste statistics are based on carbon emissions arising from disposal and treatment of waste generated by the Longtan Plant and The Nangang Laboratory. Since 2024, the Nangang laboratory has outsourced biological experiments, resulting in no generation of non-infectious hazardous industrial waste. Therefore, only the Longtan plant is included in the statistics. The general waste of the Nangang and Xinyi Office was disposed of by a building & cleaning management company. There are no relevant statistics available and are not included in the statistics.

- **Quantification method:** Σ (waste treatment method and weight $\times$ emission factor)

	Waste categories	Treatment method	Weight (ton)	Emission from waste treatment (tCO ₂ e)	Emission from waste disposal (CO ₂ e)	Total (tCO ₂ e)
Longtan	General Waste	Incineration	24.046	8.657	0.865	10.719
		Reuse	61.2	0	0.943	
	Hazardous Industrial Waste	Incineration	0.486	0.175	0.076	
		Reuse	0.014	0.001	0.002	

- Emission factors reference: Carbon Footprint Information Platform (<https://cfpcalculate.tw/eng/WebPage/LoginPage.aspx>)
- 0.36 tCO₂e/t, Waste incinerated services (Gangshan refuse incineration plant)
- 0.123 tCO₂e/t, Chemical treatment of waste (SOUTHERN TAIWAN SCIENCE PARK)
- 0.131tCO₂e /tkm, General waste clearance transport, diesel powered
- 0.587 kg CO₂e /tkm, Light truck (business usage,diesel)

Upstream Leased Assets

Statistics of air-conditioning and shared electricity usage in office locations.

- **Quantification method:** (Electricity usage or cost for shared air-conditioning) $\div$ (electricity price per unit) $\times$ (electricity emission factor)
- Emissions: 178.903 tCO₂e

Company	Office	Common Area Electricity Consumption (kWh)	Emission (CO ₂ e)
Microbio	Nangang	209,104	99.115
	ZhongXiao	84,166	39.894
Cotton Field Organic	Xinyi	86,961	41.220
Total GHG emissions by sites		380,230	180.229

Franchises and Licensed Operations

In Q4 2024, the subsidiary Cotton Field Organic added one franchise store through acquisition. As franchise expansion is also planned in the future, greenhouse gas emissions from franchised operations have been included in the inventory and disclosed accordingly.

- **Quantification method:** Σ Scope 1 and Scope 2 GHG emissions of franchise stores
- **Emissions:** 129.414 tCO₂e

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• Energy Consumption Information

Energy Consumption in 2024

Energy consumption by Microbio and its subsidiaries

(Unit: MJ)

Energy Type	Microbio	Microbio (Shanghai)	Cotton Field Organic	Total Consumption
Liquefied Petroleum Gas (LPG)	5,878,756.305	132,468.000	0.000	6,011,224.305
Natural Gas	0.000	22,267.960	4,153.306	26,421.266
Diesel	24,415.700	0.000	3,548,319.783	3,572,735.482
Gasoline	0.000	190,324.025	660,813.572	851,137.596
Electricity	5,963,864.940	7,631,208.000	27,424,636.259	41,019,709.199
Total	11,867,036.944	7,976,267.985	31,637,922.918	51,481,227.847

Energy consumption by Microbio and its subsidiaries

(Unit: MWh)

Energy Type	Microbio	Microbio (Shanghai)	Cotton Field Organic	Total Consumption
Liquefied Petroleum Gas (LPG)	1,632.988	36.797	0.000	1,669.785
Natural Gas	0.000	6.186	1.154	7.339
Diesel	6.782	0.000	985.644	992.427
Gasoline	0.000	52.868	183.559	236.427
Electricity	1,656.629	2,119.780	7,617.955	11,394.364
Total	3,296.399	2,215.630	8,788.312	14,300.341

Calorific Value Coefficients (Source: "Unit Calorific Values of Energy Products", Bureau of Energy, Ministry of Economic Affairs)

- LPG: 6,635 kcal/L
- Diesel: 8,400 kcal/L
- Gasoline: 7,800 kcal/L

Volume Conversion Factor

- LPG: 1.818 kiloliters (KL) per metric ton (MT)

Historical Energy Intensity of Microbio and Subsidiaries

Indicator	2022	2023	2024
Energy Consumption (MWh)	12,818.570	13,572.386	14,300.341
Consolidated Revenue (NT\$ million)	1,721.848	1,591.392	1,722.852
Energy Intensity (MWh/NT\$ million)	7.445	8.529	8.300

Note: Energy consumption data for subsidiaries in 2022 and 2023 include Microsoly International Inc.



