FORMOSA
LABORATORIES, INC.

2025 Sustainability Report

Formosa Laboratories, Inc.

Environment
Social
Governance







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Message from the Chairman

Since it was established in 1995, Formosa Laboratories has focused on process development, gradually becoming an internationally recognized manufacturer of Active Pharmaceutical Ingredients (APIs). Formosa Laboratories now holds a leading global position in 30 generic drug products and has expanded into Biopharmaceuticals, Injectable Formulations, and Contract Development and Manufacturing Organization (CDMO) services, demonstrating its strong commitment to quality, innovation, and sustainable operations.

Formosa Laboratories plays a key role in the global supply chain and actively addresses the issues of energy conservation, carbon reduction, and employment rights. Since introducing solar power generation in 2023, the Company has continued to expand its renewable energy installations and strengthen its sustainability initiatives. Formosa Laboratories has also continued its ISO 14064-1 and ISO 14067 certifications, collaborated with the Industrial Technology Research Institute (ITRI) in conducting carbon footprint assessments, and participated in the Ministry of the Environment's voluntary emissions reduction program through process optimization and energy-saving measures. The Company also fulfills its corporate social responsibility through community and environmental initiatives, such as beach cleanups, demonstrating its commitment to environmental protection and sustainable development.

In response to growing demand in the pharmaceutical market, Formosa Laboratories is leveraging its integrated technological capabilities, undertaking increasingly complex generic drug projects, and engaging in international collaborations. The Company is also continuing to expand the scope of GMP certification for its injectable manufacturing facility to enhance its production capabilities and support future business growth. Formosa Laboratories remains committed to strengthening its presence in the North American market by leveraging its U.S. operating base to increase regional market influence and drive business development. The Company is also leveraging artificial intelligence (AI) in administrative management and research and development to improve operational efficiency and reinforce its competitive advantage.

The Company continues to strengthen its talent development and retention mechanisms while actively recruiting international professionals. Through industry-academia collaboration, campus engagement, graduate development initiatives, and scholarship programs, Formosa Laboratories is deepening its connections with academic institutions and progressively building a stable talent pipeline. The Board of Directors also participates in decision-making and oversight of sustainability-related matters via the Sustainable Development Committee. The Company remains committed to promoting workplace diversity and gender equality, striving to create a fair, inclusive, and supportive work environment for all employees.

Formosa Laboratories will continue to closely monitor global pharmaceutical industry trends while investing in research and development, innovation, and technological advancement. The Company will also drive energy conservation and carbon reduction initiatives, supported by talent development and international expansion strategies. With innovation and sustainability at its core, Formosa Laboratories is committed to working with global customers and partners to create a more resilient, sustainable, and prosperous future.

Chairman Cheng, Chen-Yu



Principles of Report Preparation

Report Overview

Welcome to the fourth sustainability report published by Formosa Laboratories, Inc. (hereinafter referred to as Formosa Laboratories). This report was prepared in accordance with the 2021 GRI Sustainability Reporting Standards (GRI Standards), and also discloses indicators from the Sustainability Accounting Standards Board (SASB) standards for the Biotechnology and Pharmaceuticals industry, as well as information aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board (FSB), with GRI and SASB content indexes included in the Appendix. Moving forward, we will continue to publish this report annually to disclose our ESG performance to the public and put our corporate sustainability vision into practice through concrete actions. This report was released in August 2026, and the next report is scheduled for publication in August 2027.

IFRS S1/S2 Implementation Progress

In view of the increasing importance of sustainability-related issues to corporate value and financial performance, Formosa Laboratories is proactively preparing for the adoption of IFRS Sustainability Disclosure Standards S1 and S2. In accordance with the "Roadmap for Aligning Taiwan with IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission (FSC), the Company engaged an external consulting firm in 2025 to conduct training on relevant requirements. The Company has also included an IFRS cross-reference index in the appendix of this report. A cross-functional sustainability disclosure task force is expected to be established in 2026. The Company will follow the Taiwan Stock Exchange's reference implementation plan and progress tracking framework for IFRS Sustainability Disclosure Standards and report quarterly to the Board of Directors on implementation status. This measure ensures readiness, enhances information quality, and strengthens comparability, transparency, and investor confidence in sustainability disclosures when the regulations take effect.

Boundary and Scope of the Report

The reporting period for this report is from January 1, 2025, to December 31, 2025. The scope of this report is consistent with the previous year, covering Formosa Laboratories, Inc., including the Luzhu Plant and Luzhu No. 2 Plant. However, this report does not cover subsidiaries such as Formosa Pharmaceuticals, Inc., Epione Pharmaceuticals, Inc., Epione Investment Cayman Limited, SynChem-Formosa, Inc., or other subsidiaries.

The financial data in this report are based solely on the 2025 separate financial statements of Formosa Laboratories. The reporting boundary for environmental and social information also covers Formosa Laboratories, Inc. For information on other affiliated companies, please visit Formosa Laboratories' website > Investors > Financials > Annual Reports to access the 2025 Annual Report.

Main Responsible Units and Quality Management Methods for the Report

To improve the integrity and credibility of sustainability reporting at Formosa Laboratories, the Company has established its Sustainability Report Preparation and Verification Procedures in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, ensuring the integrity and credibility of the sustainability report.

Operating Procedure	Method	Responsible Unit
Report Compilation	This report is supervised by the Sustainable Development Committee, with the ESG Team responsible for overall planning. The data, strategic objectives, performance indicators, and other information disclosed in this report are provided by the respective responsible units and then integrated, compiled, proofread, and revised by the ESG Team. Any information restatements can be found in the appendix, with detailed explanations provided in the relevant chapters.	ESG Team
Internal Assurance	After compilation, each department reviews the report again for completeness and accuracy before it is submitted to the senior executive of the relevant department for approval.	Relevant responsible departments and their senior executives
External Assurance	• This report has been independently verified by AFNOR Asia Ltd., a third-party assurance provider. The verification was conducted in accordance with the AA1000 Assurance Standard, Type 1, at a moderate assurance level. The assurance engagement confirms that the content of this report complies with the GRI Standards and the AA1000 Accountability Principles (2018).	AFNOR Asia Ltd
	• **The financial data** have been audited by PwC Taiwan in accordance with International Financial Reporting Standards (IFRSs), and all figures are presented in New Taiwan dollars.	PwC Taiwan
	• **Greenhouse gas emissions data:** Starting in 2025, the Company has conducted its greenhouse gas inventory and disclosure in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The data are independently verified by SGS Taiwan Ltd. in accordance with ISO 14064-3 verification standards. Scope 1 and Scope 2 emissions have received reasonable assurance, while Scope 3 emissions have received limited assurance.	SGS Taiwan Ltd.
Approval and Finalization	The final version of this report was first presented to the Sustainable Development Committee for approval and then submitted to the Board of Directors for approval by resolution before it was officially issued.	Sustainable Development Committee and Board of Directors

Contact Information

If you have any suggestions or questions about Formosa Laboratories' 2025 Sustainability Report, please feel free to contact us through the options below. To ensure transparency and fulfill our corporate disclosure responsibilities, we have also uploaded this report to our official website for easy access.

Formosa Laboratories, Inc.

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Email: linyalin@formosalab.com

Stakeholders and Material Topics

Stakeholder Engagement

Formosa Laboratories assesses stakeholder dependence, responsibility, tension, influence, and diverse perspectives based on its operations and industry characteristics, following the five principles outlined in the AA1000 Stakeholder Engagement Standard (SES), 2015 edition. As a result, six key stakeholder groups have been identified: (1) Employees/Workers, (2) Customers, (3) Investors/Shareholders, (4) Suppliers, (5) Government Agencies, and (6) Local Communities.

To fully understand stakeholder concerns, identify issues with actual or potential impacts, and assess the degree of those impacts, Formosa Laboratories actively communicates with stakeholders through multiple two-way channels in its daily operations. At the same time, the Company collects and responds to issues of concern. Formosa Laboratories has also established a Stakeholder Engagement section on its official website, allowing stakeholders to submit questions or suggestions regarding material topics or other report content and maintain constructive communication with the Company.

▼ Stakeholder Engagement Status

Stakeholder	Importance to Formosa Laboratories	Engagement method and frequency	Topic of concern	Communication performance in 2025
Employees and workers	Employees are the Company's most important asset and a key driver of operational success. Formosa Laboratories, therefore, endeavors to attract outstanding talent to support strong economic performance.	● Cross-departmental manager meeting / monthly ● Labor-management meeting/quarterly ● Occupational Health and Safety Committee meeting /quarterly ● Employee health examination / annually ● Annual performance review / annually ● Employee Welfare Committee meeting / irregularly ● Internal company announcement / irregularly ● Multiple employee communication channels / irregularly	● Economic Performance ● Talent Attraction and Retention ● Occupational Health and Safety	● Formosa Laboratories received a total of seven feedback and proposal cases, including suggestions related to the cafeteria, parking facilities, and flooding near the entrance caused by a heavy rainfall event. All cases were duly accepted, evaluated, and closed.
Customers	Customers are the driving force behind the Company's growth; therefore, Formosa Laboratories is committed to building strong relationships with business partners and promoting shared value across the industry.	● Customer visits / irregularly ● Certification audits / irregularly ● Exhibitions / irregularly ● Official website, phone, and e-mail / irregularly	● Economic Performance ● Innovation and R&D ● Safety of Pharmaceuticals	● Received 113 customer visits in total. ● Underwent 33 customer audits. ● Participated in one exhibition event in Taiwan and six international exhibition events.
Investors/ shareholders	Investors provide a source of capital for Formosa Laboratories, supporting financial stability and creating greater investment value.	● Shareholders section on the official website / irregularly ● Major announcements / irregularly ● Annual report and financial statements / annually and quarterly ● Annual general shareholders' meeting / annually ● Extraordinary shareholders' meeting / irregularly ● Investor conference / irregularly ● Spokesperson's phone and email / real-time response	● Economic Performance ● Occupational Health and Safety ● Information Security	● Disclosed financial information, major announcements, shareholders' meeting materials, and event information in a timely manner. ● Held a shareholders' meeting. ● Participated in four investor conferences. ● Issued 27 major announcements in both Chinese and English.

Stakeholder	Importance to Formosa Laboratories	Engagement method and frequency	Topic of concern	Communication performance in 2025
Suppliers	Formosa Laboratories relies on suppliers to provide a stable supply of high-quality raw materials for its products, helping the company achieve strong economic performance through mutual trust and cooperation.	• On-site visit / irregularly • Assessment and certification audit / annually • Questionnaire survey / every three years	• Economic Performance • Supply Chain Management	• Completed on-site audits of 46 raw material suppliers • Completed on-site audits of one general affairs supplier
Government agencies	Formosa Laboratories complies with relevant government laws and regulations by disclosing material financial and ESG information as required by law and adhering to applicable environmental and labor regulations.	• Official documents, e-mail, and briefing sessions / irregularly • Policy briefings by competent authorities / irregularly	• Occupational Health and Safety • Water Stewardship • Pharmaceutical Safety • Information Security • Waste Management • Climate Change Response	• Exchanged official correspondence with the Taiwan Food and Drug Administration and the Department of Public Health, Taoyuan City Government, 49 times in total. • Participated in joint toxic chemical disaster prevention activities, with 15 items of official correspondence exchanged. • The authorities conducted a total of seven inspections in 2025.
Local communities	Formosa Laboratories maintains positive relationships with local communities and neighborhoods while giving back as part of its corporate social responsibility efforts.	• Official website / irregularly • Participation in community activities / irregularly • Phone and on-site communication / irregularly	• Occupational Health and Safety • Water Stewardship • Social Participation • Waste Management	• Sponsored 16 local community activities and events in 2025. • Organized a river cleanup event with 177 participants.

Identifying and Ranking Material Topics

Formosa Laboratories identifies Material topics based on the four principles of the AA1000 AccountAbility Principles 2018 - inclusivity, materiality, responsiveness, and impact - with reference to the sustainability topics listed in the GRI Standards and SASB Standards. These topics are then prioritized in accordance with the GRI Universal Standards 2021, after which the impacts, management strategies, and implementation status of each topic are disclosed. Formosa Laboratories uses these results to align its sustainability goals and strategies, improve the effectiveness of external communication, and provide stakeholders with relevant information for assessment and decision-making.

In 2025, stakeholder concern surveys were incorporated to enable Formosa Laboratories to more comprehensively capture stakeholder priorities related to material topics. At the same time, a double materiality assessment approach was adopted, incorporating quantitative analysis of both financial materiality and impact materiality. The assessment also considers actual impacts on the Company's operations and management in order to identify significant impacts and prioritize issues requiring attention and management.

▼ Material Topic Identification Process for Formosa Laboratories

Compilation of Sustainability Topics	• Compiled and assessed highly relevant sustainability topics based on national policy trends, various international standards, evaluations, and initiatives.
Engagement With the 6 Key Stakeholder Groups	• Engaged with stakeholders in real time through multiple communication channels and collected issues of concern to them. • Each department holds regular internal meetings to communicate stakeholder opinions and discuss feedback.
Assessment of the Impact of 19 Stakeholder Concern Topics	• Focused on 19 sustainability topics based on the GRI Standards, SASB standards, and the relevance of each topic to Formosa Laboratories and the chemical industry. • Analyzed the impact of various stakeholder topics of concern through the Materiality Assessment of Sustainability Topics questionnaire. • Invited senior executives at the key business manager level or above from each department to quantitatively assess the severity (scale and scope), likelihood, and human rights risks associated with each topic's positive and negative impacts. A total of 16 questionnaires were collected, with a response rate of 80%. • In 2025, the Company issued the Stakeholder Concern Assessment Questionnaire, which included 19 sustainability issues, to its stakeholders. A total of six questionnaires were collected.
Material Topic Identification, Prioritization, and Validation	• The results collected from the Materiality Assessment of Sustainability Topics questionnaire were analyzed using both equal-weighted and weighted methods. The topics were then ranked based on quantitative positive and negative impact scores, as well as additional scores assigned by key executives for material topics. Thresholds for Material topics were established based on this analysis, and the results apply to 2025. • Ten Material topics were initially identified based on the analysis results. After further discussion in meetings regarding their relevance, inclusiveness, and completeness, two additional topics were added. As a result, a total of 12 Material topics were finalized for 2025.
Confirmation of the 12 Identified Material topics	• The 12 Material topics were submitted to and confirmed by the Sustainable Development Committee and the Board of Directors. • This report discloses the impact of each material topic, as well as Formosa Laboratories' corresponding policies and commitments, management approaches, metrics and indicators, and related performance.
Continuous Improvement	• Each department establishes management approaches for material topics and incorporates them into daily work plans and annual operating strategies. • Each department regularly reviews and evaluates the effectiveness of its management approaches while continuously improving sustainability management strategies.

▼ 19 Sustainability Topics of Concern to Formosa Laboratories

Economic/ Governance Aspect

1. Economic performance
2. Ethical Corporate Management
3. Supply chain management
4. Information security
5. Innovation and R&D
6. Reasonable and Accessible Pricing



Environmental Aspect

7. Climate Change Response
8. Water stewardship
9. Waste management
10. Management of Toxic and Chemical Substances of Concern



Social Aspect

11. Employee diversity and equality
12. Talent attraction and retention
13. Occupational health and safety
14. Pharmaceutical Safety
15. Safety of participants in clinical trials
16. Counterfeit pharmaceuticals
17. Marketing and labeling
18. Access to pharmaceuticals
19. Social participation



▼ Assessment of the Significance and Impact of Material Topics in 2025

Material topic	Importance of the Material topic	Impact assessment of the Material topic	Impact on the value chain			Corresponding Chapter or subchapter for management approach
			Upstream	Midstream	Downstream	
			Raw material suppliers	Formosa Laboratories	Pharmaceutical manufacturers	
Economic/Governance						
Economic Performance	Sound operations and economic growth are the foundation of sustainable business development; therefore, Formosa Laboratories pursues operational growth to create employment opportunities and deliver returns to shareholders.	⊕☐ Enhance the Company's competitiveness and market position. ⊕☐ Increase the Company's revenue and profit. ⊕■ Create job opportunities ⊕■ Promote industrial development ⊖☐ Investment failures may result in losses or operational difficulties.		●		1.4 Innovation and R&D
Innovation and R&D	Because innovation and R&D capabilities are crucial to future success, Formosa Laboratories strives to create new markets through the continuous development of new products, thereby generating profits and improving economic performance.	⊕☐ Increase the Company's capital for sustainable operations. ⊕■ Improve people's health and well-being. ⊖☐ Risk of research failure and increased costs.	●	●	●	
Information Security	Formosa Laboratories has established information security measures to protect its intellectual property, R&D technology, and trade secrets, and has implemented personal data protection measures.	⊕☐ A Stringent information security management system supports stable operations. ⊖☐ Poor information security management may lead to system interruptions and damage to economic interests.		●	●	2.4 Information Security Management
Ethical Corporate Management	Ethical Corporate Management is at the core of corporate governance and risk management, and is closely linked to stakeholder trust, regulatory compliance, and the Company's long-term sustainable development.	⊖☐ Increased financial and regulatory risks ⊖☐ Damage to brand reputation and stakeholder trust ⊕■ Strengthened corporate governance and long-term operational stability	●	●	●	2.5 Ethical Corporate Management
Supply Chain Management	As the quality and stability of materials from suppliers are critical to product quality. Formosa Laboratories closely monitors quality, cost, and delivery to ensure that suppliers comply with relevant requirements.	⊕■ Maintain Stable product quality ⊕■ Ensure raw material safety ⊖☐ Improper supplier management may result in abnormal product quality, delayed delivery, and increased operating costs.	●	●		2.6 Product Responsibility and Supply Chain Management

Note: Impact type symbols: ⊕ positive impact, ⊖ negative impact, ■ actual impact, and ☐ potential impact.

Material topic	Importance of the Material topic	Impact assessment of the Material topic	Impact on the value chain			Corresponding Chapter or subchapter for management approach
			Upstream	Midstream	Downstream	
			Raw material suppliers	Formosa Laboratories	Pharmaceutical manufacturers	
Environment						
Climate Change Response	As part of its proactive response to energy conservation and carbon reduction, Formosa Laboratories has invested significantly in equipment upgrades and solar power systems, laying the foundation for sustainable business development.	⊕■ Reduce energy costs through energy saving measures. ⊕□ Receive subsidies for carbon reduction. ⊖■ Investments in low-carbon equipment lead to increased carbon reduction costs. ⊖□ The imposition of carbon fees and taxes leads to increased operating costs.	●	●	●	3.1 Climate Change Response
Water Stewardship	Formosa Laboratories raises awareness of water conservation and strengthens water recycling and wastewater treatment mechanisms to improve water circulation and reduce the environmental impact of wastewater.	⊕■ Enhance production efficiency ⊕■ Reduce environmental impact. ⊖□ Improper management may lead to increased environmental costs and environmental pollution.		●		3.4 Water Stewardship
Waste Management	In addition to reporting industrial waste in accordance with the law, Formosa Laboratories raises awareness of waste reduction and strengthens waste clearance and disposal measures to minimize its impact on the environment and local communities.	⊕■ Promote waste reduction and reuse of resources. ⊕■ Reduce impacts on the environment and local communities. ⊕■ Improve the working environment and enhance production efficiency. ⊖□ Improper waste management may lead to penalties and fines for violations of laws and regulations.	●	●		3.5 Waste Management
Management of Toxic and Chemical Substances of Concern	To prevent toxic and chemical substances of concern from polluting the environment or endangering human health, Formosa Laboratories tracks information on all chemical substances and implements identification and management measures to protect workers and the environment.	⊖□ Inadequate management of chemical substances may endanger employees' health. ⊖□ Chemical leaks may cause environmental pollution and residual contamination.		●		4.4 Safe Workplace Environment

Note: Impact type symbols: ⊕ positive impact, ⊖ negative impact, ■ actual impact, and □ potential impact.

Material topic	Importance of the Material topic	Impact assessment of the Material topic	Impact on the value chain			Corresponding Chapter or subchapter for management approach
			Upstream	Midstream	Downstream	
			Raw material suppliers	Formosa Laboratories	Pharmaceutical manufacturers	
Social						
Occupational Health and Safety	Providing a healthy and safe working environment is a corporate responsibility; therefore, Formosa Laboratories protects workers' health and safety through the continuous implementation and supervision of its Occupational Health and Safety Management System.	⊕■ A healthy and safe workplace environment can bolster efforts to retain talent. ⊕■ Reduce hazards to the environment and communities. ⊖□ Occupational accidents and risks may affect workers' health and safety.	●	●		4.4 Safe Workplace Environment
Talent Attraction and Retention	Formosa Laboratories places strong emphasis on talent recruitment, development, and career advancement, while also providing employees with a healthy and safe workplace to support talent retention.	⊕■ Enhance the Company's operational competitiveness. ⊕■ Foster employee cohesion ⊖□ Talent attrition may slow the Company's development.		●		Chapter 4 Social
Social Participation	As part of its ongoing efforts to understand the needs of schools and communities near its factories, Formosa Laboratories organize initiatives to support disadvantaged groups and participate in river conservation programs hosted by local governments.	⊕■ Fulfill corporate social responsibility. ⊕■ Maintain positive relationships with local neighborhoods and communities. ⊕■ Foster the development of the local economy and local communities.		●		4.5 Social Participation

Note: Impact type symbols: ⊕ positive impact, ⊖ negative impact, ■ actual impact, and □ potential impact.

▼ Changes to Material Topics in 2025

2024 Material Topics (Previous Year)	2025 Material Topics (Reporting Year)	Explanation of Changes
Occupational Health and Safety	Water Stewardship	Increased priority
Economic Performance	Waste Management	Increased priority
Talent Attraction and Retention	Information Security	Increased priority
Innovation and R&D	Economic Performance	Decreased priority
Waste Management	Supply Chain Management	Increased priority
Information Security	Innovation and R&D	Decreased priority
Management of Toxic and Chemical Substances of Concern	Talent Attraction and Retention	Decreased priority
Water Stewardship	Management of Toxic and Chemical Substances of Concern	Decreased priority
Supply Chain Management	Ethical Corporate Management	Newly added
Climate Change Response	Occupational Health and Safety	Decreased priority
Social Participation	Climate Change Response	Decreased priority
-	Social Participation	Decreased priority

*Color legend: Green / Environmental; Orange / Social; Blue / Economic.