• Nitrogen Oxide (NOx) Emissions Information

Direct Emissions of Nitrogen Oxides (NOx) by Microbio Group and Subsidiaries

Unit: metric tons (t)

Direct Emissions of Nitrogen Oxides (NOx)	2021	2022	2023	2024
Microbio	1.500E-03	4.823E-04	4.806E-04	6.785E-04
Microbio (Shanghai)	-	6.732E-04	1.132E-03	1.488E-03
Cotton Field Organic	-	1.505E-02	1.907E-02	1.913E-02
Total	0.0015	0.01620	0.02068	0.02130
Data Coverage (%) ¹	66.76%	100.00%	100.00%	100.00%

Note: Subsidiaries Cotton Field Organic and Microbio (Shanghai) began conducting greenhouse gas inventories starting from 2022. NOx emissions are estimated based on Scope 1 N₂O emissions.

• Water Resource Information

Water Withdrawal by Microbio and Subsidiaries

Water Withdrawal (Unit: Million Liters)

Company	Location	Water Source	2021	2022	2023	2024
Microbio	Xinyi	Municipal Water Supply	0.507	0.516	0.533	-
	Zhongxiao	Municipal Water	-	-	-	0.574
	Longtan Plant	Groundwater	11.526	12.47	8.487	16.189
Microbio (Shanghai)	Headquarters & Songjiang Plant	Municipal Water Supply	-	-	8.275	6.180
Cotton Field	Xinyi	Municipal Water Supply	-	0.862	0.809	0.941
	Logistics Center	Municipal Water Supply	-	0.771	0.742	0.571
	Stores	Municipal Water Supply	-	11.657	12.466	12.533

Wastewater Discharge by Microbio and Subsidiaries

Company	Location	Discharge Destination	Wastewater Discharge (Unit: Million Liters)			
			2021	2022	2023	2024
Microbio	Xinyi	Municipal Sewer	0.507	0.516	0.533	-
	Zhongxiao	Municipal Sewer	-	-	-	0.574
	Longtan Plant	Xiaoli Creek	4.110	4.001	4.694	5.876
Microbio (Shanghai)	Headquarters & Songjiang Plant	Songjiang Wastewater Plant	-	-	8.275	6.180
Cotton Field	Xinyi	Municipal Sewer	-	0.862	0.809	0.941
	Logistics Center	Municipal Sewer	-	0.771	0.742	0.571
	Stores	Municipal Sewer	-	11.657	12.466	12.533

Waste Information

Waste Statistics of Microbio and Subsidiaries

(Unit: Metric Tons)

Company	Location	Item	Disposal Method	2021	2022	2023	2024
Microbio	Longtan Plant	General Waste	Incineration	8.53	14.897	20.950	24.046
		General Waste	Recycling	2.9	37.105	35.710	61.2
		Hazardous Industrial Waste	Incineration	0.286	0	0.441	0.486
		Hazardous Industrial Waste	Chemical Treatment	0.04	0	0.035	0.014
	Nangang Laboratory	Hazardous Industrial Waste	Incineration	1.132	0.631	0	0
Microbio (Shanghai)	Headquarters R&D Building	Hazardous Industrial Waste	Incineration	1.013	0.172	1.252	1.323
	Songjiang Plant	Hazardous Industrial Waste	Incineration	0.4	0.1	0.03	0.3
Cotton Field	Stores	General Waste	Incineration	-	-	-	28.694

Notes:

- 1. General waste at Xinyi and Nangang offices is handled by building management units and thus not included in the statistics.
- 2. Hazardous industrial waste data is based on actual disposal declarations via triplicate forms.
- 3. 2021 data has been verified and adjusted.
- 4. The incineration plants at Longtan are equipped with energy recovery facilities.
- 5. After 2023, the Nangang laboratory outsources biological experiments, producing no infectious hazardous industrial waste.
- 6. General waste from Cotton Field stores mainly follows municipal waste disposal; since 2024, statistics are based on scrapped expired products. General waste from headquarters and logistics centers is not included.
- 7. Microbio (Shanghai) waste disposal contractors charge per barrel, but no actual weight measurement or barrel count has been recorded.

Appendix 6 Tax Information

2024 Annual Tax Information¹

Currency : NTD thousand

Region ²	Main Business Activities	Number of Employees	Revenue	Pre-tax Net Profit (Loss)	Paid Income Tax	Income Tax Expense (Benefit)
Taiwan ³	R&D, production, and sales of healthcare products and pharmaceuticals; organic food trade; sales of nutritional supplements, health food, and beverages.	645	1,702,605	(1,047,004)	Microbio: 0 NTD Cotton Field: 0 NTD	158
Others ⁴	Pharmaceutical production, contract manufacturing, pharmaceutical wholesale, technical development, consulting, and services in the fields of medicine, food, and health technology; investment holding.	64	20,247	(231,384)	Microbio (Shanghai): 0 NTD	13

Notes:

1. In 2024, over 90% of the operating revenue of Microbio Co., Ltd. was generated in Taiwan.
2. The operating revenue, pre-tax net profit (loss), paid taxes, and income tax expense by region are categorized by the countries of Microbio Co., Ltd. and its consolidated subsidiaries.
3. Taiwan includes Microbio Co., Ltd., Cotton Field Organic
4. "Others" refers to Microbio (Shanghai) Biotechnology Co., Ltd., Microbio Pharmaceutical Co., Ltd., and Microbio (Hong Kong) Biotechnology Co., Ltd. Microbio Pharmaceutical Co., Ltd., registered in Samoa, had no employees, revenue, or income tax expense in 2024. Microbio (Hong Kong) Biotechnology Co., Ltd., registered in Hong Kong, had no employees and no income tax expense in 2024.