1 About Formosa Laboratories

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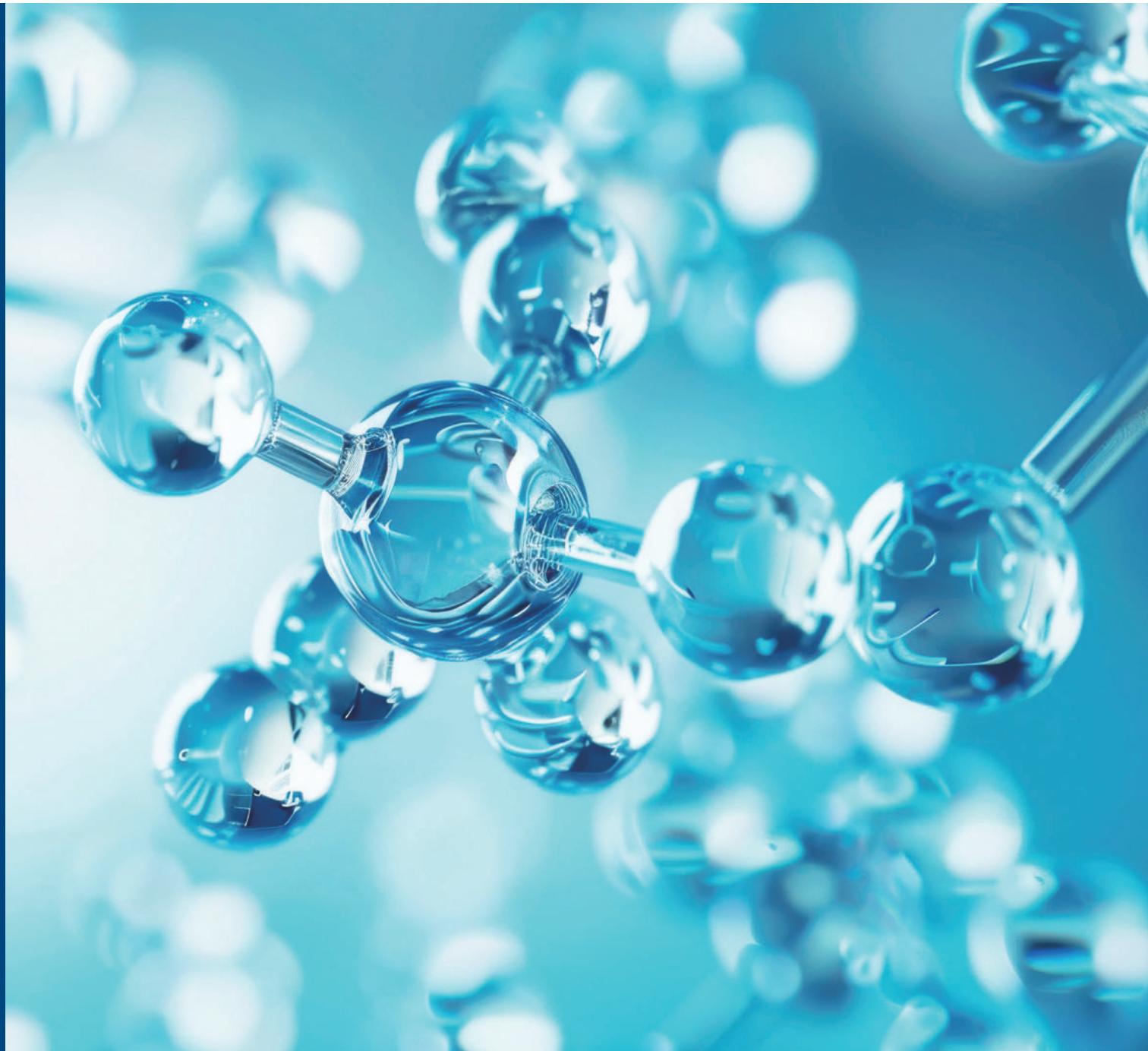


1.1 Sustainability Performance Highlights

Aspect	United Nations Sustainable Development Goals (SDGs) indicators	SDG Action Initiative
Environment	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	● In 2025, waste intensity reached 1.28 metric tons per ton of production, continuing a three-year downward trend. ● The volume of recycled water was approximately 91.893 million liters, with a recycling rate of 21.19%. ● Recorded energy intensity of 319.21 MJ/kg of output, down 1.58% from the previous year. ● Recorded carbon intensity of 7.28 metric tons of CO_2e per NT$ million in revenue, down 9.63% from the previous year. ● Introduced four energy conservation and carbon reduction projects, which are expected to achieve the following annual reductions: ○ Electricity savings: 1,143,986 kWh ○ Carbon emissions reduction: 680.0561 metric tons of CO_2e
Social	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH	● Invested NT$1.434 million in annual training in 2025, with 4,216 participants attending across internal and external training programs. ● The new hire rate was 21.4% (up 0.1% from the previous year), and the turnover rate was 15.2% (down 0.5% from the previous year). ● Sponsored 16 local community activities in 2025, with total funding of NT$150,000. ● Held two "Yao Love Blood Donation" drives in 2025, mobilizing 102 participants and collecting 146 bags of blood. ● In 2025, a total of 216 employees received special occupational health examinations, and no individuals were classified as Level 3 or above in health management. ● Awarded scholarships totaling NT$74,000 to 57 employees' children. ● In 2025, a total of two school corporate visit programs were conducted, with 33 students and faculty members visiting Formosa Laboratories' plant sites. ● The Company has been a member of the "TALENT, in Taiwan – Taiwan Talent Sustainability Action Alliance" since 2022 and continued to participate in and support the initiative in 2025, marking its fourth consecutive year of participation.
Governance	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS	● Generated operating revenue of NT$4,841,746,000, up 5.14% from the previous year. ● Accumulated 29 inventions, with 15 valid patents maintained as of the end of 2025. ● A total of 611 raw material suppliers scored above 90 points in supplier evaluations, accounting for 84.1% of all evaluated suppliers. ● All primary raw material suppliers signed the Statement on the Use of Hazardous Substances and 100% confirmed that they do not use conflict minerals. ● Preliminary planning and evaluation of an injectable plant were initiated to strengthen the Company's sustainable growth and transformation momentum.

1.2 Company Profile

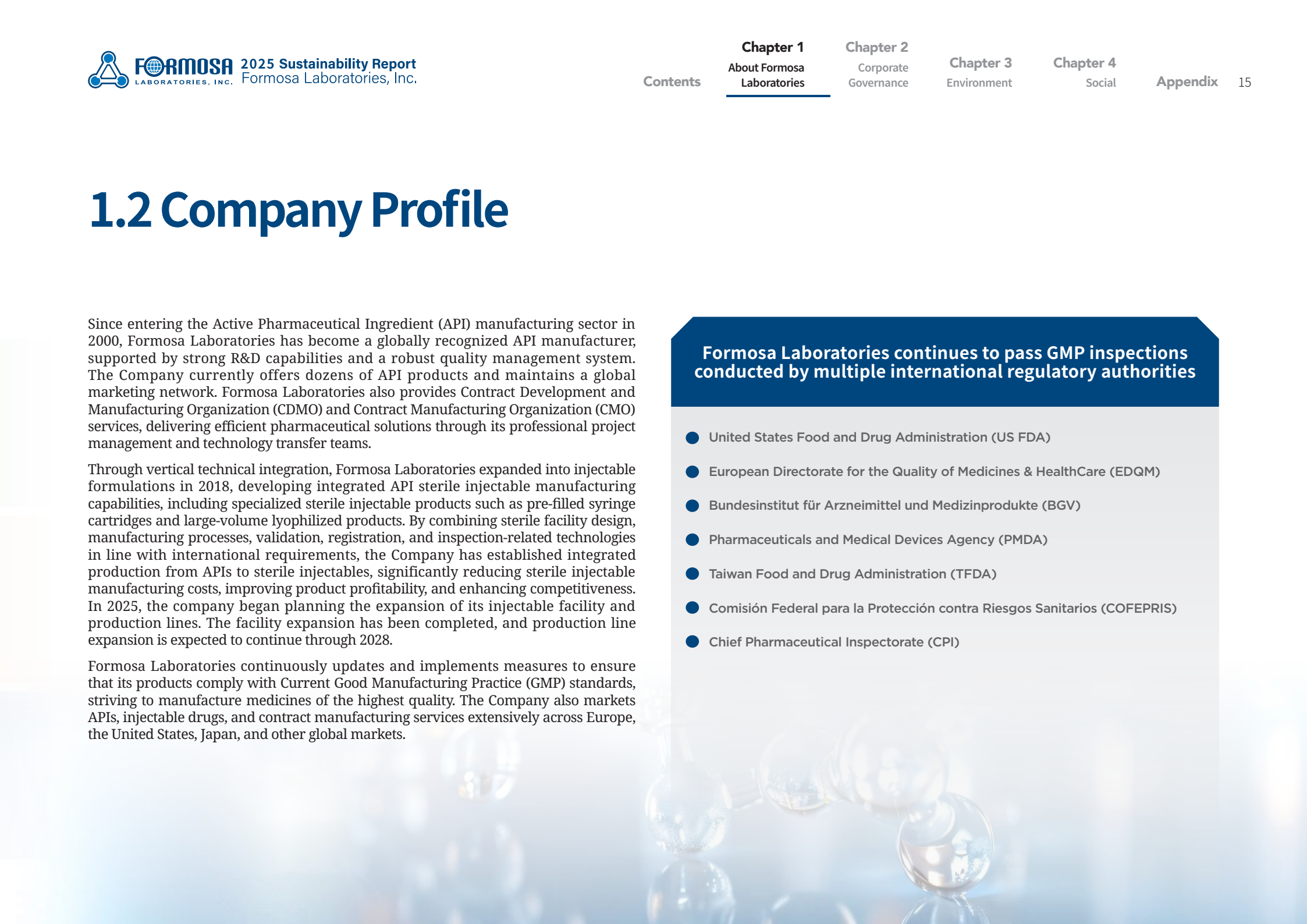
Since entering the Active Pharmaceutical Ingredient (API) manufacturing sector in 2000, Formosa Laboratories has become a globally recognized API manufacturer, supported by strong R&D capabilities and a robust quality management system. The Company currently offers dozens of API products and maintains a global marketing network. Formosa Laboratories also provides Contract Development and Manufacturing Organization (CDMO) and Contract Manufacturing Organization (CMO) services, delivering efficient pharmaceutical solutions through its professional project management and technology transfer teams.

Through vertical technical integration, Formosa Laboratories expanded into injectable formulations in 2018, developing integrated API sterile injectable manufacturing capabilities, including specialized sterile injectable products such as pre-filled syringe cartridges and large-volume lyophilized products. By combining sterile facility design, manufacturing processes, validation, registration, and inspection-related technologies in line with international requirements, the Company has established integrated production from APIs to sterile injectables, significantly reducing sterile injectable manufacturing costs, improving product profitability, and enhancing competitiveness. In 2025, the company began planning the expansion of its injectable facility and production lines. The facility expansion has been completed, and production line expansion is expected to continue through 2028.

Formosa Laboratories continuously updates and implements measures to ensure that its products comply with Current Good Manufacturing Practice (GMP) standards, striving to manufacture medicines of the highest quality. The Company also markets APIs, injectable drugs, and contract manufacturing services extensively across Europe, the United States, Japan, and other global markets.

Formosa Laboratories continues to pass GMP inspections conducted by multiple international regulatory authorities

- United States Food and Drug Administration (US FDA)
- European Directorate for the Quality of Medicines & HealthCare (EDQM)
- Bundesinstitut für Arzneimittel und Medizinprodukte (BGV)
- Pharmaceuticals and Medical Devices Agency (PMDA)
- Taiwan Food and Drug Administration (TFDA)
- Comisión Federal para la Protección contra Riesgos Sanitarios (COFEPRIS)
- Chief Pharmaceutical Inspectorate (CPI)



Formosa Laboratories (Stock Code: 4746), a legal entity, was listed on the Taiwan Stock Exchange in 2011. For more information on the ownership structure of Formosa Laboratories, please refer to the section on shareholding structure and the list of major shareholders in the Fundraising Status chapter of Formosa Laboratories' 2025 Annual Report.

▼ Basic Profile of Formosa Laboratories

Name of company	Formosa Laboratories, Inc.
Date of incorporation	December 29, 1995
Location of headquarters	No. 36, Heping Street, Kengkou Village, Luzhu District, Taoyuan City 338002, Taiwan
Site area	45,508 square meters
Number of employees	959 people
Paid-in capital	NT$1,202,559,630
Primary products	APIs, injectables, and CDMO services
Net sales in 2025	NT$4,841,746,000 (standalone)
Sales volume of primary products in 2025	87,571.29 kg in domestic sales and 1,006,186.60 kg in export sales.

Note: Please refer to 1.5 Economic Performance for more details on Formosa Laboratories' operating and financial performance over the past three years.

▼ Participation in Industry Associations and Organizations of Importance to Formosa Laboratories

No.	Name of organization	Membership status
1	Taiwan Bio Industry Organization (Taiwan BIO)	Member
2	Taiwan Pharmaceutical Manufacturing and Development Association (TPMDA)	Member
3	Taiwan Pharmaceutical Manufacturers Association (TPMA)	Member
4	Taiwan Parenteral Drug Association (TPDA)	Member
5	Taiwan Research Based Biopharmaceutical Manufacturers Association (TRPMA)	Member

▼ Operating Locations of Formosa Laboratories

Name of operating location	Address	Phone number
Headquarters	No. 36, Heping Street, Kengkou Village, Luzhu District, Taoyuan City 338002, Taiwan	(03) 3240895
Luzhu Plant	No. 36, 36-1 Heping Street, Kengkou Village, Luzhu District, Taoyuan City 338002, Taiwan No. 398, Section 2, Youguan Road., Luzhu District, Taoyuan City 338002, Taiwan	(03) 3240895
Luzhu No. 2 Plant	No. 36, 36-1 Heping Street, Kengkou Village, Luzhu District, Taoyuan City 338002, Taiwan	(03) 3240895

▼ Affiliate Companies of Formosa Laboratories

Name of company	Address	Primary business or production items
Formosa Pharmaceuticals, Inc.	8F.-6, No. 57, Fuxing N. Road., Songshan District, Taipei City	R&D of biotech and new drugs
Epione Pharmaceuticals, Inc.	No. 36, Heping Street, Luzhu District, Taoyuan City 338002, Taiwan	R&D of biotech and new drugs
Epione Investment Cayman Limited	4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	Investment company
Epione Investment HK Limited	21/F, Central 88, No.88 Des Voeux Road Central, Hong Kong	Investment company
Activus Pharma Co., Ltd	Takanashi Bldg. 3F, 2-15-7 Nihonbashi Ningyo-Cho, Chuo-Ku, Tokyo 103-0013, Japan	R&D of biotech and new drugs
Shanghai Epione Enterprise Co., Ltd.	Room 1009, 10F, No. 1108, Caobao Road, Minhang District, Shanghai	Wholesale, import/export, and commission agency services for chemical raw materials and products
SynChem-Formosa, Inc.	1400 Chase Ave. Elk Grove Village, IL 60007 USA	Provision of high-quality organic synthesis and process development services.

1.3 Products and Services

Formosa Laboratories has a variety of manufacturing facilities at its plant sites, including facilities for general APIs, High-potency APIs (HPAPIs), Antibody-Drug conjugates (ADCs), Fermentation, Peptides, and Injectables (INJs). In addition to operating pilot plants for scale-up production with a wide range of equipment designed to meet different process requirements and support batch and continuous process design, Formosa Laboratories also has reaction equipment ranging from kilogram-scale to ton-scale to meet customers' production needs across different processes and capacity requirements. In addition, Formosa Laboratories has introduced new technologies, including an independent peptide synthesis laboratory for product development and adopting continuous microfluidic reactors for API products and CDMO services, further strengthening production capacity and quality. Looking ahead, the Company will also explore R&D plans for drugs included in the TFDA's Essential Medicines List, with the aim of contributing to improved access to medicines.

▼ Overview of Formosa Laboratories' Products and Major Progress in 2025

Generic APIs	• Marketed dozens of API products globally, with the Company's "Cholesterol and Phosphate Binder Products" maintaining a leading market position. • Expanded efficiency and capacity through a stable supply chain and high-quality production standards to meet customer needs. • Successfully passed the Ministry of Health and Welfare (MOHW) GMP inspection for the newly added active pharmaceutical ingredient (API), Ergocalciferol. • Completed the registration of the Abemaciclib Drug Master File (DMF) in the United States (DMF No. 041250; submission date: January 24, 2025).
Injectable	• Provides commercial manufacturing services for both small-molecule and biologic injectable products, including liquid injectables and lyophilized injectable products. • Successfully passed the EU-GMP inspection for APIs and injectable drug products conducted by Poland's Chief Pharmaceutical Inspectorate (CPI). • Successfully passed the GMP inspection conducted by the Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare. In addition to the existing approval for cytotoxic liquid dosage forms, the scope of GMP certification has been expanded to include biotechnology products in lyophilized powder form manufactured through aseptic processing. • Successfully passed the GMP inspection conducted by the Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare, adding a new dosage-form category, "Cytotoxic Products Containing Specific Toxic and Hazardous Substances: Lyophilized Powder for Injection." The manufacturing operations comply with the applicable requirements of Good Manufacturing Practice (GMP) for pharmaceutical products.
Contract Development and Manufacturing Organization (CDMO)	• Established overseas locations through strategic alliances to serve customers across the global pharmaceutical market. • Provides flexible and efficient one-stop services from APIs to formulation filling. • Provides CDMO services for ADCs and peptides. • Formosa Laboratories and Easywell Biomedicals formed a strategic alliance to co-develop the TLX-054 injectable product, jointly strengthening their presence in the high-value pharmaceutical market.

1.4 Innovation and R&D

▼ Management of Material Topics "Economic Performance" and "Innovation and R&D" at Formosa Laboratories in 2025

Material Topic	Economic Performance Innovation and R&D
Corresponding GRI Standards	GRI 201-1 Direct economic value generated and distributed
Corresponding SDGs	8 DECENT WORK AND ECONOMIC GROWTH; 3 GOOD HEALTH AND WELL-BEING
Commitments and Policies	Formosa Laboratories focuses on one-stop R&D and manufacturing using advanced process technologies to manufacture APIs, UV filters, and injectable products. The Company provides comprehensive, efficient and confidential customized services while maintaining strong relationships with business partners. Formosa Laboratories also continues to invest in innovation and R&D to contribute to the improvement of public health, support social well-being, and enhance economic performance.
Tracking management mechanism	• The Accounting Department regularly reports the status of tax-related management to financial supervisors. • Establish a new product development team that holds regular meetings to report the progress of each project and compile annual summaries and outcomes. • Continue to conduct assessments, prepare reports, evaluate, commercialization, and economic benefits during the development of microfluidic processes, and monitor regulatory filings and reviews related to manufacturing process changes. • Conduct feasibility assessments, prepare quotations, and confirm deliverables and schedules for CDMO-commissioned R&D projects using standardized forms, while regularly reporting R&D outcomes to the President and the professional teams to define R&D directions.
Metrics and Targets	**Short- and medium -term targets:** • A new injectable production line is planned for construction in 2026, with completion expected by the end of 2027 and validation to be conducted in 2028. • A small-scale pilot plant for R&D and scale-up production will be established to assess process feasibility and improve technology transfer success rates. • The Company continues to evaluate the integration of AI-based data collection and engineering automation in selected manufacturing processes to enhance production efficiency and precision control. **Long-term and continuing targets:** • The Company continues to invest in the development of antibody–drug conjugates and sustained-release injectable drug delivery platforms. • The Company continuously screens suitable active pharmaceutical ingredients (APIs) for synthetic route development, identifies target candidates for patent strategy planning, and advances them into new product development stages. • The Company evaluates the commercialization potential of microfluidic products and advances microfluidic process development, scale-up planning, production, and regulatory submissions. • The Company continues to expand its CDMO business by integrating end-to-end capabilities from APIs to drug product development, manufacturing, and regulatory registration, while supporting Phase III clinical trials and commercial-scale production planning to serve as a strategic manufacturing partner for clients.
Actions and Measures	• Generated a net revenue of NT$4,841,746,000 and a net income of NT$396,028,000 in 2025. • Maintained a total of 15 valid patents in 2025. • Reported NT$589,441,000 in R&D expenses in 2025, accounting for 12.17% of operating revenue and up 1.37% from the previous year. • The injectable product Eribulin successfully passed regulatory inspections by the European Union and Türkiye. • The product categories "Cytotoxic Products Containing "specific toxic and hazardous substances: Lyophilized Powder for Injection" and "Biopharmaceuticals including genetically engineered products and monoclonal antibody formulations: Lyophilized Powder for Injection" both passed TFDA GMP inspections.

R&D Outcomes

Formosa Laboratories conducts safety assessments in accordance with relevant regulations and standards throughout all R&D stages in three main areas: one-stop R&D and manufacturing, the development and application of microfluidic processes, and the selection of generic drug targets and development of corresponding manufacturing processes. These assessments help ensure user health and safety. In 2025, Formosa Laboratories reported NT$589,441,000 in R&D expenses, representing 12.17% of operating revenue and an increase of 1.37% from the previous year. The Company also plans to expand investment in its U.S. subsidiary, strengthen infrastructure and equipment, and establish a more comprehensive drug manufacturing and testing environment.

▼ R&D Investment at Formosa Laboratories for the Past Three Years (Unit: NT$ thousands)

Year	2023	2024	2025
Investment amount	577,774	581,503	589,441
Proportion to operating revenue	13.29%	12.63%	12.17%

Note: The data above are sourced from the standalone financial statements of Formosa Laboratories.



▼ Formosa Laboratories' Three Core R&D Areas

One-stop R&D and manufacturing	In formulation R&D, Formosa Laboratories focuses on customized R&D and CDMO services for difficult-to-synthesize APIs, covering formulation and process R&D, batch scale-up, and registration batch production. At present, proprietary products under the Company's one-stop R&D and manufacturing model include Eribulin and Gadoterate Meglumine, while Ferric Carboxymaltose (FCM) is under development. For CDMO-commissioned R&D projects, Formosa Laboratories conducts feasibility assessments, prepares quotations, and confirms deliverables and schedules using standardized R&D project forms. R&D outcomes or project milestones are regularly reported to the President and project team for joint decision-making on future R&D directions. The project team also regularly assesses the progress, execution efficiency, and costs of each R&D project to keep overall budgets within expected limits.
Development and application of microfluidic processes	Microfluidic technology uses miniaturized fluid processing to improve drug screening efficiency and offers several advantages, including lower costs, reduced reagent and space requirements, and rapid, precise processing. At present, one modular process in the microfluidic process laboratory has been verified and has entered mass production. Two additional production lines have been installed to expand capacity, and the relevant regulatory submissions are underway. Through automated process management, the Company is strengthening its cost advantage and market competitiveness while actively meeting customer requirements.
Selection of generic drug targets and development of corresponding manufacturing processes	Generic drugs are approved drugs manufactured by other pharmaceutical companies using the same active ingredients and processes after the original manufacturer's patent has expired. To achieve its objectives, the Company established a New Product Development (NPD) Team composed of experts in marketing, patent interpretation, chemical synthesis, process technology, experimental analysis, and supply chain development. The team conducts comprehensive discussions, selects targets, and holds regular meetings. The NPD Team also uses annual summaries, together with company operations and market developments, as a reference for future development.

1.5 Economic Performance

Patent Portfolio

Formosa Laboratories has dedicated patent engineers who conduct comprehensive reviews of patent distributions in each country, focusing on markets where new products are in the development stage. In addition to actively developing proprietary technologies and ensuring that its manufacturing processes do not infringe competitors' patents, Formosa Laboratories has established the Freedom-to-Operate (FTO) Analysis Management Regulations. The Company also encourages employees to file patent applications in accordance with the Patent Application Management Regulations. To date, Formosa Laboratories has generated 29 inventions, received 33 patent approvals, and maintained 15 valid patents.

▼ Status of Patents Acquired by Formosa Laboratories Over the Past Three Years

Country	Number of new patents			Cumulative number of valid patents as of 2025
	2023	2024	2025	
Taiwan	0	0	1	5
USA	1	0	0	7
China	0	0	0	0
Germany	0	0	0	1
Japan	0	0	0	2
Total	1	0	1	15

Operations Overview

Formosa Laboratories is committed to upgrading API technologies and services while expanding downstream into injectable R&D and manufacturing based on its existing API R&D and manufacturing capabilities. The Company also provides highly efficient and confidential customized R&D and CDMO services, and strives to maintain strong collaboration with its partners. In 2025, Formosa Laboratories recorded an increase in overall sales compared with 2024, mainly driven by higher shipments of steroids, Anticancer active pharmaceuitical ingredients, and contract development and manufacturing (CDMO) services.

▼ Analysis of Sales by Region at Formosa Laboratories Over the Past Three Years

(Unit: NT$ thousands)

Sales region	2023		2024		2025	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
USA	269,315	6.2	485,726	10.55	862,865	17.82
India	1,031,114	23.72	1,056,918	22.95	755,050	15.59
Netherlands	577,197	13.28	588,641	12.78	610,718	12.61
China	241,396	5.55	210,789	4.58	437,907	9.04
Taiwan	295,097	6.79	365,307	7.93	379,929	7.85
Japan	311,977	7.18	262,690	5.70	280,396	5.79
Germany	306,894	7.06	250,629	5.44	262,726	5.43
Other countries	1,313,300	30.22	1,384,482	30.06	1,252,155	25.86
Total	4,346,290	100	4,605,182	100	4,841,746	100

▼ Analysis of the Sales Market for Formosa Laboratories' Primary Products Over the Past Three Years

Product category	Primary sales market	Sales of primary products as a percentage of total sales		
		2023	2024	2025
Cholesterol and phosphate binders	Netherlands, India, China, and USA	36.25%	35.57%	33.67%
Vitamin D derivatives	Germany, Spain, Denmark, and Taiwan	18.61%	17.81%	15.74%
Steroids	USA, Canada, and Japan	0.79%	3.29%	11.08%
Respiratory agents	India, China, and Mexico	11%	12.50%	9.8%
CDMO services	Japan, Taiwan, and USA	10.97%	8.59%	8.57%
Anticancers (Anticancer APIs)	Greece, Spain, India, and Canada	5.97%	4.13%	6.8%
Others	Taiwan, India, USA, and Japan	16.41%	18.11%	14.34%

Financial Reporting

In 2025, Formosa Laboratories reported operating revenue of NT$4,841,746,000, an increase of 5.14% from 2024 and a record high since the Company's establishment, as well as net income after tax of NT$396,028,000. Net income after tax per share was NT$ 3.67. Revenue growth was primarily driven by increased shipments of steroids, Anticancers (Anticancer APIs), and contract development and manufacturing (CDMO) services. Detailed information is available on the Formosa Laboratories official website under Financial Reports. In 2025, Formosa Laboratories received training subsidies under the Taiwan government's College Youth Pre-employment Program, totaling NT$396,000, to support the successful transition of college graduates into the workforce.

▼ Economic Value Retained by Formosa Laboratories (Unit: NT$ thousands)

Item		2023	2024	2025
Direct economic value generated	Revenue [1]	4,346,290	4,605,182	4,841,746
	Non-operating income [2]	18,665	(2,454)	23,199
Economic value distributed	Operating expenses [3]	2,626,111	2,727,405	2,751,455
	Employee wages and benefits [4]	995,415	1,144,019	1,196,782
	Distributions to investors [5]	276,124	405,817	399,474
	Payments to government [6]	204,621	156,333	178,267
	Community Investment [7]	875	936	493
Economic value retained [8]		261,809	168,218	338,474

Notes:
1. Revenues include net sales plus revenues from financial assets and sales of assets.
2. Non-operating income includes interest on loans, dividends from investments, royalties, income from assets, and gains from tangible and intangible assets.
3. Operating costs include rent, license fees, site and equipment usage fees, royalties, outsourcing service fees, training expenses, and personal protective equipment costs.
4. Employee wages and benefits include salaries, employee-related taxes, unemployment insurance contributions, pensions, insurance, company vehicles, private health coverage, housing subsidies, interest-free loans, public transportation subsidies, educational grants, and severance payments.
5. Payments to providers of capital include interest payments on all types of debt and borrowings, payments to the Board of Directors, shareholders, and lenders, and unpaid dividends owed to preferred shareholders.
6. Payments to the government include business tax, income tax, and property tax.
7. Community investments include donations to charitable organizations, arts and educational activities, and community recreational facilities.
8. Economic value retained equals the direct economic value generated minus the economic value distributed.

2 Corporate Governance

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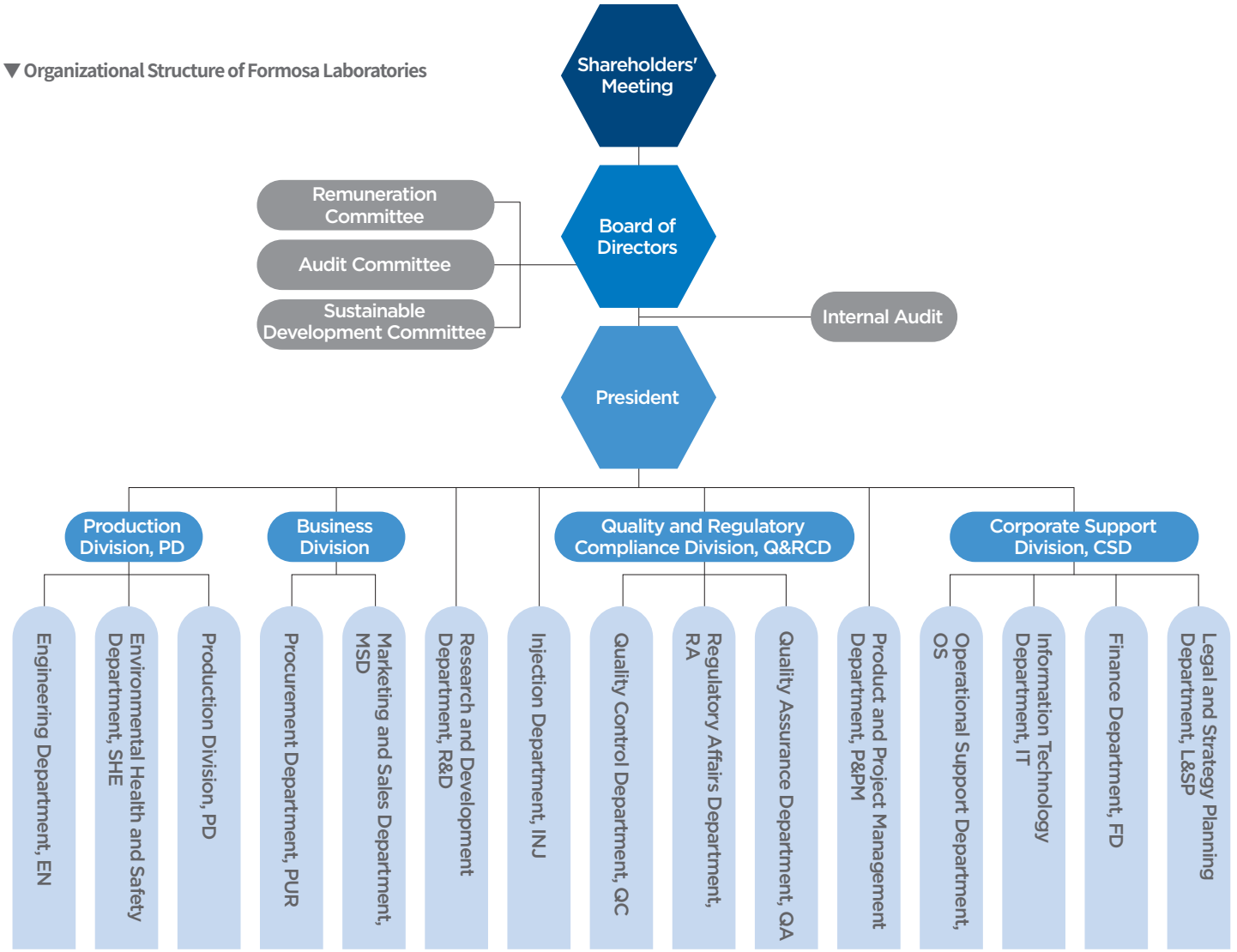
2.1 Policy Commitments

To fulfill its corporate social responsibility and achieve effective corporate governance, Formosa Laboratories has implemented the Sustainable Development Best Practice Principles with reference to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. The Company also conducts its operations in accordance with key internal rules and regulations including the Ethical Corporate Management Best Practice Principles, the Corporate Governance Best Practice Principles, and the Code of Ethical Conduct, to fulfill its business ethics responsibilities. These rules and regulations are available on Formosa Laboratories' official website. In addition, the Company has established a Human Rights Policy and is committed to treating all stakeholders with dignity, fairness, and respect. Formosa Laboratories has also established an internal audit unit, which carries out audit activities based on the audit plan approved by the Board of Directors, to ensure ethical corporate management and business ethics compliance and reduce operational risks.

As a global citizen, Formosa Laboratories not only upholds corporate governance principles based on honesty, transparency, and integrity, but also actively invests in social and environmental initiatives, such as talent development, energy conservation, and carbon reduction, to strengthen the drivers of sustainable progress. This commitment supports the Company's role as a responsible corporate citizen with positive social influence, contributing to a better future for generations to come.

▼ Organizational Structure of Formosa Laboratories



Note: Please refer to Formosa Laboratories' 2025 Annual Report for more details on the Company's corporate governance structure and the duties and responsibilities of each department.

2.2 Governance Structure

Composition of the Board of Directors

To strengthen the functions of the Board of Directors, the current Board consists of nine directors, including four independent directors. The Board meets at least once each quarter, it held six meetings in 2025, with all members attending every meeting, with an average attendance rate of 100%.

Formosa Laboratories has established the Corporate Governance Best Practice Principles and the Procedures for Election of Directors, which specify that the composition of the Board of Directors should reflect diverse industry experience, professional backgrounds, and competencies, while also incorporating the views of different groups. Of the nine members of the 11th Board of Directors, five (56%) have backgrounds in medicine or chemistry, while four (44%) have expertise in finance or business administration. In addition, the Board has two female directors, accounting for approximately 22% of all directors, and directors who also serve as Company managers do not account for more than one-third of all Board seats. Through regular internal and external performance evaluations, the Company assesses the performance of the Board and its individual members. The evaluation results are used as a reference for the election or nomination of directors. The results of individual director performance evaluations are also used as a reference for determining individual remuneration. The Remuneration Committee reviews relevant indicators and standards to strengthen corporate governance and decision-making effectiveness. Please refer to Formosa Laboratories' 2025 Annual Report for more details on the core competency indicators related to the diversity of the Board of Directors and functional committees. Detailed information on the Company's corporate governance practices is also available on its official website.

▼ Composition of the 11th Board of Directors at Formosa Laboratories

Title	Name	Gender	Age
Chairman	Cheng, Chen-Yu	Male	60~75
Director	Fang, Pel-Wei (Representative of Augusta Inc.)	Female	<50
Director	Shie, Hung-Min (Representative of Yuan Qing Investment Inc.)	Male	50~60
Director	Lee, Chien-Hung (Representative of Hygica Biotech Ltd.)	Male	50~60
Director	Hu, Yi-Kan (Representative of Heng Lang Limited Corporation)	Male	<50
Independent Director	Chen, Yi-Fen	Female	60~75
Independent Director	Lu, Ta-Jung	Male	60~75
Independent Director	Chuang, Tza-Zen	Male	60~75
Independent Director	Chang, Ting-Jung	Male	50~60

Note: The term of office of the 11th Board of Directors began on June 20, 2025, and will expire on June 19, 2028.



Recusal Due to Conflict of Interest

Formosa Laboratories adopts a candidate nomination system for the election of directors. The Chairman also serves as the President of the company, and some directors also serve on the boards of other companies. The Board of Directors has established the Rules of Procedure for Board Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. These rules clearly set out the principles for director recusal in cases of conflict of interest and require board members to exercise a high degree of self-discipline and prudence, fulfill their fiduciary duties, and faithfully perform their duties and powers. The rules also specify that directors shall not participate in discussions or voting on agenda items in which they, or the juristic person they represent, have an interest that may be harmful to the Company's interests. Such directors must recuse themselves from the discussion and voting and may not exercise voting rights on behalf of other directors. Please refer to Formosa Laboratories' annual report for details on the implementation of director recusal for proposals involving conflicts of interest.

Continuing Education and Training for the Board of Directors

To stay current with global business management trends, Formosa Laboratories has established a continuing education and training mechanism for directors. Training courses are arranged each year to strengthen the governance knowledge and skills required by Board members. To ensure that independent directors can stay informed about matters related to the Company, updates on relevant laws and regulations issued by competent authorities are also provided from time to time. The Company continues to enhance information sharing and training planning based on the needs and feedback of individual directors. In 2025, the Board of Directors completed a total of 54 training hours, including 45 hours of courses on economic and governance topics and 9 hours on finance and accounting, for an average of 6 hours per director. Please refer to Formosa Laboratories' annual report for details on directors' continuing education and training.

Performance Evaluation for the Board of Directors

To improve the efficiency of board operations, Formosa Laboratories has established the Rules for Performance Evaluation of the Board of Directors, under which annual self -assessments are conducted for the board, individual directors, and functional committees. The Board performance evaluation indicators cover five areas: "participation in the Company's operations," "improvement of the quality of Board decision-making," "composition and structure of the Board of Directors," "election of directors and continuing education and training for directors," and "internal control." Based on the evaluation results, the Audit Committee and the Remuneration Committee review and make recommendations on remuneration standards and specific compensation amounts.

The 2025 self-assessment results for the Board of Directors and functional committees show that The Board fulfilled its guidance and oversight responsibilities and that its overall operations were sound. In addition, Formosa Laboratories engages an external professional and independent organization to conduct a Board performance evaluation every three years. The most recent external evaluation was conducted in 2023 by the Taiwan Investor Relations Institute. The Company has either completed improvements based on the conclusions and recommendations in the evaluation report or included them in its implementation schedule. The Board meets corporate governance requirements, and the evaluation results are available on the Company's official website.



Sustainable Development Committee

To promote energy conservation and reduce carbon emissions while fulfilling corporate social responsibility and improving corporate governance, Formosa Laboratories established the Sustainable Development Committee in accordance with the Sustainable

Development Best Practice Principles in 2022. The Committee comprises three directors (including two independent directors) and is responsible for integrating and promoting ESG-related initiatives to achieve the Company's annual targets, with regular reporting to the Board of Directors. The committee is led by Chairman Cheng, Chen-Yu, with the Senior Vice President of the Production Division serves as a member of the Steering Committee. The committee oversees three executive teams—the ESG Team, the Risk Management Team, and the Ethical Corporate Management Team—that handle planning, integration, and implementation of related initiatives.

The task forces under the Committee have the following main responsibilities and participating units:

Team	Job Responsibilities	Participating Units
ESG Team	The Vice President of EN serves as the team leader and is responsible for implementing the Committee's resolutions or instructions and promoting work related to the three ESG pillars: Environmental (E), Social (S), and Governance (G).	EN, SHE, FD, MSD, PD, OS, R&D, PUR, Internal Audit, etc.
Risk Management Team	The Assistant Vice President of SHE serves as the team leader and is responsible for promoting and coordinating risk assessment procedures to reduce the impact of risk events on corporate operations.	SHE, FD, PD, OS, QC, PUR, IT, Internal Audit, etc.
Ethical Corporate Management Team	The Vice President of FD serves as the team leader and is responsible for developing ethical corporate management policies and prevention programs and supervising their implementation.	SHE, FD, MSD, PUR, L&SP, Internal Audit, etc.

The Sustainable Development Committee convened two meetings on March 12 and August 14, 2025, and reported ESG target planning and work progress to the Board of Directors on the same dates. No special or material matters were reported. Starting in 2025, sustainability performance indicators have been incorporated into the KPI evaluations of relevant department managers, with achievement levels affecting remuneration and bonuses.

▼ Organization Chart of the Sustainable Development Committee at Formosa Laboratories



2.3 Risk Management

At Formosa Laboratories, each department identifies the risks facing the business activities under its responsibility, and department heads analyze these risks and implement response strategies. The Company has established a risk management organizational structure in accordance with the Risk Management Policy and Procedures. In 2023, the Board of Directors approved the establishment of the Risk Management Team under the Sustainable Development Committee. The implementation status and outcomes of the Risk Management Team are compiled and reported to the Board of Directors each year. When the Risk Management Team identifies a significant risk, the corresponding management unit must develop response measures in advance based on the business continuity plan (BCP).

▼ Risk Management Organizational Structure at Formosa Laboratories

Board of Directors	As the highest decision-making body for risk management, the Board of Directors holds ultimate responsibility for the Company's overall risk management. It is responsible for ensuring compliance with applicable laws and regulations and for promoting and overseeing the effective implementation of risk management throughout Formosa Laboratories.
Sustainable Development Committee	The Sustainable Development Committee is the highest-level organization at Formosa Laboratories responsible for promoting sustainable operations, strengthening corporate governance, implementing environmental protection, and fulfilling corporate social responsibility. It also oversees the implementation of risk management by the Risk Management Team under its purview and proposes improvements and recommendations concerning risk management policies and procedures. The Sustainable Development Committee submits reports on the implementation status or outcomes of the Risk Management Team to the Board of Directors at least once a year.
Risk Management Team	Composed of the heads of each department, the Risk Management Team is the unit responsible for implementing risk management under the Sustainable Development Committee. The team coordinates cross-departmental risk assessment procedures with first-level managers and relevant units to minimize the impact of risk events on Formosa Laboratories' operations. The Risk Management Team reports the implementation status and outcomes of risk management to the Sustainable Development Committee on a regular basis.
Various risk management units (in various departments)	Each risk management function at Formosa Laboratories must have a thorough understanding of the risks associated with its respective operations. Unit heads are responsible for risk management, including analyzing and monitoring risks within their areas of responsibility, to ensure that risk control mechanisms and procedures are implemented effectively.

▼ Business Continuity Plan Process Flow at Formosa Laboratories

Significant risk (CO-194 Risk Management Policy and Procedures, Ver. 02)

↓

Organize Business Continuity Plans (BCPs) execution teams for each identified risk

↓

Develop Business Continuity Plans (BCPs) for each risk in accordance with the procedures

↓

Produce an annual BCP management report

↓

Submit the plans for verification and review by the Risk Management Team

↓

Submit the plans to the Sustainable Development Committee for review and approval

↓

Integrate the plans into the annual emergency response drills

↓

Continuously review and improve the BCPs



Risk Impact and Response Strategies

▼ Types of Risk and Corresponding Response Strategies at Formosa Laboratories

Type of risk	Risk factor	Response strategy and action	Responsible department
Strategic and Operational Risks	• Margin compression due to competition from China and India in the API (Active Pharmaceutical Ingredient) industry. • Government-driven price reductions and cost control in response to an aging population. • Rising raw material and production costs driven by environmental protection trends. • Political instability leading to potential supply chain disruptions or increased shipping costs, prompting customers to turn to third-party suppliers. • Power outages causing loss of temperature control in refrigerated or frozen storage, resulting in deterioration of critical customer or Company samples.	• Increase procurement volume and negotiate lower purchase prices. • Establish a Project Management Department to control timelines and budgets for new product development. • Procure raw materials from lower-priced regions or locally. • Identify multiple supplier sources or use transshipment through a third location. • Connect generators to maintain a continuous power supply. Install temperature monitoring systems to track temperature changes in each area.	MSD PUR WH
Market risk	• Price disruption caused by competitors adopting low-price strategies, resulting in weaker product sales.	• Negotiate with suppliers to obtain lower supply prices. • Improve manufacturing processes to reduce manufacturing costs.	PUR R&D PD
Financial risk	• Interest rate risk arising from credit facilities. • Exchange rate risk due to the use of the US dollar for payments and collections. • Risk of non-performance of contract by customers. • Risk of tightened credit facilities.	• Keep abreast of economic trends and interest rate changes in a timely manner to secure preferential interest rates. • Use timely currency exchange, forward foreign exchange contracts, or financing currency conversion as hedging measures. • Conduct customer credit risk analysis. • Respond appropriately to bank inquiries and promptly update cash flow forecasts.	FD
Legal risk	• Government Enactment of laws and regulations related to air, water, waste, toxic substances, and greenhouse gases. • government changes to labor conditions.	Regularly review relevant laws and regulations and conduct evaluations and audits.	SHE HR

Type of risk	Risk factor	Response strategy and action	Responsible department
Climate change risk	• Risk of water shortage. • Failure of environmental protection equipment caused by strong typhoons. • Risk of heat stroke among workers. • Increased energy consumption in air conditioners due to rising temperatures. • Rising temperatures affect the activity of biological strains in wastewater plants, causing water discharge to exceed standards. • Regulatory and reputational risks that may arise from laws and regulations.	Please refer to 3.1 Response to Climate Change for more details.	SHE EN OS FD
Supply chain management risk	• Human rights and environmental risks among suppliers. • Legal risks among suppliers. • Environmental, health, and safety risks among suppliers.	Please refer to 2.6 Product Responsibility and Supply Chain Management for more details.	PUR OS
Occupational safety risk	• Lack of disaster prevention awareness and insufficient emergency response training. • Building use changes due to operational needs, causing firefighting equipment to be non-compliant with regulatory requirements. • Occurrence of occupational accidents or occupational diseases among employees. • Fire prevention.	• Please refer to 4.4 Safe Workplace Environment for more details. • Promote Process Safety Management (PSM) aligned with plant operations.	SHE
Information security and personal data risks	• Risk of personal data breaches. • Risk of leaked confidential documents. • Cyberattacks on internal or external networks or theft of confidential information.	Please refer to 2.4 Information Security Management for more details.	IT

2.4 Information Security Management

▼ Management of Material Topic "Information Security" at Formosa Laboratories in 2025

Material Topic	Information Security
Corresponding GRI Standards	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.
Corresponding SDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Commitments and Policies	To ensure the confidentiality, integrity, and availability of digital assets, the implementation of information security can ensure uninterrupted operations at Formosa Laboratories. In the future, we will continue to enhance employees' awareness of information security and establish a security framework that complies with regulations and customer requirements.
Tracking management mechanism	• As Formosa Laboratories is a GMP-certified manufacturer, the security of information systems at Formosa Laboratories is subject to customer inspections from time to time. • Formosa Laboratories engages PwC Taiwan to inspect its information systems annually.
Metrics and Targets	Ongoing targets: • Conduct social engineering drills and information security education and training each year to strengthen employees' awareness of information security. • Establish an information security framework that complies with regulatory and customer requirements, and continuously review and improve system and network security.
Actions and Measures	• In 2025, no major information security incidents occurred at Formosa Laboratories, and no breaches of customer privacy or losses of customer information were reported. • The document management system was successfully launched in the first quarter of 2025. • Managed Detection and Response (MDR) services have been implemented to enhance threat detection and incident response capabilities. • Endpoint Detection and Response (EDR) solutions have been deployed to strengthen endpoint security monitoring and protection. • The end-of-life (EOL) OA virtual server platform has been replaced to improve system stability and security. • The SynChem (SynChem-Formosa) website has been upgraded and migrated to a new hosting provider with enhanced cybersecurity protection mechanisms. • Advanced Mail ADM defense modules and a SPAM-SQR high-availability (SPAM-SQR HA) failover mechanism have been implemented to eliminate single points of failure, create a more secure email environment, and reduce cybersecurity risks. • Multiple departments have adopted the paid ChatGPT Team version, which complies with GDPR requirements and helps ensure data security. • Conducted two social engineering drills and two information security lectures.