2023-2024 Annual Tax Information

Currency : NTD thousand

Item		2023	2024
Pre-tax Net Profit (A)		(1,377,869)	(1,278,388)
Income Tax Expense (Benefit) (B)		(553)	171
Effective Tax Rate% (C) = B/A		0.04%	(0.01%)
Tax Impact of Adjustments (D)	Temporary Differences	(190)	444
	Tax-exempt Income	688	1429
Adjusted Income Tax Expense (E)=(B)+(D)		(55)	2044
Adjusted Effective Tax Rate % (E)/(A)		0%	(0.16%)
Paid Income Tax (F)		0	0
Cash Tax Rate (F)/(A)		0	0

Note: The tax information is based on the audited consolidated financial reports of Microbio and its subsidiaries for 2023 and 2024 (pages 10, 63–64).

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Appendix 7 Third Party Assurance Statement

2022 Greenhouse Gas Verification Statement



Independent Assurance Opinion

Statement No.: CS98098-2022-AG-TWN-DNV Issued date: 16 May, 2023 Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2022) of

Microbio Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by Microbio Co., Ltd. (the Organization) to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2022) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the sites listed in Appendix A.
The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation and indirect GHG emissions from products used by the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

Verification Opinion
It is DNV's opinion that the Inventory Report (2022), which was published on April 25, 2023, is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches:
- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2022) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.
Also, the GHG information as stated in Appendix B and C has been verified during the process.

Celine Wang
DNV Verifier

Place and date:
Taipei, 16 May, 2023

For the issuing office:
DNV Business Assurance Co., Ltd.
29FL, No. 293, Sec. 2, Wenhua Rd.,
Banqiao District, New Taipei City
220, Taiwan

Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.
This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or completeness of this information. DNV cannot be held liable for any party relying on acting upon this Verification Opinion.
DNV Business Assurance Co., Ltd. 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-62537800, website: www.dnv.com/tai
DNV ZNATW-OP-FSD, Rev. 10, 2023-2

2023 Greenhouse Gas Verification Statement



Independent Verification Opinion

Verification Opinion No.: C570522-2023-AG-TWN-DNV Issued Place: Taipei Issued Date: 14 June, 2024

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2023) of

Microbio Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by Microbio Co., Ltd. (the Organization) to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2023) (hereafter the "Inventory Report") with respect to the sites listed in Appendix A.

The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization and indirect GHG emissions associated with the use of products from the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

Verification Opinion
It is DNV's opinion that the Inventory Report (2023), which was published on March 2024 is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches:
- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2023) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.
Also, the GHG information as stated in Appendix C has been verified during the process.

Chien Yu Lin
GHG Verifier

Chien Yu Lin
Place and date:
Taipei, 14 June, 2024

For the issuing office:
DNV Business Assurance Co., Ltd.
29FL, No. 293, Sec. 2, Wenhua Rd.,
Banqiao District, New Taipei City
220, Taiwan

Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or completeness of this information. DNV cannot be held liable for any party relying on acting upon this Verification Opinion.
DNV Business Assurance Co., Ltd. 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-62537800, website: www.dnv.com/tai
DNV ZNATW-OP-FSD, Rev. 10, 2023-2

2024 Greenhouse Gas Verification Statement



Independent Verification Opinion

Verification Opinion No.: C760509-2024-AG-TWN-DNV Issued Place and Date: Taipei, 09 June, 2025 Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2024) of

Microbio Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by Microbio Co., Ltd. (hereafter "the Organization") to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2024) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the sites listed as in Appendix A.

Headquarters	Address
Nangang Office & Labs	10F-1, No. 3, Yuanqu St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)

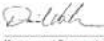
The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation and indirect GHG emissions from products used by the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme
The verification was performed on the basis of with Financial Supervisory Commission Sustainable Development Roadmap Scheme and ISO 14064-1:2018, CNS 14064-1:2021 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO14064-3:2019.

Verification Opinion
It is DNV's opinion that the Inventory Report (2024), which was published on April 17, 2025 (Final Version), is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches:
- For the Direct (Category 1) GHG emissions and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2024) was verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified with limited level of assurance.
Also, the GHG information as stated in Appendix C has been verified during the process.