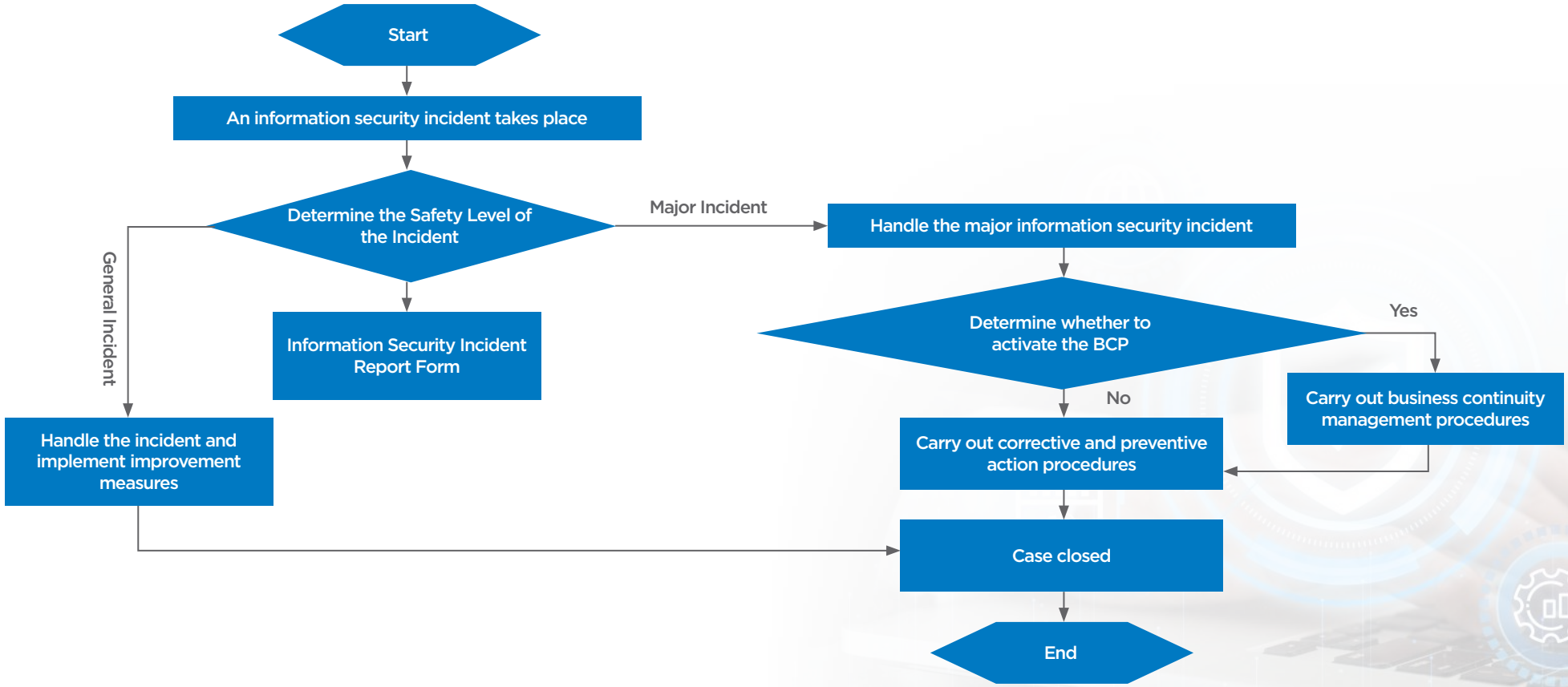
To strengthen information security management in accordance with the Information Security Policy, the Information Technology Department is responsible for coordinating and managing all information security activities. This includes regularly conducting vulnerability scans, checking the effectiveness of protection systems, performing related tests, assessing information security risks, and reporting the results to the IT manager. Formosa Laboratories also conducts annual internal information security training for employees and organizes security drills for specific departments, including email social engineering exercises and off-site backup recovery drills. In 2025, the Company conducted two social engineering drills and held two information security lectures, continuing to strengthen employees' information security awareness.

As Formosa Laboratories is a GMP-certified manufacturer, it conducts information security inspections under a rigorous cGMP system. Comprehensive training mechanisms have been established for areas such as production automation, office automation, partial automation control, quality management, R&D, and injectables. Formosa Laboratories also cooperates with inspections conducted by the US FDA and TFDA, annual information system reviews by PwC Taiwan, and approximately 30 to 40 customer inspections each year.

▼ Annual Information Security Measures and Key Digital Transformation Initiatives

Information security management measures	• Enhance endpoint cybersecurity threat detection capabilities. • Continued to strengthen system controls for critical documents. • Conduct social engineering drills and hold information security lectures annually. • Review GMP information system permissions and computer validation status annually. • Continued to replace Server platforms that have reached end-of-life.
Introduction of digital technology	• Implemented Managed Detection and Response (MDR) services to provide 24/7 security monitoring, threat detection, and incident response capabilities. • Introduced an enterprise-grade AI meeting transcription and summarization system to enhance operational efficiency and knowledge management.
Key projects in 2025	• The document management system was successfully launched in the first quarter of 2025, ensuring the security of sensitive information while supporting the Company's ongoing digital transformation. • Deployed Endpoint Detection and Response (EDR) solutions to strengthen endpoint security monitoring and control capabilities. • Replaced the OA virtual server platform approaching its end-of-life (EOL) stage to enhance system reliability and security. • Upgraded the SynChem (SynChem-Formosa) website and migrated it to a new hosting provider with enhanced cybersecurity protection mechanisms. • Established advanced Mail ADM defense modules and a SPAM-SQR high-availability (SPAM-SQR HA) failover mechanism to eliminate single points of failure, create a more secure email environment, and reduce cybersecurity risks. • Conduct annual social engineering simulation exercises and cybersecurity awareness training at year-end.
Key projects in 2026	• Enhance data center power capacity, air-conditioning redundancy, and hot/cold aisle containment to support the deployment of high-energy-consumption AI servers. • Replace user computers running Windows 10 that are no longer supported with security updates. • Increase the minimum password length requirement for information systems to 10 characters. • Conduct penetration testing to identify and address potential cybersecurity vulnerabilities. • Strengthen patch management practices across information systems to improve cybersecurity resilience. • Replace aging chiller units and environmental monitoring and control systems in the data center to ensure physical infrastructure security and operational stability. • Enhance cybersecurity protection for laboratory networks and systems. • Conduct annual company-wide social engineering simulation exercises and cybersecurity awareness training.

▼ Procedures for Reporting and Handling Information Security Incidents



2.5 Ethical Corporate Management

▼ Management of Material Topic "Ethical Corporate Management" at Formosa Laboratories in 2025

Material Topic	Ethical Corporate Management
Corresponding GRI Standards	GRI 205-2 and GRI 205-3
Corresponding SDGs	
Commitments and Policies	Formosa Laboratories is committed to conducting business with integrity and complies with all applicable laws and regulations. All business activities are governed by the Company's Code of Integrity Management and Code of Ethical Conduct, which establish clear standards for preventing unethical behavior and ensuring ethical business practices. The Ethical Corporate Management Team is responsible for overseeing and promoting the Company's anti-corruption and ethical corporate management initiatives. In addition, given the Company's business model as a pure active pharmaceutical ingredient (API) manufacturer operating primarily on a business-to-business (B2B) basis, it does not engage in direct commercial or promotional interactions with healthcare professionals (HCPs). The Company's Code of Conduct for Employees expressly prohibits the offering of any improper benefits to healthcare professionals. If interactions with healthcare professionals become necessary for R&D purposes in the future, the Company will strictly comply with applicable laws, regulations, and industry ethical standards in the relevant jurisdictions.
Tracking management mechanism	• An Ethical Corporate Management Team has been established under the Sustainable Development Committee and reports on the implementation of ethical corporate management practices to the Board of Directors at least once annually. • Significant ethical corporate management violations are investigated, and the results are reported to the Sustainable Development Committee immediately upon completion of the investigation.
Metrics and Targets	**Short-term targets:** • Ensure that no incidents of corruption or significant violations of laws and regulations occur. **Ongoing targets:** • Regular internal and external training programs on ethical corporate management are conducted annually. • The Company fosters a culture of integrity and adopts a zero-tolerance policy toward bribery to ensure sound and ethical business operations.
Actions and Measures	• In 2025, ethical corporate management-related training programs were conducted, with a total of 547 participants and 659 training hours completed. • The implementation status of ethical corporate management in 2025 was consolidated and reported to the Board of Directors on November 13, 2025. • All directors and 96% of managerial officers submitted the 2025 Ethical Corporate Management Declarations.

Ethical Corporate Management Team

Formosa Laboratories promotes ethical corporate management and ethical conduct through its "CO-198 Whistleblowing and Ethical Corporate Management Procedure" and the Ethical Corporate Management Team under the Sustainable Development Committee, with the aim of upholding ethical business practices and balancing the interests of all stakeholders. In accordance with the Code of ethical corporate Management and the Code of Ethical Conduct, department heads are responsible for communicating and promoting ethical standards among employees to reinforce appropriate workplace conduct and professional ethics. Designated whistleblowing personnel or units are responsible for handling reports. If an investigation identifies a material violation or a risk of material damage to the Company, a report must be prepared immediately and submitted in writing to the independent directors.

Communication of Anti-Corruption and Anti-Bribery Policies

The Company promotes ethical corporate management and upholds high ethical standards in all business activities, adopting a zero-tolerance policy toward corruption and bribery. Relevant integrity management policies have been established to define clear anti-corruption and anti-bribery guidelines, with related procedures implemented in accordance with the Code of Ethical Corporate Management. The Company also provides communication and training to employees and business partners to support the prevention of bribery and corruption. All cooperating suppliers are required to include integrity-related clauses, including anti-bribery provisions, in their contracts.

▼ Communication of Ethical Corporate Management Policies and Procedures

Communication Target	Policy Promotion	Number of Participants	Total of This Category	Communication Percentage
Director	Issuance of ethical corporate Management Declaration	9	9	100%
Management Level (Assistant Vice President and Above)	Issuance of ethical corporate Management Declaration	24	25	96%
New Employees	Integrity-related provisions are included in employment contracts.	205	205	100%

▼ Formosa Laboratories Anti-Corruption and Anti-Bribery Rules

Company Regulations	Items	Rules
Code of ethical corporate Management	Business Conduct	In the course of daily operations, all departments are prohibited from engaging in bribery in any business conduct, whether directly or indirectly through third parties, including subsidiaries, joint ventures, agents, representatives, consultants, stockbrokers, contractors, suppliers, or any other intermediaries.
		The Company strictly prohibits the acceptance of any form of bribery, including kickbacks from contracts or any form of improper benefit to customers, agents, contractors, suppliers, and employees.
		The Company prohibits any direct or indirect contributions to specific political parties, party officials, candidates, political organizations, or political figures as a form of disguised bribery.
		Charitable donations may be made only after approval by the authorized responsible supervisor in accordance with the "Approval Authority Matrix" attached to the delegation of authority system, to ensure full transparency of the donation process.
		The Company prohibits the offering or acceptance of unreasonable gifts, hospitality, or any other improper benefits.
		The Company shall terminate business relationships with suppliers, customers, and business counterparties involved in unethical conduct.
Article 64 of the Work Rules	Duty of Care	Employees must faithfully perform their duties during their employment. Any rebates, discounts, or benefits granted by suppliers in the course of business dealings shall belong to the Company. Other specific matters related to the duty of care are governed by the Company's future announcements and relevant regulations.

Establishment of an Integrity-Based Corporate Culture

The Company is committed to embedding a culture of ethical corporate management across all employees and has established a long-term training plan related to ethical corporate management. In 2025, training programs covering trade secret protection, confidentiality agreements for commercial contracts, and order risk management were conducted. A total of 547 participants attended, completing 659 training hours, with the aim of enhancing employees' capabilities in handling and responding to relevant incidents.

▼ Training on Ethical Corporate Management Policies and Procedures – Training Overview

Employee Category	Training Topic	Training Content	Number of Participants	Total Number in Category	Training Coverage (%)
Director	Insider Trading Prevention	Introduction to insider trading regulations and preventive practices	9	9	100%
Management Level (Assistant Vice President and Above)	Insider Trading Prevention	Introduction to insider trading regulations and preventive practices	25	25	100%
Management Level (Associate Supervisor and Above)	Trade Secret Education and Training	Trade Secrets Protection and Prevention	108	152	71%
New Employees	Trade Secrets Training	Basic Introduction to Trade Secrets for New Employees	166	205	81%
General Employees	Contract Confidentiality and Risk Management	Contract confidentiality and risk control	405	977	41%

The Company upholds the principle of ethical corporate management and continues to strengthen its anti-corruption management mechanisms while gradually establishing a systematic corruption risk assessment framework. In 2025, the internal audit plan was completed, with audit coverage encompassing major operational activities. No material deficiencies were identified, indicating that the internal control system was operating effectively. Subsidiaries are governed and subject to risk control through established supervisory mechanisms. During the reporting period, Formosa Laboratories did not experience any violations of competition or antitrust laws, nor was it subject to any government investigations, penalties, or litigation arising from monopolistic or unfair competition practices. The Company continues to adhere to the principles of ethical corporate management and fair competition and is committed to maintaining a transparent and equitable operating environment.



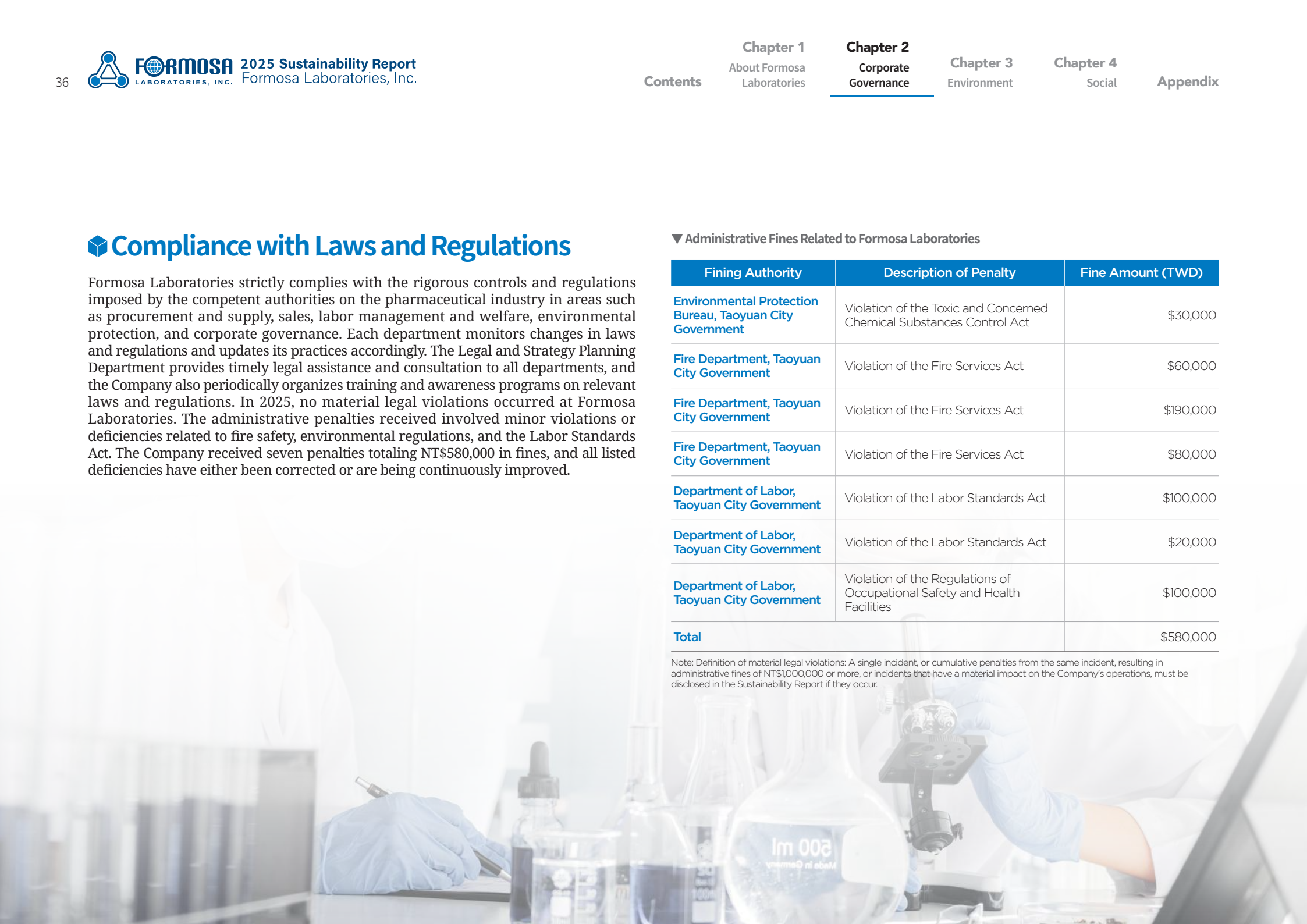
Compliance with Laws and Regulations

Formosa Laboratories strictly complies with the rigorous controls and regulations imposed by the competent authorities on the pharmaceutical industry in areas such as procurement and supply, sales, labor management and welfare, environmental protection, and corporate governance. Each department monitors changes in laws and regulations and updates its practices accordingly. The Legal and Strategy Planning Department provides timely legal assistance and consultation to all departments, and the Company also periodically organizes training and awareness programs on relevant laws and regulations. In 2025, no material legal violations occurred at Formosa Laboratories. The administrative penalties received involved minor violations or deficiencies related to fire safety, environmental regulations, and the Labor Standards Act. The Company received seven penalties totaling NT$580,000 in fines, and all listed deficiencies have either been corrected or are being continuously improved.

▼ Administrative Fines Related to Formosa Laboratories

Fining Authority	Description of Penalty	Fine Amount (TWD)
Environmental Protection Bureau, Taoyuan City Government	Violation of the Toxic and Concerned Chemical Substances Control Act	$30,000
Fire Department, Taoyuan City Government	Violation of the Fire Services Act	$60,000
Fire Department, Taoyuan City Government	Violation of the Fire Services Act	$190,000
Fire Department, Taoyuan City Government	Violation of the Fire Services Act	$80,000
Department of Labor, Taoyuan City Government	Violation of the Labor Standards Act	$100,000
Department of Labor, Taoyuan City Government	Violation of the Labor Standards Act	$20,000
Department of Labor, Taoyuan City Government	Violation of the Regulations of Occupational Safety and Health Facilities	$100,000
Total		$580,000

Note: Definition of material legal violations: A single incident, or cumulative penalties from the same incident, resulting in administrative fines of NT$1,000,000 or more, or incidents that have a material impact on the Company's operations, must be disclosed in the Sustainability Report if they occur.



Grievance and Suggestion Channels

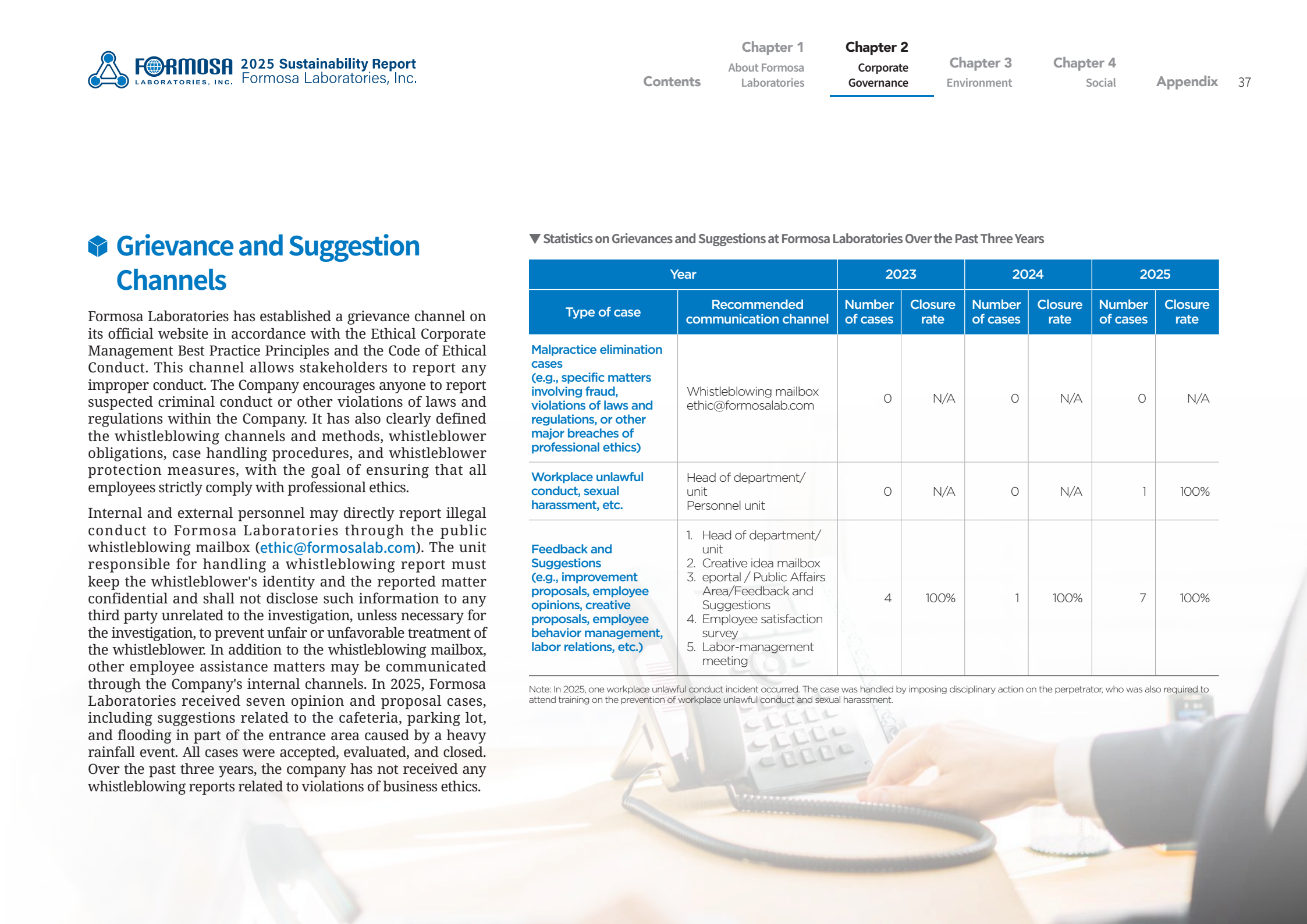
Formosa Laboratories has established a grievance channel on its official website in accordance with the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct. This channel allows stakeholders to report any improper conduct. The Company encourages anyone to report suspected criminal conduct or other violations of laws and regulations within the Company. It has also clearly defined the whistleblowing channels and methods, whistleblower obligations, case handling procedures, and whistleblower protection measures, with the goal of ensuring that all employees strictly comply with professional ethics.

Internal and external personnel may directly report illegal conduct to Formosa Laboratories through the public whistleblowing mailbox (ethic@formosalab.com). The unit responsible for handling a whistleblowing report must keep the whistleblower's identity and the reported matter confidential and shall not disclose such information to any third party unrelated to the investigation, unless necessary for the investigation, to prevent unfair or unfavorable treatment of the whistleblower. In addition to the whistleblowing mailbox, other employee assistance matters may be communicated through the Company's internal channels. In 2025, Formosa Laboratories received seven opinion and proposal cases, including suggestions related to the cafeteria, parking lot, and flooding in part of the entrance area caused by a heavy rainfall event. All cases were accepted, evaluated, and closed. Over the past three years, the company has not received any whistleblowing reports related to violations of business ethics.

▼ Statistics on Grievances and Suggestions at Formosa Laboratories Over the Past Three Years

Year		2023		2024		2025	
Type of case	Recommended communication channel	Number of cases	Closure rate	Number of cases	Closure rate	Number of cases	Closure rate
Malpractice elimination cases (e.g., specific matters involving fraud, violations of laws and regulations, or other major breaches of professional ethics)	Whistleblowing mailbox ethic@formosalab.com	0	N/A	0	N/A	0	N/A
Workplace unlawful conduct, sexual harassment, etc.	Head of department/ unit Personnel unit	0	N/A	0	N/A	1	100%
Feedback and Suggestions (e.g., improvement proposals, employee opinions, creative proposals, employee behavior management, labor relations, etc.)	1. Head of department/ unit 2. Creative idea mailbox 3. eportal / Public Affairs Area/Feedback and Suggestions 4. Employee satisfaction survey 5. Labor-management meeting	4	100%	1	100%	7	100%

Note: In 2025, one workplace unlawful conduct incident occurred. The case was handled by imposing disciplinary action on the perpetrator, who was also required to attend training on the prevention of workplace unlawful conduct and sexual harassment.



2.6 Product Responsibility and Supply Chain Management

Formosa Laboratories is primarily engaged in the process development, production, and sale of APIs. In the biopharmaceutical industry, the Company is a specialized midstream API manufacturer that purchases chemical raw materials and natural substances from suppliers and sells products to downstream pharmaceutical manufacturers. To implement supply chain management, Formosa Laboratories conducts quality screening for new suppliers and regularly performs supplier risk assessments, evaluations, and audits to ensure raw material safety.

▼ Management of Material Topics "Supply Chain Management" at Formosa Laboratories in 2025

Material Topic	Supply Chain Management
Corresponding GRI Standards	GRI 308-1 New suppliers that were screened using environmental criteria GRI 414-1 New suppliers that were screened using social criteria
Corresponding SDGs	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Commitments and Policies	To strengthen sustainability management within the supply chain, Formosa Laboratories conducts evaluations and unscheduled audits of suppliers and contractors in accordance with the Company's Qualification Certification Procedure for Raw Material Suppliers and the Contractor Safety and Health Management Measures. These evaluations are conducted by an Evaluation Team through document reviews or on-site assessments.
Tracking management mechanism	• Conduct data collection and selection for supplier qualification. The questionnaire for key raw material suppliers is updated every three years. • Conduct supplier evaluations and audit management. An annual audit plan for the following year is developed in the fourth quarter of each year and must be approved by the Head of the Quality Assurance Department by the end of January. Upon approval, the audit plan is implemented accordingly. • Provide guidance and support to suppliers who fail to meet the requirements to help them implement necessary improvements. If a supplier violates relevant regulations and fails to rectify the issue within the specified timeframe, Formosa Laboratories reserves the right to evaluate contract termination in order to mitigate supply chain risks.
Metrics and Targets	**Ongoing targets:** • Have 100% of our primary raw material suppliers sign the Statement of Use of Hazardous Substances and the Declaration of Non-use Conflict Minerals. • Conduct annual evaluation and audits of specific suppliers to perform due diligence and assist suppliers in correcting deficiencies. • Conduct annual supplier evaluations to increase the proportion of suppliers scoring 90 points or above, and require suppliers scoring below 60 points to implement improvements within a specified time frame. **Medium- to long-term targets:** • Implement a more comprehensive supplier screening and evaluation system incorporating environmental and social criteria.
Actions and Measures	• 611 manufacturers obtained scores above 90 points in the appraisal of raw material suppliers, accounting for 84.1% of all appraised suppliers. • Completed on-site audits of 46 raw material suppliers. • 100% of our primary raw material suppliers signed the Statement of Use of Hazardous Substances and did not use conflict minerals. • Required new suppliers to sign the relevant statements and declarations to ensure the quality and origin of raw materials meet safety standards, 100% of newly approved key raw material suppliers complied with this requirement.

Supply Chain Management and Supplier Governance

Supplier Risk Assessment

Formosa Laboratories requires primary raw material suppliers to sign the Statement of Use of Hazardous Substances and the Declaration of Non-Use of Conflict Minerals, and follows its internal SOP for the Supplier Qualification and Assessment Certification Procedures. This policy is also incorporated as a required item in supplier procurement management. Primary raw material suppliers must commit that the products or components they supply, as well as their corporate governance practices and protection of workers' human rights, align with Formosa Laboratories' ESG management philosophy. The Company also actively assists suppliers that fail to meet requirements in implementing improvement plans. If a supplier violates relevant rules or regulations, Formosa Laboratories reserves the right to terminate or rescind the contract to reduce supply chain risk. In addition, the Company has established the CO-202 Administrative Supplier Management Procedure to manage administrative suppliers and ensure stable and reasonable standards in terms of product and service quality, supply quantity, and pricing.

In response to the supply chain compliance requirements arising from the U.S. Biosecurity Act, the Company has incorporated geopolitical and regulatory changes into its supplier risk assessment mechanism. The Company continuously reviews raw material sourcing, supplier backgrounds, and their regulatory compliance capabilities in order to mitigate the risks of operational disruption and regulatory non-compliance.

In addition, Formosa Laboratories continues to require new suppliers to sign relevant statements and declarations to ensure that the quality and origin of raw materials meet safety standards and that no restricted hazardous substances are used. In 2025, 34 new primary raw material suppliers signed these statements and declarations, representing 19.5% of all new suppliers for the year.

All primary raw material suppliers have signed the Statement of Use of Hazardous Substances, Halal Declaration, Allergen Declaration, Melamine Declaration, Genotoxic Impurity Declaration, and Conflict Minerals Free Declaration.

Note: Primary raw materials refer to raw materials that form the main structure of a product (API).

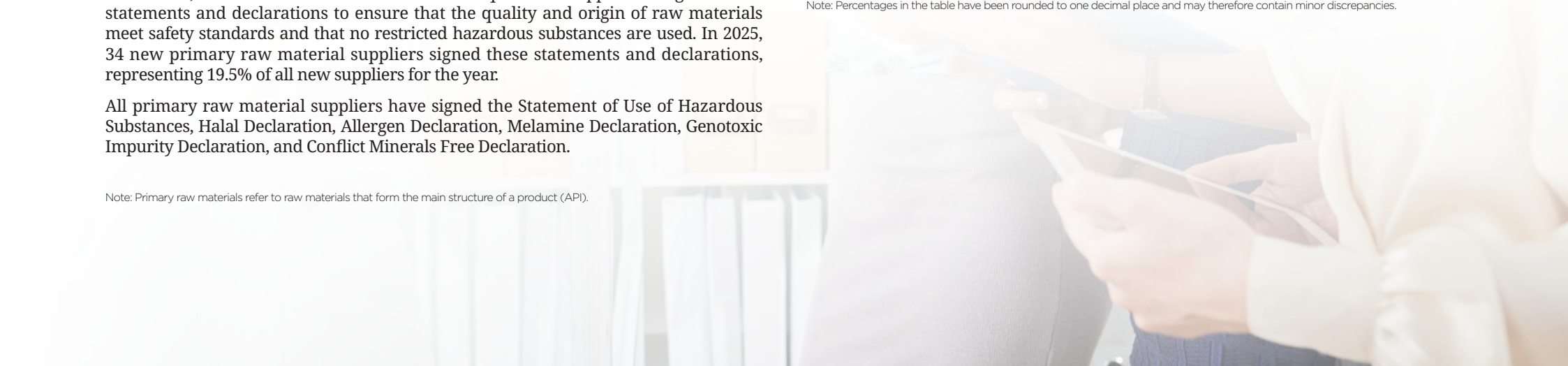
Supplier Evaluation

The Procurement Department conducts supplier evaluations in accordance with the Raw Material Supplier Evaluation Procedures. Based on transaction records from the previous year, supplier evaluation forms are prepared regularly in the first quarter of the following year. Each evaluation item is weighted according to its impact on operations. Suppliers scoring below 60 points are required to make improvements within a specified time frame. Suppliers that fail to make the necessary improvements may be removed from the approved vendor list.

▼ Results of Raw Material Supplier Evaluations at Formosa Laboratories Over the Past Three Years

Vendor category	Score	2023	2024	2025
Suppliers	Above 90 points	92.7%	92.3%	84.1%
	76 to 90 points	5.8%	6.5%	14.9%
	60 to 75 points	1.1%	0.6%	0.3%
	Below 60 points	0.4%	0.6%	0.7%
Number of suppliers evaluated		537	662	726

Note: Percentages in the table have been rounded to one decimal place and may therefore contain minor discrepancies.



Supplier Audit

To ensure that all suppliers meet the Company's requirements for workers' human rights, occupational health and safety, environmental protection, and other standards, the Procurement Department and the Quality Assurance Department develop an annual audit plan for raw material suppliers each year. The Quality Assurance Department conducts the audits to verify that suppliers' management systems and quality systems comply with the relevant requirements. If deficiencies are identified during an audit, the supplier must respond with corrective and improvement measures within one month of receiving the audit report.

Formosa Laboratories does not currently participate in joint audit programs run by international pharmaceutical supply chain alliances, such as Rx-360. However, the Company has established a comprehensive supplier review mechanism in accordance with its internal supplier management system to ensure that suppliers meet the Company's requirements for quality, regulatory compliance, and manufacturing management. Through standardized evaluation and monitoring processes, the Company continues to strengthen supply chain quality and reliability management.

Supplier category	Raw material suppliers	General affairs suppliers
Audit system	An annual supplier audit plan is scheduled in accordance with the Supplier Audit Management procedure, and audits are conducted in line with the plan.	The General Affairs Section is responsible for selecting, evaluating, and performing management assessment of general material suppliers of Formosa Laboratories according to Administrative Supplier Management Procedure, including suppliers of group meals, drinking water, etc. Also, it randomly selects suppliers for on-site audits every year.
Annual Audit Results	• In 2025, 49 suppliers were originally included in the audit plan. However, audits for ten suppliers were canceled due to factors such as supplier scheduling conflicts or adjustments to internal product development schedules. The remaining 39 suppliers completed the audits as planned. In addition, seven unscheduled supplier audits were conducted. • Planned number of suppliers to be audited: 49 • Actual number of suppliers audited: A total of 46 audits were performed, including 39 audits performed per the audit plan and 7 irregular audits. • Achievement rate: 93.8% • Audit Results: The audit findings identified major deficiencies in the quality system of one supplier. The company has communicated with the supplier and is currently awaiting confirmation that corrective actions have been completed.	• Completed an on-site audit of one general affairs supplier. • Completed document-based audits of 20 general affairs suppliers. • No material deficiencies or risks were identified in the audit results.

▼ Status of Raw Material Supplier Audits at Formosa Laboratories Over the Past Three Years

Audit method	2023	2024	2025
Expected number of suppliers audited on-site	32	55	49
Actual number of suppliers audited	20+5 (irregular)	30+16 (irregular)	39+7 (irregular)
Achievement rate	78.1%	83.6%	93.8%
Audit Results	One nonconforming supplier. Cooperation with this supplier was suspended, and it was required to make improvements within a specified time frame.	Two nonconforming suppliers. Cooperation with these suppliers was suspended, and they were required to make improvements within a specified time frame.	One nonconforming supplier. Cooperation with this supplier was suspended, and it was required to make improvements within a specified time frame.

Pharmaceutical Quality and Safety Management

Pharmaceutical Quality Management

To ensure stable product quality and protect users' health and safety, Formosa Laboratories has invested substantial resources in building a quality management system covering R&D, production, storage, transportation, sales, and end-use. The Company's quality commitments are recorded in its quality manual. All production processes undergo strict validation to ensure pharmaceutical product safety.

As of the end of 2025, Formosa Laboratories held one valid drug license, and one pharmaceutical product was included in Taiwan's National Health Insurance reimbursement list.

In alignment with the relevant industry guidance issued by the U.S. Food and Drug Administration in September 2024, the Company has established a systematic impurity risk management mechanism and implemented three key measures. First, comprehensive risk assessments are conducted for both products and manufacturing processes. Second, validated analytical procedures are introduced to verify the effectiveness of control measures. Third, any changes intended to reduce impurity-related risks are reported to and communicated with the competent authorities in accordance with regulatory requirements.

For existing product management, the Company has completed inspection and inventory across its entire product portfolio, confirming compliance with applicable regulatory standards. For future product development, the Company will continue to incorporate the latest regulatory requirements into the product design and process planning stages, integrating relevant control standards and testing specifications from the outset to ensure compliance from early development and to mitigate potential risks.



Raw material supplier management

Formosa Laboratories requires all raw material suppliers to complete verification before procurement begins and conducts on-site audits of primary raw material suppliers to confirm that their quality management systems and production management meet the relevant requirements. To continuously monitor supplier quality and stability, Formosa Laboratories performs annual audits of key suppliers and provides guidance or conducts re-audits when necessary.

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Production management

Formosa Laboratories has established a quality management system and production management system in compliance with GMP regulations in Taiwan, Europe, the United States, Japan, South Korea, and other countries and regions. The Company also evaluates and controls prohibited and restricted hazardous substances in accordance with regulatory requirements. Before products are launched, Formosa Laboratories conducts strict stability testing and annual reviews to ensure that all products are safe, consistent, and effective and do not pose risks to users' health or environmental safety. In 2025, Formosa Laboratories underwent a total of 40 official and customer audits, all of which received positive evaluations, and passed GMP compliance certifications in Taiwan, the United States, and Japan. No violations of health and safety laws or regulations related to products and services occurred at Formosa Laboratories.

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Product Labeling

All products are subject to corresponding safety controls and are labeled with detailed and specific information in accordance with applicable laws. Labels for all materials are strictly controlled to prevent labeling errors and reduce the risk of counterfeit or substandard drugs, while also complying with local laws and regulations on product information and labeling. During the reporting period, Formosa Laboratories had no violations of laws or regulations concerning product and service information or labeling.

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Sales and distribution management

The Company's plants are equipped with a high-standard quality management system. In addition, certain employees have obtained GDP Pharmaceutical and Medical Device Distribution Manager licenses. Strict controls have been established for product distribution tracking, transportation conditions, temperature control, and anti-counterfeiting labeling. vehicles and equipment used for the distribution, storage, or handling of pharmaceutical products are properly equipped to prevent product damage or other quality-related risks. All distribution activities have passed the Good Distribution Practice (GDP) inspection conducted by the TFDA under the Ministry of Health and Welfare, ensuring pharmaceutical product quality throughout the distribution process.

Adverse Drug Reaction Reporting Mechanism

The Company has established a comprehensive "Pharmacovigilance Plan" to ensure that the safety and quality of products comply with applicable regulatory requirements after-market authorization. Through a structured reporting system, active surveillance, and risk management mechanisms, the Company continuously strengthens the safety management across the entire product life cycle. In terms of governance structure, pharmacovigilance-related activities are implemented through cross-functional collaboration. The Regulatory Affairs Department is responsible for establishing system documentation and conducting safety assessments. The Sales Department is responsible for collecting and tracking adverse drug reaction reports. The Quality Assurance Department is responsible for reviewing relevant documents and conducting annual internal audits to ensure the effective operation of the overall surveillance system.

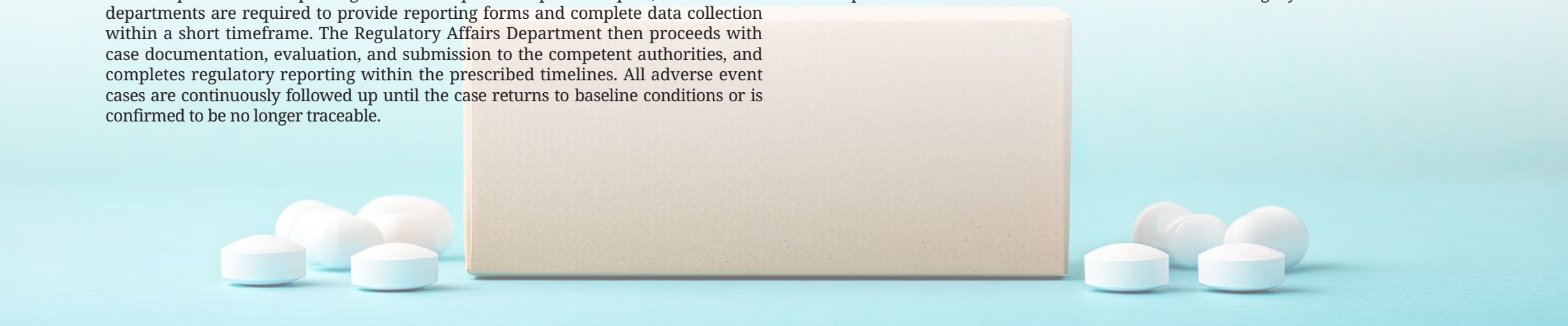
With regard to monitoring mechanisms, the Company adopts a combination of active surveillance and passive reporting. In addition to spontaneous reports from healthcare institutions or patients and notifications from competent authorities, the Company also proactively collects relevant information from academic literature, post-marketing studies, and digital or online media to comprehensively monitor product safety. For different product categories, active pharmaceutical ingredients (APIs) are primarily monitored through complaint mechanisms for quality control, while finished pharmaceutical products have a complete adverse reaction reporting process and may also receive notifications from regulatory authorities. As of 2025, the Company has not received any major adverse drug reaction reports or official regulatory notifications.

The Company has established standard operating procedures to ensure the timeliness and completeness of reporting activities. Upon receipt of a report, the relevant departments are required to provide reporting forms and complete data collection within a short timeframe. The Regulatory Affairs Department then proceeds with case documentation, evaluation, and submission to the competent authorities, and completes regulatory reporting within the prescribed timelines. All adverse event cases are continuously followed up until the case returns to baseline conditions or is confirmed to be no longer traceable.

The Company has also established a regular monitoring and evaluation mechanism. Through continuous case analysis and periodic statistical reviews, potential safety signals are identified and assessed based on clinical severity, reversibility, population impact, and appropriate use considerations. All evaluation results are compiled into formal reports and reviewed by the Quality Assurance Department to ensure objectivity and consistency in decision-making. For safety signals that may affect product safety, the Company has further established a risk classification and response mechanism. When necessary, appropriate measures are implemented, including product labeling revisions, risk communication, suspension of product use, or other relevant actions, and such matters are reported to the competent authorities in accordance with regulatory requirements.

With regard to product recall management, the Company has established a risk-based classification system covering various scenarios, including labeling adjustments, potential quality concerns, and issues that may affect patient safety. Corresponding handling procedures have been defined to ensure the safety and controllability of products in the market. As of 2025, Formosa Laboratories' products have not been included in any major product safety events listed in public healthcare product safety or adverse event alert databases, nor have any product safety warning incidents resulted in a material financial impact on the Company.

To ensure the effectiveness of the overall pharmacovigilance system, the Company conducts annual internal audits on a regular basis and follows up on corrective and preventive actions for audit findings. All safety-related data are properly retained and managed in accordance with applicable requirements, and a comprehensive data backup mechanism has been established to ensure data integrity.



Protection of Clinical Trial Participants

As of 2025, Formosa Laboratories has not initiated clinical trials for injectable products, and relevant clinical trial programs remain in the planning stage. Accordingly, the Company had no ongoing clinical trials during the reporting year, and there were no inspection deficiencies, regulatory violations, or litigation-related losses. Nevertheless, the Company has proactively established a robust pharmacovigilance and safety management system to safeguard the safety of future clinical trial participants. The system covers the full life cycle of safety management, including signal detection, adverse drug reaction reporting, and risk control. It is developed in compliance with international Good Clinical Practice (GCP) standards and applicable regulatory inspection requirements, providing comprehensive safety assurance for the design and execution of future clinical trials.

In addition, to safeguard the health and rights of clinical trial participants, the Company plans to provide participants with personal safety insurance once trials begin, and contracted service providers will also be required to obtain insurance covering operational and trial-related risks. This multi-layered protection mechanism will be activated during clinical trial execution to address potential health risks or operational accidents. During the drug development stage, the Company also complies with FDA requirements for preventing carcinogenic impurities, such as nitrosamines, to ensure that products intended for future clinical use meet the highest safety standards.

In summary, through the above measures, the Company has established a comprehensive system and insurance framework to ensure that, upon initiation of clinical trials, participant safety is properly managed, trial processes are compliant, and full traceability is maintained. This framework lays a solid foundation for the smooth execution of future clinical trials.

Market Responsibility and Ethical Business Conduct

Fair Pricing and Responsible Sales Practices

Formosa Laboratories' currently developed and marketed products are all generic drugs rather than patented or innovative drugs. Therefore, drug pricing is primarily adjusted based on market competition and the prices of comparable products. Because multiple suppliers typically operate in the generic drug market, price transparency is relatively high, and the Company's pricing policy is guided by the principles of maintaining reasonable market competitiveness and ensuring patient affordability.

As of 2025, Formosa Laboratories has only recently begun commercializing its pharmaceutical products; therefore, there is currently insufficient market transaction data for price benchmarking, and no formal price adjustment cases have been recorded. Nevertheless, the Company has established internal pricing management procedures. Going forward, drug prices will be continuously evaluated and adjusted based on market demand, cost structure, and regulatory requirements to ensure that they remain reasonable while upholding the principle of patient affordability.