GHG Verifier:
Alvin Chen

Alvin Chen
Place and date:
Taipei, 09 June, 2025

For the issuing office:
DNV Business Assurance Co., Ltd.

Management Representative

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfillment of conditions as set out in the Certification Agreement may render this Verification Opinion invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or completeness of this information. DNV cannot be held liable for any party relying on acting upon this Verification Opinion.
The issuing office: 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-62537800, https://www.dnv.com/tai
DNV ZNATW-OP-FSD, Rev. 14, 2025-03

Preface

- 1. Sustainability Performance
- 2. ESG Overview
- 3. Health Care
- 4. Corporate Governance
- 5. Safe Workplace
- 6. Social Inclusion
- 7. Environmental Protection

Appendix

2024 ESG Report Assurance Statement



Independent Assurance Statement

MICROBIO CO., LTD 2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and MICROBIO CO., LTD (hereinafter referred to as MICROBIO) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of MICROBIO.

RESPONSIBILITIES

MICROBIO is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and overseas operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to MICROBIO and its stakeholders in accordance with the described scope and method. This statement is for MICROBIO use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between MICROBIO and AFNOR ASIA includes:

- The scope of assurance operation is consistent with the scope disclosed in the "MICROBIO CO., LTD 2024 SUSTAINABILITY REPORT".
- AFNOR ASIA performs assurance operation according to the Type 2 assurance of the AA1000 assurance standard (v3), reviewing and evaluating MICROBIO's compliance with the AA1000 Accountability Principles (2018), and presenting findings and conclusions on the reliability and quality of specific performance information.
- The assurance operation includes reviewing and evaluating MICROBIO's materiality assessment and relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
 - GRI Standards
 - Task Force on Climate-related Financial Disclosures
 - Sustainability Accounting Standards Board Standards



METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosures.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders, the materiality assessment and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

AA1000 Accountability Principles

Inclusivity

MICROBIO has integrated the stakeholder engagement process into the governance, strategy and related decision-making processes of the entire organization, and seeks participation from top management, cross-departmental and cross-regional organizations where appropriate, demonstrating the organization's concrete practice of the inclusivity principle.

Materiality

MICROBIO has established a process to collect, analyze and identify issues related to its sustainable development. The Report has shown the results of the planned and implemented materiality analysis and decision-making, and used it to rank and respond to various material topics. In the future, the organization can continue to improve its decision-making process to make reasonable and balanced decisions and management on material topics.

Responsiveness

MICROBIO has disclosed economic, governance, environmental and social information in its report, allowing stakeholders to understand the company's governance and management performance. In the future, the organization can continue to respond according to relevant reporting requirements and in accordance with the organization's operating conditions and management performance.

Impact

MICROBIO has clearly presented the impact assessment process for material topics in the Report.



combining the evaluation of positive impacts and negative impacts into the impact level, and then conducting quantitative statistics to distinguish the level of significance, effectively supporting risk control and resource allocation, and demonstrating the organization's accountability and effective management of impacts.

Findings and conclusions concerning the reliability and quality of specified performance information

Based on the results of the review, the organization's economic, environmental and social indicators, such as Supplier Screening, Fatalities, LTIFR (OHS related), GHG emissions Scope 1/2/3, NOx emissions, Energy, Water, Waste & FLYW (Food Loss & Waste), etc., have been 100% verified during the verification process and the data has been confirmed to be correct.

Global Reporting Initiative Sustainability Reporting Standards

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to consolidate and expand the disclosure of the operational performance of each operating location and provide sufficient and complete information to stakeholders.

Task Force on Climate-related Financial Disclosures

Based on the results of the review, the Report has disclosed four major aspects, including governance, strategy, risk management, indicators and goals, in accordance with the TCFD framework, explaining the impact of climate change on operations and costumer/employees. A sustainable development executive committee is set up to identify risks and opportunities, formulate countermeasures, plan and implement greenhouse gas inventories and disclose them, and regularly track carbon management performance. The Report discloses carbon reduction targets, renewable energy use and carbon management performance, and is linked to financial strategies. Overall, it meets the basic requirements of TCFD. In the future, climate scenario analysis and financial impact quantification can be strengthened to enhance the depth of disclosure and reference value for investment decisions.

Sustainability Accounting Standards Board Standards

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB Standards. In the future, the organization can continue to collect and report data based on the SASB Standards to provide valuable sustainable information to investors.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the



verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by MICROBIO and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by MICROBIO provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in MICROBIO in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For aid on behalf of AFNOR:



De August Tsai
The Director for Certification and Assessment
Jul 28, 2025



AA1000
Licensed Report
000-84/V3-E9BXQ



Verification team: Chang-Pen Chen (Lead Verifier), YU TAI CHIANG (Verifier), Wen Yi Yen (Verifier)
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