In addition, Formosa Laboratories' pricing strategy for generic drugs takes fairness and transparency into account and complies with relevant laws, regulations, and regulatory guidance. This ensures that, after market authorization, the Company's products can meet patients' needs for access to medicines while supporting the Company's sustainable operations.

All sales operations of Formosa Laboratories strictly comply with pharmaceutical-related laws, regulations, and ethical standards to ensure that transaction processes are transparent, compliant, and aligned with industry standards. The Company manages sales practices through internal standard operating procedures (SOPs) and monitoring mechanisms. As of 2025, no violations of marketing or ethical standards have occurred.

Counterfeit Drug Prevention and Product Supply Chain Security

From the supply chain source to final product packaging, Formosa Laboratories implements proactive preventive measures and standardized operating procedures to ensure product authenticity and traceability. In supply chain management, the Company conducts strict qualification reviews of customers and distributors prior to the sale of finished pharmaceutical products to ensure that all trading partners are legally licensed pharmaceutical distributors, thereby reducing the risk of products entering illicit channels from the source. In terms of packaging management, Formosa Laboratories has established standardized SOPs for both active pharmaceutical ingredients (APIs) and finished pharmaceutical products (INJ), and applies physical anti-counterfeiting technologies to prevent product tampering or falsification. For API shipments, barrel packaging is secured with single-use red safety pins for locking rings, which become irreversibly damaged upon opening. This is combined with laser anti-counterfeit labels on outer cartons; once removed, the labels reveal a "VOID" message and the Company logo. Each batch is also assigned a unique identification code to enable supply chain traceability and tracking. For finished pharmaceutical products such as Eribulin mesylate injection, the outer packaging is printed with manufacturing information and a unique barcode. A single-use tamper-evident transparent seal is applied to the carton opening, and any unauthorized opening will leave visible evidence of tampering on the packaging, ensuring that patients and healthcare providers receive genuine, unaltered original products.

As of 2025, Formosa Laboratories has not encountered any counterfeit drug incidents. Nevertheless, to address known or potential risks of counterfeit products, the Company has established a comprehensive emergency response and investigation mechanism. If any suspected counterfeit drugs are reported through healthcare channels, customer complaints, or official notifications from competent authorities, the Company will immediately activate its dedicated response and handling procedures. Incident management includes investigation and traceability verification, with key inspection points covering confirmation of supply sources and examination of packaging integrity. For supply source verification, the Company utilizes unique product identification codes, shipment records, and barcode tracking to confirm whether the batch was manufactured and shipped by Formosa Laboratories. For packaging inspection, the Company examines single-use safety pins, tamper-evident "VOID" labels, and transparent carton seals to determine whether they have been compromised, counterfeited, or improperly reapplied, thereby assessing whether the product is falsified and preventing its further circulation. This system ensures that, even in the face of potential counterfeit risks, the Company can rapidly obtain relevant information and implement effective control measures.



Anti-Counterfeiting Measures and Packaging Technologies

Customer Relations and Communication

Customer Service

Formosa Laboratories considers customer feedback an important basis for strengthening customer relationships. The Company understands customer needs through multiple channels, including video conferences, business visits, and participation in exhibitions. During customer visits, the Company first identifies customer needs. If a service deficiency is identified, the relevant departments investigate the issue and provide corrective and preventive actions (CAPA) to explain the situation to the customer. Customer suggestions are regularly reviewed and analyzed in meetings, and appropriate improvement plans are proposed to establish a comprehensive procedure for responding to customer needs.

To provide comprehensive customer service and maintain strong product quality, Formosa Laboratories adopts a two-stage investigation process when customer complaints occur. The Company conducts investigations, records findings, draws conclusions, and clarifies issues at each stage to establish follow-up preventive measures, stabilize product quality, and reduce the risk of recurrence. For customer complaints arising from abnormalities in activities carried out under GMP standard operating procedures (SOPs), the company responds in accordance with those procedures.

Stage 1: Verifies whether the complaint is substantiated. The investigation is completed within 10 days, and a report is provided to the customer.

Stage 2: Identifies the root cause of the issue and proposes corrective and preventive actions (CAPA). This stage is completed within 30 days.

▼ Timely completion rate of customer complaint investigations at Formosa Laboratories in the last three years

Year	2023	2024	2025
Number of customer complaints	19	15	18
Execution rate	94.7%	86.7%	83.3%

Note: Execution rate = Number of customer complaints investigated within the required timeframe / Total number of customer complaints for the year.



Exchanges through International Exhibitions

By participating in international exhibitions, Formosa Laboratories maintains active communication and interaction with customers, suppliers, and industry peers. This helps the Company stay informed about the latest trends and technological developments in the global pharmaceutical industry, while also tracking changes in market demand and customer preferences. In 2025, Formosa Laboratories participated in seven international exhibitions and gained valuable experience. The Company will apply these insights to product development and operational strategies, continue enhancing product value, and maintain its core competitive advantage in a highly competitive market.

▼ List of International Exhibitions Formosa Laboratories Participated in 2025

Location	Exhibition Event	Exhibition Period
USA	DCAT week	2025/03/17~03/20
	Bio US	2025/06/16~06/19
Japan	BioJapan 2025	2025/10/08~10/10
China	CPhI China	2025/06/24~06/26
Taiwan	Bio Asia	2025/07/24~07/27
Europe	CPhI WW 2025	2025/10/28~ 10/30
	BioEurope 2025	2025/11/03~11/05



△ Formosa Laboratories' Participation at DCAT Week 2025 in the United States




∧ Formosa Laboratories' Participation at Bio US 2025, Boston, in the United States

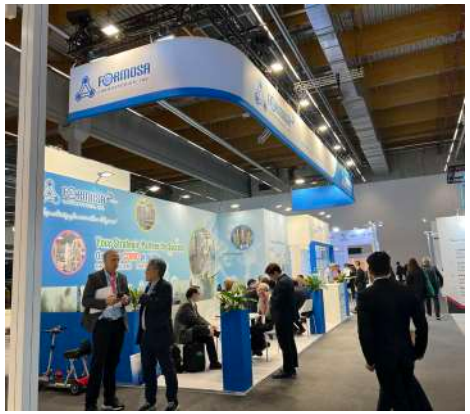




∧ Formosa Laboratories' Participation at BioAsia 2025 in Taiwan




∧ Formosa Laboratories' Participation at BioJapan 2025 in Japan




∧ Formosa Laboratories' Participation at CPhI Worldwide 2025 in Germany

3 Environment

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3.1 Response to Climate Change

▼ Management of MaterialTopic "Climate Change Response" at Formosa Laboratories in 2025

Material Topic	Climate Change Response
Corresponding GRI Standards	GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 302: Energy 2016 (302-1, 302-3, and 302-4) GRI 305: Emissions 2016 (305-1 to 305-5)
Corresponding SDGs	
Commitments and Policies	Formosa Laboratories implements greenhouse gas inventories and external assurance in line with policies and initiatives promoted by government agencies to achieve energy conservation and carbon reduction targets while strengthening its resilience to climate change.
Tracking management mechanism	Formosa Laboratories has established response policies and preventive measures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to prepare for climate-related hazards and prevent potential financial losses.
Metrics and Targets	**Continuing targets:** Continue to conduct greenhouse gas inventories and pass the ISO 14064-1 verification process. **Short-term targets:** 1. Annual electricity-saving rate: 1~3% 2. Promote carbon footprint tracking for one product per year and obtain ISO 14067 verification. 3. Adopt the GHG Protocol standard to strengthen greenhouse gas inventory management. **Medium - and long-term targets:** 1. Obtain assurance under ISAE 3410 Assurance Engagements on Greenhouse Gas Statements. 2. Roll out and implement greenhouse gas inventories at subsidiaries included in the consolidated financial statements. 3. Complete ISAE 3410 Assurance Engagements for greenhouse gas statements at subsidiaries included in the consolidated financial statements.
Actions and Measures	• By replacing high-energy-consuming equipment and changing operating practices, estimated annual electricity savings in 2025 are expected to reach 1,143,986 kWh, with carbon reductions of approximately 680.0561 metric tons of CO_2e in 2025. • The estimated annual self-generated and self-consumed electricity from the Phase I and Phase II solar power systems is expected to reach 966,902 kWh. • Energy intensity decreased by 1.58% compared to the previous year, and renewable energy accounted for 1% of total energy consumption. • The average annual electricity saving rate since 2015 was 2.11%, and the rate reached 4.48% in 2025. • In 2025, Formosa Laboratories's product "Colestimide" obtained ISO 14067:2018 verification, with a carbon footprint of 55.717 kg CO_2e per kilogram.

Four Pillars of the TCFD Recommendations

▼ Components of Climate-Related Financial Disclosures

Component	Action Plan
Governance	● The Sustainable Development Committee is responsible for working with senior executives from each business unit to review the impacts of climate change and global warming, assess the related risks to the company, rank them by materiality, and develop response strategies, management approaches, and implementation plans. The Committee also reviews the results regularly. The Company reports sustainability and GHG inventory progress to the Board of Directors on a quarterly basis, while climate-related risks are reported annually.
Strategy	● Formosa Laboratories considers the potential impacts of climate change in its operations and has developed risk response and mitigation strategies. These include actively promoting green energy and environmental protection policies, expanding the use of renewable energy, and developing innovative carbon reduction technologies. Formosa Laboratories has also established energy conservation and carbon reduction measures, while strengthening waste reduction and green procurement ● Please see the "Financial Impact of Climate-related Risks and Opportunities" section for more details on the main short-term-, medium-, and long-term risks and opportunities facing Formosa Laboratories.
Risk Management	● Climate-related risk management has been incorporated into the company's Risk Management Policy and Procedure, covering risk identification, analysis, assessment, response, monitoring, and review. Each step clearly defines scope, includes quantitative assessment mechanisms, and sets out possible risk response options. ● The Sustainable Development Committee reports to the Board of Directors annually and operates under the Board's supervision and oversight.
Metrics and targets	● Adopt the ISO 14064-1 Greenhouse Gas Inventory and ISO 14067 Carbon Footprint standards and complete third-party verification. Please refer to the: Net-Zero and Low-Carbon Transition Vision section for more details. ● Continue to promote various measures such as energy conservation, carbon reduction, and resource consumption reduction, including: ○ Annual electricity saving rate: 1%. ○ The Company continues to install solar power generation systems and obtain renewable energy certificates (RECs). ○ Please refer to the corresponding subchapters under Chapter 3 Environment for more details.

Financial Impact of Climate-related Risks and Opportunities

Formosa Laboratories conducts risk assessments on climate-related risks and opportunities by analyzing both impact severity and likelihood of occurrence. Each dimension is classified into five levels to identify medium-to-high risk items, for which appropriate mitigation and response measures are established.

After reviewing the identified risks, the Company further analyzes the financial impacts of climate change and develops annual adaptation and response strategies. The short term is defined as within three years, the medium term as three to five years, and the long term as more than five years. The Company evaluates the potential operational and financial impacts of climate-related risks and opportunities in order to formulate action plans addressing such risks and opportunities. The Company discloses "Climate-Related Risks and Financial Impacts" and "Climate-Related Opportunities and Financial Impacts," and actively develops mitigation solutions to reduce the impacts of climate change on operations and financial performance, thereby enhancing organizational climate resilience.



▼ Definition of Climate-Related Risks and Opportunities and Their Impacts on Operations

Grade	Risk Explanation			Opportunity Description
	Human Injury and Fatality	Hazard Impact Scope	Financial Loss (NT$)	Transition Benefits
Extreme	Causing one or more fatalities, three or more injuries, or exposure to irreversible occupational diseases or carcinogenic environments.	1. Large-scale hazardous substance release; the impact extends beyond the plant boundary, causing immediate and long-term effects on the environment and public health. 2. Production line shutdown or labor strike.	Financial loss ≥ NT$ 50,000,000	Annual cost reduction ≥ NT$ 5,000,000, or other significant benefits
Major	Incidents resulting in permanent disability or recoverable occupational diseases.	1. Medium-scale hazardous substance release; the impact extends inside and outside the plant, causing temporary effects on the environment and public health. 2. Negative media coverage or regulatory penalties.	NT$ 10,000,000 ≤ Financial loss < NT$ 50,000,000	NT$ 1,000,000 ≤ annual cost reduction < NT$ 5,000,000, or other high-level benefits
High	Incidents requiring hospital treatment and resulting in lost working time.	1. Small-scale hazardous substance release; the impact is limited to localized areas within the facility. 2. Complaints or regulatory reporting cases.	NT$ 5,000,000 ≤ Financial loss < NT$ 10,000,000	NT$ 500,000 ≤ annual cost reduction < NT$ 1,000,000, or other moderate benefits
Moderate	Incidents requiring only first aid or hospital treatment but without lost working time.	1. Minor hazardous substance release; the impact is confined to areas near specific equipment. 2. Media attention or external public concern.	NT$ 2,000,000 ≤ Financial loss < NT$ 5,000,000	NT$ 100,000 ≤ annual cost reduction < NT$ 500,000, or other marginal benefits
Low	No significant injury or harm.	No significant injury or harm.	Financial loss < NT$ 2,000,000	No significant benefits

▼ Climate-Related Risk and Opportunity Matrix

Risk Value (SP)		Likelihood of Occurrence (P)				
		Very Unlikely	Unlikely	Possible	Likely	Very Likely
Impact Severity (S)	Extreme					
	Major			④	①⑤③	⑦①②
	High				③④⑤	②
	Moderate				⑥	
	Low					

Notes：
1. Potential/Residual Risk Score (SP) = Impact on Operations (S) × Likelihood of Occurrence (P).
2. Risk Level Color Coding: Purple / Very High Risk; Red / High Risk; Yellow / Medium Risk; Blue / Low Risk; Cyan / Minor Risk.
3. Likelihood of Occurrence:
   Very Likely (expected to occur more than once within approximately 1 year); Likely (expected to occur more than once within approximately 1–10 years); Possible (expected to occur more than once within approximately 10–50 years); Unlikely (expected to occur once in more than 50 years); Very Unlikely

▼ List of Climate-Related Risks and Opportunities

Climate Risks	Climate Opportunities
① Renewable energy-related regulatory risk ② Carbon reduction-related regulatory risk ③ Technology and market risk ④ Reputational risk ⑤ Acute physical risk ⑥ Physical risk arising from changes in precipitation patterns ⑦ Physical risk arising from rising mean temperatures	① Enhanced resource efficiency ② Use of diverse energy sources for carbon reduction ③ Product and service opportunities ④ Market opportunities ⑤ Enhanced resilience



▼ **Financial Impact of Climate-Related Risks and Corresponding Response Actions**

Type	Climate-related risk	Impact period	Potential financial impact	Adaptation and response action
Transition risk	**Policies and Regulations**			
	Renewable energy-related laws and regulations	Short- to medium-term	• In accordance with the Renewable Energy Development Act, Formosa Laboratories must supply renewable electricity equivalent to more than 10% of Taipower's contracted capacity (7,500 kW) within five years. • The Company will develop renewable energy generation systems and will further invest in related costs for the Phase III solar power installation.	• The total installed capacity of solar power generation facilities is 814.725 kW, and the installation currently complies with regulatory requirements.
	Local carbon reduction-related laws and regulations	Medium term	• In response to Taiwan's Climate Change Response Act, the first phase of carbon fee implementation for domestic enterprises will commence in 2026, and is expected to increase operating costs by approximately NT$ 2.8 million. • Increased consulting and labor costs due to greenhouse gas inventory implementation with annual guidance and verification fees of approximately NT$600,000.	• The Company promotes greenhouse gas (GHG) inventory and ISO 14064-1 verification to clarify carbon reduction directions and establish reduction targets, and plans to adopt the GHG Protocol accounting standard. • Conduct greenhouse gas inventory data collection and assessment electronically to enhance efficiency. • The Company plans to implement an ISO 50001 energy management system in 2026 to conduct energy usage audits, establish an energy baseline, identify energy-intensive hotspots, and set annual energy-saving and carbon reduction targets based on the results.
	International carbon Reduction-related laws and regulations	Short- to medium-term	• Increased costs and expenses due to international carbon reduction regulations, such as the EU Carbon Border Adjustment Mechanism (CBAM) and the U.S. Clean Competition Act (CCA). • In response to product exports and customer requirements, the Company collaborated with the Industrial Technology Research Institute (ITRI) to implement product carbon footprint management in accordance with ISO 14067. The verification and consultancy costs increased by approximately NT$ 0.8 million in 2025 and are expected to increase by approximately NT$ 1.6 million in 2026.	
	Technology and Marketing			
	R&D in low carbon products or services	Medium to long term	• In response to the global trend of carbon reduction, the company is investing in research and development of low-carbon technologies and products to meet market demand, which may lead to increased investment costs or risks of loss. • The conversion efficiency of renewable energy, such as solar power generation, may fall short of expectations due to climate or other factors, resulting in sunk costs.	• Manage R&D costs, set R&D goals, review progress, and assess whether to cut losses based on R&D results. • Reduce the risk of R&D failure by focusing on process improvements, such as increasing yield and reducing solvent or energy use, which also helps lower the organization's carbon footprint. • Collaborate with other companies to develop new products and reduce the risk of investment loss.
	Reputation			
	Reputational damage	Medium term	• Failing to meet stakeholder expectations for energy conservation and carbon reduction at Formosa Laboratories could harm the Company's brand image and reputation. • Non-compliance with relevant regulations may lead to opposition from nearby residents.	Continue monitoring external trend changes and strengthen resilience to climate change through internal controls. At the same time, strengthen communication with stakeholders.

Type	Climate-related risk	Impact period	Potential financial impact	Adaptation and response action
Physical risk	**Acute**			
	Extreme weather events such as typhoons and floods	Short term	• Disaster losses: Loss of assets or materials caused by malfunction or damage to environmental protection equipment and machinery, disruption of personnel attendance, interruption of supply chain transportation, etc., which can also impact production operations and capacity. • Damage prevention: Formosa Laboratories must allocate an insurance budget of NT$24 million annually based on expected losses from risks. The purchase of sandbags, pumps, and other equipment also adds to the costs of disaster prevention tools and facility development.	• Set up a spare parts system and perform repairs promptly when equipment fails. • Develop a system with multi-skilled workers to avoid production disruptions caused by employee attendance problems. • Engage with a wide array of material suppliers to prevent disruption of the material supply • Dredge ditches regularly to ensure proper drainage and reduce the risk of flooding.
	Chronic			
	Changes in precipitation patterns	Short term	• Increased manufacturing costs caused by the need to purchase tap water during droughts or water shortages. • The estimated daily cost for water purchase is NT$1.0638 million (NT$900 multiplied by the estimated water consumption of 1,182 tons per day).	• Implement water conservation measures and adopt recycling systems to improve water efficiency. • The Company will continue to enhance its jacket water recovery and reuse systems and will assess the feasibility of implementing additional water recycling initiatives to improve water resource efficiency.
	Rising mean temperatures	Long term	• The high-temperature work environment on the production line impacts employees' health, making it more difficult to recruit workers and leading to higher employee turnover. • Increased electricity costs caused by the use of air conditioning and refrigeration systems in office and operational areas. • Increased costs for warehouse air-conditioning equipment, including insulation works, higher procurement of refrigeration and air-conditioning units, and increased energy consumption. • Increased R&D costs due to higher test temperatures required in response to rising ambient temperatures. • Product returns due to failure to control temperatures during transportation could lead to increased costs and losses from the returned goods. • The activity of biological strains in wastewater plants is vulnerable to temperature increases, which can lead to effluents surpassing statutory standards.	• Add stability testing and raise the test temperature to 70 degrees Celsius to ensure product quality is not affected under high-temperature conditions, as rising temperatures could affect product quality during transportation. • To reduce warehouse temperatures, the Company spent approximately NT$1.6 million on thermal insulation blankets. In addition, air-conditioning units have been installed in the dock area to maintain temperatures below 25 degrees Celsius, with estimated total costs of NT$5 million. • Use refrigerated transportation to reduce the risk of product damage, resulting in a 50% increase in transportation costs. • Prevent excessive temperatures caused by direct sunlight by using heat shields when the outdoor temperature exceeds 35 degrees Celsius, and record temperatures during transportation.

▼ Financial Impact of Climate-Related Opportunities and Corresponding Response Actions

Type	Climate-related opportunity	Potential financial impact	Response action
Resource efficiency	• Recycling and reuse of paper and waste • Switching to more efficient electrical equipment • Reduced water consumption	• Reduced purchases of consumables • Reduced electricity uses and carbon emissions • Reduced water consumption costs	• Implement the BPM digital signature system to continue reducing paper use. • Implement energy conservation programs, including replacing old and high-energy electrical appliances, purchasing equipment with energy-saving labels or adopting variable frequency drives, and participating in Taipower's demand response virtual power plant program, among others, which are estimated to save NT$1,260,000 per year, i.e., estimated electricity saved × NT$5.00 per kWh, based on energy conservation measures in 2025. • Continue to evaluate the implementation of recycling equipment or efficiency improvement measures, such as Chiller heat recovery systems, cleanroom air conditioning load shedding, and other related measures.
Energy sources	• Use of low-carbon energy sources • Self-generated low-carbon energy sources and renewable energy sources • Adopting energy conservation measures	• Saving on energy costs • Reduced operating costs	• The solar power system is expected to generate 924,139 kWh of electricity annually for self-use, saving approximately NT$4,620,000 each year compared with purchasing electricity directly from Taipower.
Products and services	• Development or expansion of low-carbon products and services	• Gradually developing or expanding low-carbon products and services can help Formosa Laboratories gain an advantage in collaborations with international pharmaceutical companies and enhance its competitiveness.	• In line with its carbon management strategy, the Company has selected representative products for product carbon footprint verification (a cumulative total of three products) to enhance product competitiveness and meet export market requirements. In 2025, products certified for carbon footprint verification accounted for 29.59% of the Company's production capacity. • In 2025, Formosa Laboratories obtained ISO 14067:2018 carbon footprint verification for an additional product, Colestimide, with a carbon footprint of 55.717 kg CO_2e per kilogram of product.
Market	• Receiving incentives from the public sector	• Receiving grants can help Formosa Laboratories increase revenue.	• Monitor and apply for relevant energy conservation incentives and grants.
Resilience	• Assessing climate change risks and mitigation strategies to improve the Company's resilience against climate change.	• Reduced losses caused by climate change	• Continue to stay informed about climate change developments to effectively plan and implement response measures.

Net-zero and Low-carbon Transition Vision

Formosa Laboratories has been conducting greenhouse gas inventories since 2021 in line with the government's 2050 net-zero transition policy and global carbon reduction trends. After collecting organizational carbon emissions using the methodology specified in ISO 14064-1:2018 in 2022, Formosa Laboratories gradually developed its sustainable development pathway and established short-, medium-, and long-term targets to address climate risks. This enables the Company to continuously review its energy policies and develop relevant rules and procedures.

01 Set reduction targets

Short-term target
- Annual electricity-saving rate: 1%.

Medium-term target
- Continuously replace the original equipment with energy-efficient equipment and improve the carbon emission reduction targets each year.

Long-term target
- Achieve net-zero emissions in 2050

02 Implement reduction strategies

Implement carbon reduction strategies, participate in the Self-determined Reduction Plan program, and continuously monitor improvement progress.
- Purchase green electricity for use at Formosa Laboratories
- Set up renewable energy sources
- Replace equipment with energy-efficient ones
- Innovate and optimize manufacturing processes
- Adopt low-carbon supply chain strategies

03 Achieve carbon neutrality

Declaration of Achievement in Carbon Neutrality
- Purchase carbon credits
- Verify reduction outcomes

Sustainable Development Pathway

3.2 Energy Management

Energy intensity compared to the previous year	Renewable energy as a percentage of energy consumption	Continue to optimize resource efficiency while expanding production capacity and growing revenue
↓ 1.58%	1 %	

To maintain temperature and humidity control for raw materials and products in the biotech and pharmaceutical industry, air conditioning must be used for extended periods in plant buildings and warehouses, resulting in relatively high electricity consumption. To reduce energy use and increase the use of renewable energy, the Company's installed renewable electricity capacity from solar photovoltaics exceeded 10% of Taipower's contracted capacity (7,500 kW) in 2025. In addition to continually assessing various renewable energy options and participating in Taipower's virtual power plant standby capacity program, the Company plans to achieve energy savings of more than 1% each year. These efforts aim to strengthen climate resilience and reduce operational risks. In recent years, overall energy consumption has increased as revenue and production capacity have continued to grow. However, through multiple energy-saving measures, the Company achieved an average annual electricity-saving rate of 2.11% from 2015 to 2025.

▼ Energy-Saving Performance of Formosa Laboratories Over the Past Three Years

Year	Annual electricity savings (kWh)	Annual electricity usage (kWh)	Annual electricity savings rate	Average annual electricity-saving rate (%) Note 1
2023	711,391	55,127,582	1.27%	1.68
2024	1,159,645.67	58,826,179	1.93%	1.71
2025	2,520,579	56,305,600	4.48%	2.11

Notes:
1. Average Annual Electricity Saving Rate: Refers to the average annual electricity saving rate calculated for the period from 2015 to the reporting year.
2. Data source: Data registered and declared on the Industrial Energy Efficiency and Conservation Network.

In 2025, Formosa Laboratories consumed a total of 335,482,778 MJ of energy, with renewable energy accounting for approximately 1%. Energy intensity, calculated based on production volume, was 319.21 MJ per kg. Although electricity consumption increased due to plant expansion and higher production capacity, energy intensity continued to decline compared with the previous years.

▼ Use of Energy Sources Within the Organization (Unit: Megajoules or MJ)

Type of energy source		2023	2024	2025
Non-renewable	Purchased electricity	197,069,760	209,139,840	202,700,160
	Gasoline	994,332.843	806,131.346	726,476.221
	Diesel	1,951,380	2,060,376	2,172,888
	Natural gas	114,393,799.8	135,010,184	117,699,647
	Heavy oil (eco-friendly RTO)	11,304,900	11,304,900	8,856,677
Renewable energy	Solar power	1,389,535.2	2,634,372	3,326,930
Total energy consumption (MJ)		327,103,708	360,955,803	335,482,778
Production volume (kg)		960,190.30	1,112,873.76	1,050,977.43
Energy intensity (MJ / kg)		340.67	324.35	319.21
Annual energy intensity growth or reduction rate (%)		-	-4.79%	-1.58%

Notes：
1. The scope of the energy survey covers the entire area of the office premises at Formosa Laboratories' headquarters, Luzhu Plant, and Luzhu No. 2 Plant.
2. The energy conversion factors are based on the latest announced fuel calorific values published by the Ministry of Environment. The conversion factors applied are as follows: 1 cubic meter of natural gas = 10.5 kWh of electricity; 1 liter of diesel = 8,400 kcal = 35.16 MJ; 1 kWh of electricity = 3.6 MJ; 1 liter of fuel oil = 41.87 MJ; and 1 liter of gasoline = 7,586 kcal = 47.3 MJ.





∧ Formosa Laboratories Solar Power Generation System



3.3 Greenhouse Gas Emissions

Formosa Laboratories has conducted organizational greenhouse gas inventories in accordance with ISO 14064-1:2018 since 2022, using 2022 as the base year. The Company conducts an inventory and undergoes external third-party verification each year to monitor emissions hotspots and reduction performance. Beginning in 2025, Formosa Laboratories adopted the Greenhouse Gas Protocol (GHG Protocol) as the basis for its greenhouse gas inventory. The inventory results indicated total greenhouse gas emissions of 56,715.8344 metric tons of CO_2e. The increase in emissions was primarily attributable to plant expansion, which required additional equipment and instruments, as well as an overall increase in electricity consumption. Nevertheless, Scope 1 and Scope 2 emissions intensity were 7.28 metric tons of CO_2e per NT$ million of revenue, representing a decrease compared with the previous year and demonstrating improved carbon efficiency in the Company's operations.

▼ Greenhouse Gas Emissions at Formosa Laboratories Over the Past Three Years (Unit: metric tons of CO_2e)

Type of greenhouse gas		2022 (Base Year)	2023	2024
Scope 1: Direct Greenhouse Gas Emissions and Removals	Gasoline, diesel, natural gas, and heavy oil (Fugitive emissions, Process)	7,744.8849	8,421.5202	9,592.5913
Scope 2: Indirect Energy Greenhouse Gas Emissions	Purchased electricity	25,787.1240	27,042.3504	27,536.7456
Total Scope 1 and Scope 2 greenhouse gas emissions		33,532.0089	35,463.8706	37,129.3369
Greenhouse gas emission intensity (metric tons of CO_2e per NT$ million in revenue)		8.81	8.16	8.06
Scope 3: Other Indirect Greenhouse Gas Emissions				
3.1	Purchased Goods and Services	3,039.3764	11,757.2569	12,085.5685
3.3	Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)	6,379.6527	7,241.6595	7,871.5826
3.4	Upstream Transportation and Distribution	90.5594	77.3076	83.3132
3.5	Waste generated in operations	996.8719	207.9325	330.4504
3.6	Business Travel	60.0650	-	93.6440
3.9	Downstream Transportation and Distribution	685.3870	1,801.2831	1,364.1758
Total Greenhouse Gas Emissions		44,783.9213	56,549.3102	58,958.0714

Notes：
1. The operational control approach is used to consolidate greenhouse gas emissions, with the reporting boundary covering all operations of Formosa Laboratories (including the Luzhu Plant and Luzhu No. 2 Plant). The greenhouse gas inventory is conducted in accordance with the ISO 14064-1:2018 methodology. For Categories 3–6, the inventory covers only selected items under Categories 3 and 4.
2. The data differ because the global warming potential (GWP) for each greenhouse gas was estimated using the values in the IPCC Sixth Assessment Report, which differ from the IPCC Fourth Assessment Report values adopted by the Ministry of Environment.
3. The electricity emission factors are based on values announced by the Bureau of Energy. The factors were 0.495 kg CO_2e/kWh in 2022, 0.494 kg CO_2e/kWh in 2023, and 0.474 kg CO_2e/kWh in 2024.
4. Greenhouse gas emissions intensity is calculated as Scope 1 and Scope 2 emissions (tCO_2e) divided by revenue (NT$ million). Revenue figures are derived from Formosa Laboratories, Inc.'s standalone financial statements, which were NT$3,804.145 million in 2022, NT$4,346.290 million in 2023, and NT$4,605.182 million in 2024. All values are rounded to two decimal places.
5. Formosa Laboratories received ISO 14064-1 Greenhouse Gas Verification Statements after SGS Taiwan, an independent third party, verified the greenhouse gas inventory data for 2022 to 2024.
6. The Business travel activity data for 2023 and 2024 include only self-driven vehicles, and the related greenhouse gas emissions are categorized under Category 1; therefore, no separate data are available.

▼ Formosa Laboratories' Greenhouse Gas Emissions in 2025

(Unit: metric tons CO_2e)

Scope	Emissions (metric tons CO_2e)	Percentage (%)
Scope 1: Direct greenhouse gas emissions and removals	9,028.6957	15.919%
1.1 Stationary Combustion Sources	8,017.6090	14.136%
1.2 Process Emission Sources	174.0169	0.307%
1.3 Mobile Combustion Sources	0.0000	0.000%
1.4 Fugitive Emission Sources	837.0698	1.476%
1.5 Land Use, Land-Use Change	0.0000	0.000%
Scope 2: Indirect Energy Greenhouse Gas Emissions	26,238.2096	46.263%
2.1 Purchased Electricity (Taipower)	26,238.2096	46.263%
2.2 Renewable Electricity Procurement	0.0000	0.000%
Scope 1 + Scope 2 Greenhouse Gas Emissions	35,266.9053	-
Greenhouse Gas Emissions Intensity (metric tons CO_2e / NT$ million revenue)	7.28	-
Scope 3: Other Indirect Greenhouse Gas Emissions	21,448.7292	37.818%
3.1 Purchased Goods and Services (Category 1)	12,199.3102	21.510%
3.2 Capital Goods (Category 2)	0.0000	0.00%
3.3 Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2) (Category 3)	8,214.2745	14.483%
3.4 Upstream Transportation and Distribution (Category 4)	93.1606	0.164%
3.5 Waste Generated in Operations (Category 5)	256.6396	0.453%
3.6 Business Travel (Category 6)	70.3680	0.124%
3.7 Employee Commuting (Category 7)	0.0000	0.00%
3.8 Upstream Leased Assets (Category 8)	0.0000	0.00%
3.9 Downstream Transportation and Distribution (Category 9)	614.9763	1.084%
3.10 Processing of Sold Products (Category 10)	0.0000	0.000%
3.11 Use of Sold Products (Category 11)	0.0000	0.000%
3.12 End-of-Life Treatment of Sold Products (Category 12)	0.0000	0.000%
3.13 Downstream Leased Assets (Category 13)	0.0000	0.000%
3.14 Franchises (Category 14)	0.0000	0.000%
3.15 Investments (Category 15)	0.0000	0.000%
Total greenhouse gas emissions	56,715.8344	100.000%

Notes：

1. Greenhouse gas emissions were compiled using the operational control method. The entire area of Formosa Laboratories, including Luzhu Plant and Luzhu No. 2 Plant, was used as the boundary.
2. The data differ because the global warming potential (GWP) for each greenhouse gas was estimated using the values in the IPCC Sixth Assessment Report, which differ from the IPCC Fourth Assessment Report values adopted by the Ministry of Environment.
3. The emission factors are based on the latest greenhouse gas emission factor table announced by the Ministry of Environment on February 5, 2024.
4. The electricity emission factor is based on the value announced by the Bureau of Energy, calculated using the 2025 electricity emission factor of 0.474 kg CO_2e/kWh.
5. The greenhouse gas emission intensity is calculated as Scope 1 + Scope 2 greenhouse gas emissions (metric tons CO_2e) divided by revenue (NT$ million). Revenue data is sourced from Formosa Laboratories' parent-only financial statements, with revenue of NT$ 4,841.746 million in 2025. Values are rounded to two decimal places.
6. The base year for greenhouse gas emissions is 2022, with total emissions of 44,783.9213 metric tons CO_2e in that year.
7. All greenhouse gas inventory data have been verified by SGS, an independent third party, and a GHG Protocol verification statement has been obtained.

Energy Conservation and Carbon Reduction

In 2025, Formosa Laboratories continued to replace energy-intensive equipment and installed variable frequency drive (VFD) control for the operation of air compressors in the fermentation plant. The estimated annual electricity savings are approximately 1,143,986 kWh, with an estimated carbon reduction of about 680.0561 metric tons of CO_2e. In addition, the Phase II solar power generation system was completed in December 2024. The projected annual self-generated and self-consumed electricity is approximately 966,902 kWh, which will continue to contribute to annual carbon reduction benefits. Going forward, the Company will continue to develop solar energy installations and implement energy-saving projects, promote environmentally friendly practices in daily office activities, and evaluate the procurement of renewable energy. Through these initiatives, electricity consumption is expected to gradually decrease year by year, thereby achieving its energy conservation and carbon reduction targets.



▼ Estimated Performance of Energy Conservation and Carbon Reduction Action Plans at Formosa Laboratories in 2025

No.	Action plan	Explanation of reduction	Reduction in energy consumption (MJ)	Reduction in carbon emissions (metric tons of CO_2e)
1	Phase II solar panels	The estimated reduction in externally purchased electricity (Taipower) usage is approximately 230,011 kWh per year.	-	113.8554
2	Replacement of air-cooled chiller units (Phase I)	Estimated to save approximately 62,406 kWh of electricity each year	224,662	30.819
3	Heat recovery system for M automated warehouse chillers	Estimated to save approximately 755,769 kWh of electricity each year	2,720,768	374.106
4	Installation of variable frequency drive (VFD) control for 420 HP air compressor in the fermentation plant	Estimated to save approximately 325,811 kWh of electricity each year	1,172,921	161
Total			4,118,351	680.0561

Notes：
1. The energy conservation action plans listed in the table above focus on electricity savings, and the scope of carbon reduction is Scope 2 greenhouse gas emissions.
2. The amount of energy conserved was estimated by the difference in electricity usage before and after implementing each action plan, then converted to megajoules using the formula: 1 kWh = 3.6 MJ.
3. Carbon reductions were calculated using the following formula: electricity saved (kWh) × the 2024 electricity emission factor published by the Energy Administration, Ministry of Economic Affairs (0.474 kg CO_2e per kWh) rounded to three decimal places.

3.4 Water Stewardship

▼ Management of Material Topic "Water Stewardship" at Formosa Laboratories in 2025

Material Topic	Water Stewardship
Corresponding GRI Standards	GRI 303: Water and Effluents 2018
Corresponding SDGs	6 CLEAN WATER AND SANITATION
Commitments and Policies	Formosa Laboratories complies with applicable laws and regulations and conducts regular testing and monitoring to implement daily water stewardship and demonstrate its commitment to valuing natural resources.
Tracking management mechanism	**Water withdrawal:** ● Conduct water consumption surveys. ● Install flow meters to monitor, track, and record the amount of water withdrawn. ● Perform routine maintenance on monitoring devices. **Water discharge:** ● Monitor the quality and quantity of effluents. In case of any anomalies, redirect effluents back to the wastewater treatment unit for additional processing before discharging them again. ● Assess the performance of wastewater treatment units and enhance their treatment capacity. ● Provide education and training to improve employees' skills in operation, maintenance, and response.
Metrics and Targets	**Continuing targets:** ● Committed to source reduction and recycling. ● Evaluate the use of recycled and reclaimed water to conserve resources and continuously enhance water efficiency. ● Ensure that the effluent quality complies with the rules and regulations issued by the Ministry of Environment.
Actions and Measures	● In 2025, total water intake decreased by 7.628 million liters (↓ 1.73% compared to the previous year). ● In 2025, the total volume of recycled water was approximately 91.893 million liters, resulting in a water reuse rate of 21.19% based on annual water intake. ● The Water quality testing conducted in 2025 showed that Formosa Laboratories' discharge met the effluent standards under environmental laws and regulations.

Enhancing Water Efficiency

Process water accounts for a relatively large share of total water consumption at Formosa Laboratories' plant sites, while the remainder is primarily domestic water sourced from tap water. Flowmeters have also been installed to monitor, measure, and record water withdrawal. Monitoring equipment is maintained regularly to ensure the accuracy and effective use of relevant information.

▼ Statistics on Water Use at Formosa Laboratories Over the Past Three Years (Unit: Million Liters)

Water consumption statistics	2023	2024	2025
Total water withdrawal (A)	427.639	441.377	433.749
Total water discharge (B)	306.714	313.184	294.322
Total water consumption (A - B)	120.925	128.193	139.427

Notes:
1. Water withdrawal is based on water bills issued by the water supply company, while wastewater discharge is based on the discharge volume reported to the Environmental Authority.
2. All withdrawn water was classified as freshwater, sourced exclusively from third-party supplied tap water. No surface water, groundwater, seawater, or produced water was used.
3. The 2023–2024 data has been revised based on verification results.

Since implementing a water recycling system in 2015, Formosa Laboratories has established a mechanism to reuse treated water in cooling systems, scrubbers, and vacuum systems.

In 2025, through standardized phased water reuse and optimization of conductivity control measures, reclaimed water was utilized in cooling towers and scrubbers. The total volume of recycled water was approximately 91.893 million liters, resulting in a water reuse rate of 21.19% based on annual water intake. In addition, in 2025, cooling tower replacement was implemented, leading to a reduction in total water intake of 7.628 million liters (↓ 1.73%). Going forward, the Company will continue to evaluate and improve the water recycling system and its efficiency to further enhance water use performance.

▼ Statistics on Recycled Water Volume Over the Past Three Years (Unit: Million Liters)

Water consumption statistics	2023	2024	2025
Total water withdrawal (A)	427.639	441.377	433.749
Total recycled water (B)	164.894	174.972	91.893
Water reuse rate (B/A)	38.56%	39.64%	21.19%

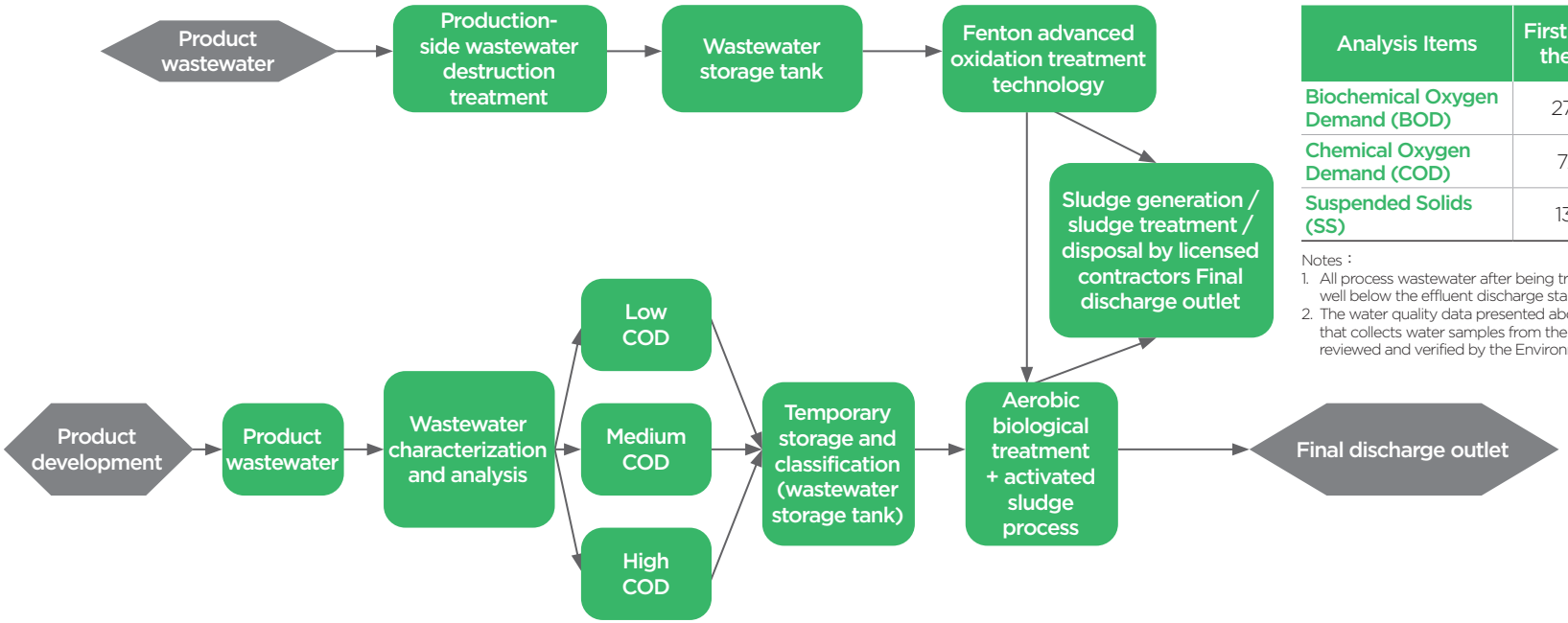
Note
1. The 2023–2024 data has been revised based on verification results.



Minimizing the Impact of Water Discharge

Formosa Laboratories has established wastewater treatment units to monitor and control effluent quality and volume in accordance with the water quality items and limits specified in the Effluent Standards issued by the Ministry of Environment. All treated effluent is freshwater and is discharged into Haihu Creek (surface water). Formosa Laboratories discharged 294.322 Million Liters of water in 2025. The Company regularly outsources effluent water quality testing, and all water quality test results in 2025 complied with applicable regulatory requirements.

▼ Formosa Laboratories' Wastewater Treatment Unit Process



Analysis Items	First Half of the Year	Second Half of the Year	Effluent Discharge Standards
Biochemical Oxygen Demand (BOD)	27.6 mg/L	3.8 mg/L	<30 mg/L
Chemical Oxygen Demand (COD)	72.1 mg/L	72.4 mg/L	<100 mg/L
Suspended Solids (SS)	13.7 mg/L	10.6 mg/L	<30 mg/L

Notes：
1. All process wastewater after being treated through the wastewater treatment system, is well below the effluent discharge standards.
2. The water quality data presented above were obtained by a certified testing laboratory that collects water samples from the plant, and the analysis results are periodically reviewed and verified by the Environmental Authority.

3.5 Waste Management

▼ Management of Material Topic "Waste Management" at Formosa Laboratories in 2025

Material Topic	Waste Management
Corresponding GRI Standards	GRI 306: Waste 2020
Corresponding SDGs	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Commitments and Policies	Formosa Laboratories continuously implements waste reduction and resource recycling through end-of-pipe treatment and process management. Moving forward, the company will continue to evaluate the feasibility of source reduction and lower resource consumption based on the environmental 4R circular economy concept.
Tracking management mechanism	• Assess the waste management implementation based on the performance of the ISO 14001 environmental management system. If any deficiencies are found, propose improvement plans according to applicable rules and regulations, and carry out preventive or corrective measures. • Select waste treatment service providers carefully, regularly visit their facilities to assess the actual status of waste treatment and recycling, and periodically evaluate their efficiency through assessments and audits. • Regularly monitor the status of outsourced waste clearance and disposal. The Company also uses the Ministry of Environment's reporting platform and obtains certificates of proper treatment to ensure effective tracking. • Conduct periodic external audits by following waste transport vehicles.
Metrics and Targets	**Continuing targets** • Properly implement end-of-pipe treatment and continue developing comprehensive process-based waste reduction measures. **Long-term targets** • Continue to promote waste reduction based on the environmental 4R circular economy approach, and monitor waste flows to ensure legal, proper treatment or recycling. • Require suppliers to establish waste reduction and recycling targets to decrease waste output throughout the value chain.
Actions and Measures	• In 2025, total waste amounted to 1,346.9538 metric tons, and waste intensity decreased to 1.28 metric tons per ton of production. • In 2025, four on-site inspections of waste treatment facilities were conducted, with no abnormalities identified. All waste clearance and treatment procedures complied with applicable standards.

Waste Impact Management

All industrial waste generated from pharmaceutical manufacturing at Formosa Laboratories is classified, collected, transported, and treated in accordance with the Waste Disposal Act to prevent leakage risks during generation, storage, transportation, and treatment. The Company also carefully selects waste clearance and treatment service providers and conducts regular on-site audits. In 2025, Formosa Laboratories conducted four on-site inspections of waste treatment facilities, with no abnormalities or leakage identified, and all clearance and treatment procedures complied with applicable standards. For more information on waste impact analysis and management practices, please visit Formosa Laboratories' official website.

▼ Waste Production Process at Formosa Laboratories

Input: Raw materials

Common organic solvents, halogenated organic solvents, toxic chemicals, and high-potency raw materials

→ Pharmaceutical manufacturing activities →

Output: Waste

Hazardous, general, and highly active industrial waste

Waste Statistics

Formosa Laboratories has continued to demonstrate the effectiveness of its waste source management, process optimization, and reduction measures, resulting in a year-on-year decrease in waste load per unit of output. In 2025, total waste decreased to 1,346.9538 metric tons, continuing the downward trend seen over the previous two years. Waste intensity further decreased to 1.28 metric tons per ton of production, down from 1.39 in 2024 and significantly improved from 1.81 in 2023, showing a continuous three-year improvement trend. This further reflects the concrete implementation and effectiveness of overall waste reduction management.

▼ Total Amount of Waste at Formosa Laboratories in 2025 (Unit: metric tons)

Composition of waste	Total amount of waste diverted from disposal (recycling and reuse)	Total amount of waste disposed of (incineration, landfilling, and physical treatment)	Total waste
Hazardous waste	0	389.6850	389.6850
General industrial waste	144.3088	812.9600	957.2688
Total amount of waste	144.3088	1,202.6450	1,346.9538

Notes：
1. The total amount of waste diverted from disposal was 144.3088 metric tons (including 18.21 metric tons of waste wood and 126.0988 metric tons of recycled materials). There was no on-site reuse.
2. Of the waste directly disposed of by Formosa Laboratories, 1,202.6450 metric tons were treated by incineration, 0 metric tons were landfilled, and 470.9850 metric tons were treated by other methods.

▼ Waste Treatment Summary Over the Past Three Years (Unit: metric tons)

Category	Treatment site	Treatment method	2023	2024	2025
Hazardous industrial waste	Off-site	Recycling and reuse	0	0	0
		Incineration	236.7296	274.3000	152.0400
		Landfilling	0	0	0
		Others (final disposal)	271.4400	266.0700	237.6450
General industrial waste	Off-site	Recycling and reuse	152.8450	176.4900	144.3088
		Incineration	574.6000	745.2600	579.6200
		Landfilling	89.1000	0	0
		Others	415.0800	84.3200	233.3400
Total amount of waste			1,739.7946	1,546.4400	1,346.9538
Production volume (metric tons)			960.1903	1,112.8738	1,050.9774
Waste intensity (metric tons per ton of production) Note 3			1.81	1.39	1.28

Notes：
1. Treatment site: Off-site (outsourced treatment).
2. Treatment method: Recycling and reuse (made into new materials through reprocessing, including recycling and reuse.), incineration, landfilling, and other disposal methods.
3. Waste Intensity = Total waste (metric tons) ÷ Production volume (metric tons), rounded to two decimal places.
4. Hazardous industrial waste and general industrial waste are classified according to the Waste Disposal Act and the Standards for Defining Hazardous Industrial Waste in Taiwan.



4 Social

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4.1 Workforce Overview

▼ Management of Material Topic "Talent Attraction and Retention" at Formosa Laboratories in 2025

Material Topic	Talent Attraction and Retention
Corresponding GRI Standards	GRI 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage GRI 401-1 New employee hires and employee turnover GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental Leave
Corresponding SDGs	
Commitments and Policies	Valuing talent attraction and retention, Formosa Laboratories has established the Human Rights Policy and is dedicated to creating a friendly workplace culture that promotes diversity and equality. The Company enhances talent competitiveness through diverse communication channels, physical and mental health promotion measures, education and training systems, and compensation and incentive policies.
Tracking management mechanism	● Monitor turnover rates annually to assess employee retention and identify unusual situations. ● Establish a talent development system to track employee training participation and evaluate the effectiveness of external training programs, including certification attainment, internal knowledge sharing, and internal training transfer. ● Require employees who have been with Formosa Laboratories for three months to have their qualifications evaluated by their supervisors, including work performance and learning progress, to decide whether to convert them to full-time status, extend their probation, or end their employment if they are not suitable for the position. ● Regularly evaluate the competitiveness of salaries at Formosa Laboratories and adjust our pay levels according to industry pay rates. ● Establish channels for reporting workplace violence and sexual harassment, and hold regular labor-management meetings to promote open communication between Formosa Laboratories and our employees.
Metrics and Targets	**Short-term targets (2026)** ● Optimize the training system and establish a learning organization ○ By increasing participation in training programs, the Company fosters an organizational culture of continuous learning, enhances employees' exposure to professional knowledge and management skill development opportunities, and gradually builds a culture of lifelong learning and talent development. ○ KPI: The total number of training participants shall exceed 1,000 instances per year. ● Establish an employee feedback and organizational improvement mechanism ○ Through an annual employee engagement survey, the Company collects feedback on the working environment, management practices, and internal policies to help management understand the current organizational status and serve as a basis for continuous improvement, thereby enhancing employee engagement and retention intention. **Medium- and long-term targets(2027 and beyond)** ● The Company will continue to create an attractive and development-oriented work environment to attract outstanding talent and promote long-term employee retention. Through talent development and learning initiatives, the Company aims to build a stable and highly skilled workforce to support sustained business performance and achieve corporate sustainable development.
Actions and Measures	● Recorded a new hire rate of 21.4%, an increase of 0.1 percentage points from the previous year, and a turnover rate of 15.2%, a decrease of 0.5 percentage points from the previous year. ● Spent NT$1.434 million on training expenses in 2025, including both internal and external education programs attended by a total of 4,216 people. ● No significant risks or incidents of discrimination, child labor, forced labor, or other violations of labor rights were reported at Formosa Laboratories. ● Continually participated in "TALENT, in Taiwan" Taiwan Talent Sustainability Action Alliance to improve talent sustainability indicators.

Talent Sustainability, Building Formosa Laboratories' Competitiveness

Since 2022, Formosa Laboratories has joined the "TALENT, in Taiwan – Taiwan Talent Sustainability Action Alliance." In 2025, the Company continues to support the Talent Sustainability Indicators, including Diversity and Inclusion, Rewards and Incentives, Physical and Mental Health, and Talent Development. By participating in the alliance, the Company demonstrates its commitment to talent sustainability, with the aim of retaining key talent and strengthening corporate competitiveness.



∧ 2025 Taiwan Talent Sustainability Label

Statistics on Human Resources

Formosa Laboratories is committed to developing a diverse and talented workforce and promoting diversity and shared success, and prohibits discrimination based on employees' diverse identities. As of the end of 2025, the company employed a total of 959 people, an increase of 32 from the previous year. In terms of gender, there were 646 male employees (67.4%) and 313 female employees (32.6%), with a male-to-female supervisor/manager ratio of 1.25:1. Additionally, the company employs people with disabilities in accordance with the law. In 2025, there were six employees with disabilities, seven Indigenous employees, and 138 foreign employees from seven countries: Saint Lucia, India, Vietnam, Malaysia, the Philippines, Indonesia, and Thailand.

▼ Types of Employees Hired by Formosa Laboratories in 2025

Employee category (Unit: persons)	Male	Female	Total
Full-time employees (indefinite contracts)	642	308	950
Contract employees (fixed-term contracts)	4	5	9
Total by gender	646	313	959

Notes：
1. All employees are full-time employees who work 40 hours per week. Formosa Laboratories has no part-time or temporary employees.
2. Contract employees listed here are on fixed-term contracts of one year or less, while foreign employees are on indefinite-term contracts.

▼ Changes in the Number of Workers at Formosa Laboratories Over the Past Three Years

Worker category	2023	2024	2025
Employees	902	927	959
Non-employee workers	17	17	18
Total	919	944	977

Notes：
1. The number of people is calculated based on the count of people on December 31 of each year.
2. Non-employee workers are individuals who are not directly employed by Formosa Laboratories, but whose work is managed by the Company. In 2025, Formosa Laboratories employed a total of 18 non-employee workers (excluding contract construction workers), including seven cleaning contractors, three catering workers, and eight security guards.

▼ Distribution of Employee Diversity by Job Category at Formosa Laboratories in 2025

Job category/ Diversity category	Gender		Age		
	Male	Female	30 years old and below	31 to 50 years old	51 years old and above
(a) Senior Manager / Senior Management (Management level)	10	8	0	4	14
(b) Middle Management (Management positions)	80	41	3	97	21
(c) Professionals	171	173	85	237	22
(d) All Other Employees	385	91	174	295	7

Notes：
1. At Formosa Laboratories, 18 employees are senior executives at department-head level or above; 121 employees hold managerial positions from Associate Supervisor level up to, but not including, department-head level. Professionals refer to personnel holding professional certifications, totaling 344 employees. The remaining employees total 476.
2. The data shown in the table above are as of December 31, 2025.

New Hires and Departures

In 2025, Formosa Laboratories hired 205 new employees, representing a new hire rate of 21.4% with a male-to-female ratio of 1.62:1 among new hires. Employees aged 30 and under accounted for the largest share of new hires, at 49.3%. Regarding employee retention, 172 employees left the company, resulting in a 17.9% turnover rate and a 15.2% cumulative turnover rate, with a male-to-female ratio of 1.77:1.

We will not only increase efforts to ensure work-life balance but also continue to strengthen our supervisors' and managers' skills, offer employees career development opportunities, and establish a comprehensive incentive and reward system. Additionally, we aim to listen to our employees through regular satisfaction surveys and two-way communication, aiming to support employee retention.

▼ New Hire and Turnover Rates at Formosa Laboratories Over the Past Three Years

Year	2023	2024	2025
New hire rate Note 1	28.8%	21.3%	21.4%
Turnover rate Note 2	21.6%	18.6%	17.9%
Progressive turnover rate Note 3	11.2%	9.4%	15.2%

Notes：
1. Number of new hires in the current year/ Total number of employees at the end of the year ＊ 100%
2. Number of departing employees in the current year / Total number of employees at the end of the year ＊ 100%
3. Number of departing employees in the current year / (Number of employees at the beginning of the year + cumulative number of new hires) ＊ 100%

▼ Distribution of New Hires and Departures by Gender and Age at Formosa Laboratories in 2025

Category		Male		Female		Subtotal	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
New employees	30 years old and below	50	24.4%	51	24.9%	101	49.3%
	31 to 50 years old	71	34.6%	25	12.2%	96	46.8%
	51 years old and above	5	2.4%	3	1.5%	8	3.9%
	Subtotal	126	61.5%	79	38.5%	205	100.0%
Departed employees	30 years old and below	42	24.4%	40	23.3%	82	47.7%
	31 to 50 years old	57	33.1%	19	11.0%	76	44.2%
	51 years old and above	11	6.4%	3	1.7%	14	8.1%
	Subtotal	110	53.7%	62	30.2%	172	100.0%

Notes：
1. The percentage of new hires for each category (i.e., number of new hires for each category/total number of new hires ×100%) is rounded to one decimal place.
2. The percentage of departures for each category (i.e., number of departures for each category/total number of departures ×100%) is rounded to one decimal place.
3. The statistics on new hires include 24 migrant workers.
4. Departures refer to employees who left Formosa Laboratories voluntarily or due to termination, retirement, or death while on duty. Specifically, the number of departures includes 10 migrant workers, 2 short-term contract workers whose contracts have expired, and 13 interns.

▼ Number of Voluntary and Involuntary Employee Departures by Employee Category in 2025

Employee category	Number of Voluntary Separations	Voluntary Turnover Rate (%)	Number of Involuntary Separations	Involuntary Turnover Rate (%)
(a) Senior Manager / Senior Management (Management level)	1	5.6%	1	5.6%
(b) Middle Management (Management positions)	12	9.9%	0	0.0%
(c) Professionals	57	16.6%	4	1.5%
(d) All Other Employees	89	18.3%	10	2.1%
Total	157	16.4%	15	1.6%

Notes：
1. Voluntary turnover includes retirement, short-term contract employees (contracts of less than six months), and interns whose contracts have expired. Involuntary turnover includes dismissals and employees under migrant worker contracts whose terms have expired.
2. The turnover rate is calculated as: number of employees leaving in each category ÷ year-end headcount of that category (see Note 3 for details).
3. Management includes employees at the department-head level and above, totaling 18 persons. Managerial positions include employees at the Associate Supervisor level and above but below the department-head level, totaling 121 persons. Professionals are employees holding professional certifications, totaling 344 persons. The remaining employees total 476 persons.



Parental Leave

At Formosa Laboratories, employees who have worked for the Company for at least six months may apply for unpaid parental leave before each child turns three years old, for a period of up to two years. Employees on unpaid parental leave may continue to participate in social insurance. At the same time, Formosa Laboratories will continue to support employees and safeguard their jobs while they are on unpaid parental leave. Employees are also reminded one month before their scheduled return-to-work date.

▼ Statistics on Employees Taking Unpaid Parental Leave at Formosa Laboratories in 2024~2025

	2024			2025		
	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Parental Leave Application in the Current Year (a)	25	6	31	31	12	43
Number of Employees Taking Parental Leave in the Current Year (b)	1	0	1	3	7	10
Number of Employees Expected to Return from Parental Leave in the Current Year (c)	0	3	3	3	3	6
Number of Employees Returning from Parental Leave in the Current Year (d)	0	1	1	3	3	6
Reinstatement rate among employees on parental leave (d/c)	N/A	33.33%	33.33%	100.00%	100.00%	100.00%
Number of Employees Who Returned from Parental Leave in the Previous Year (e)	2	4	6	0	1	1
Number of Employees Who Remained in Employment for One Year After Returning from Parental Leave in the Previous Year (f)	1	3	4	0	1	1
Retention rate among employees on parental leave (f/e)	50.00%	75.00%	66.67%	N/A	100.00%	100.00%

4.2 Talent Development

Each year, Formosa Laboratories evaluates salary adjustments, rewards, transfers, and other personnel decisions based on employees' work performance, learning progress, career development, ongoing education plans, and other related assessment results. This approach supports the Company's human capital development.

Specialists design capability-building programs that include new employee training, professional skills for various roles, leadership development for middle and senior managers, as well as quality, environmental, safety, and health training. These programs are delivered through multiple learning channels such as in-person classes, online videos, and digital platforms, complemented by a feedback system to continuously improve the Company's training programs.

In 2025, the Company conducted a total of 25 internal and external training courses for R&D talent development, including 16 courses on research and development and experimental techniques, 4 courses on intellectual property and pharmaceutical regulations, 2 courses on AI application training, and 3 courses on general education and safety protection training. A total of 100 training participants were recorded, with total training hours reaching 479 hours.

In 2025, a total of 261 employee education and training courses were attended by 4,147 participants at Formosa Laboratories. Specifically, each employee averaged 9.98 hours of training, with male employees receiving an average of 9 hours and female employees 12.01 hours. Formosa Laboratories spent a total of NT$1.434 million on training programs throughout the year. Additionally, a self-learning subsidy program was established to support employees in language and degree studies, with the total subsidies provided by Formosa Laboratories between 2022 and 2025 amounting to NT$74,700.

▼ 2025 Employee Training Overview

Employee category	Method of Calculation	Male	Female	Subtotal
(a) Senior Manager / Senior Management (Management level)	Actual Number of Employees During the Reporting Period (A1)	10	8	18
	Training Hours During the Reporting Period (B1)	98.5	99.4	197.9
	Average Training Hours During the Reporting Period (B1 / A1)	9.85	12.42	11.13
(b) Middle Management (Management positions)	Actual Number of Employees During the Reporting Period (A2)	80	41	121
	Training Hours During the Reporting Period (B2)	1,321.65	681.1	2,002.75
	Average Training Hours During the Reporting Period (B2 / A2)	16.52	16.61	16.56
(c) Professionals	Actual Number of Employees During the Reporting Period (A3)	171	173	344
	Training Hours During the Reporting Period (B3)	2,292.65	2,103.4	4,396.05
	Average Training Hours During the Reporting Period (B3 / A3)	13.4	12.15	12.78
(d) All Other Employees	Actual Number of Employees During the Reporting Period (A4)	385	91	476
	Training Hours During the Reporting Period (B4)	2,102.5	873.87	2,976.37
	Average Training Hours During the Reporting Period (B4 / A4)	5.46	9.6	6.25
Total	Hours During the Reporting Period (Q)	5,815.3	3,757.77	9,573.07
	Total Number of Employees at the End of the Reporting Period (R)	646	313	959
	Average Training Hours per Employee (Q / R)	9	12.01	9.98
	Number of training courses[1]	202	154	356
	Number of participants	2,273	1,874	4,147
	Training expenses (NT$)			1,434,477

Notes：
1. Training courses include internal education and training held by Formosa Laboratories, as well as external training applied for by employees. The types of training include core, professional, general knowledge, and labor safety and health management programs.
2. Training statistics include all employees who participated in education and training during the year, regardless of whether they left Formosa Laboratories. Therefore, these figures differ from the year-end headcount.

4.3 Talent Retention

Incentive Rewards

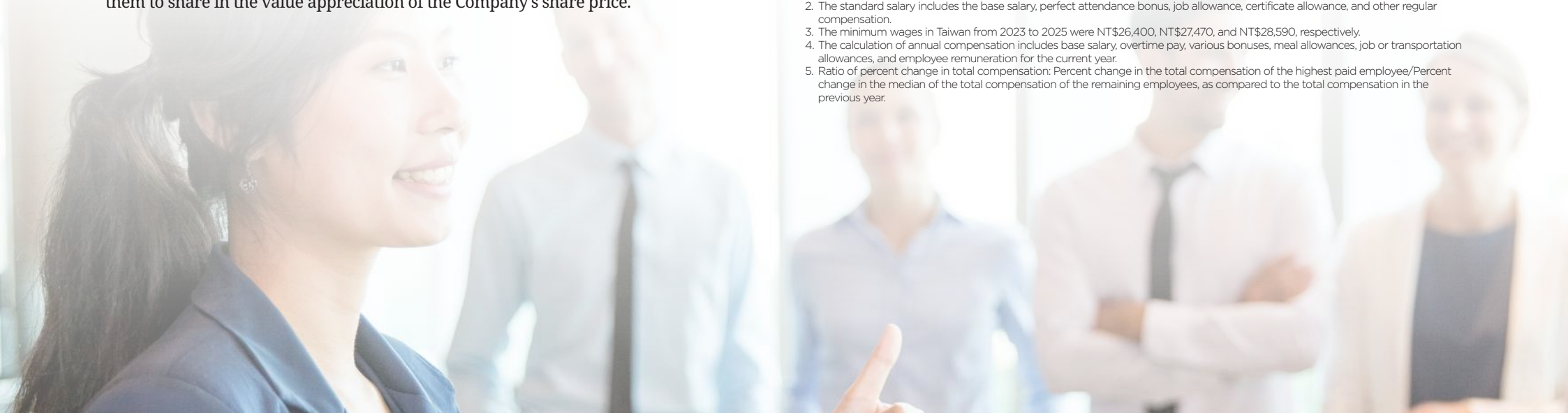
Formosa Laboratories adopts a career development-oriented approach by establishing a job grading structure based on position responsibilities and competencies. This framework provides employees with diverse opportunities for career advancement, promotion, and job rotation. In addition, the Company aligns its compensation system with market practices through a structured salary framework featuring multiple pay scales. Compensation is determined based on an employee's job responsibilities, professional expertise, and individual performance, while also taking into consideration the latest industry compensation benchmarks and market salary levels. Information regarding compensation for full-time employees who do not hold managerial positions can be found in the "Information Relating to Employee Benefits and Compensation" section of the Market Observation Post System (MOPS).

To enhance employee morale, the Company provides variable incentives such as performance bonuses and project completion bonuses. In accordance with the Company's Patent Application Management Guidelines, additional bonuses and year-end bonus increments are granted to outstanding R&D personnel. Furthermore, an Employee Stock Ownership Committee has been established to provide enrollment incentives and allow employees to contribute 3% of their monthly salary, enabling them to share in the value appreciation of the Company's share price.

▼ Comparison Between Standard Entry-Level Wages and Employee Compensation Levels at Formosa Laboratories in the Past Three Years

Year	Average standard entry-level wage/ Local minimum wage		Ratio of the total compensation of the highest-paid employee to the median of the total compensation of other employees	
	Male	Female	Total annual compensation	Ratio of the percent change in total compensation
2023	1.4	1.5	10 : 1	-9 : 1
2024	1.4	1.4	11 : 1	3.3 : 1
2025	1.3	1.4	13 : 1	4 : 1

Notes：
1. Frontline employees: In 2023, this category included technicians, skilled workers and dispatched operators of the Company at job grades 1-3; in 2024-2025, this category included direct personnel at job grades 5-7. (Currently, the minimum job grade is grade 5 due to the adjustment of the classification of employees' job grades in 2024.)
2. The standard salary includes the base salary, perfect attendance bonus, job allowance, certificate allowance, and other regular compensation.
3. The minimum wages in Taiwan from 2023 to 2025 were NT$26,400, NT$27,470, and NT$28,590, respectively.
4. The calculation of annual compensation includes base salary, overtime pay, various bonuses, meal allowances, job or transportation allowances, and employee remuneration for the current year.
5. Ratio of percent change in total compensation: Percent change in the total compensation of the highest paid employee/Percent change in the median of the total compensation of the remaining employees, as compared to the total compensation in the previous year.



Welfare Measures

The welfare system established by Formosa Laboratories for full-time employees not only covers basic rights guaranteed by laws and regulations, such as labor and health insurance, special leave, maternity leave, and parental leave, but also includes the provision of life insurance, medical insurance, disability insurance, pensions, wedding and childbirth gifts, funeral subsidies, employee dormitories, and free meals. Please refer to the table below for more details on Formosa Laboratories' welfare measures. Additionally, foreign employees are entitled to various bonuses and benefits provided to local employees. Formosa Laboratories also supports promotion and continuing education opportunities for migrant workers while respecting their multicultural needs.



▼ Welfare Measures for Full-Time Employees

Basic benefits	Insurance	• Labor and health insurance, along with group insurance services for employees and their dependents.
	Pension system	• Employees covered by the old pension system under the Labor Standards Act: Monthly contributions of 2% to 15% of employees' monthly salaries are made to the designated pension fund account. • Employees subject to the new pension system under the Labor Standards Act: Monthly contributions are made at 6% of employees' monthly salary, based on the Table of Monthly Contribution Wages of Labor Pension approved by the Executive Yuan, and are deposited into employees' individual pension accounts. • For details on the pension system, please refer to pages 35- 37 of the 2025 Parent Company Only Financial Statements.
Incentives and bonuses	Incentive system	• Incentive bonuses for employees upon completing operations, projects, or passing FDA inspections. • NT$1,500 in commendation bonus, NT$3,000 in minor merit bonus, and NT$6,000 in major merit bonus.
	Employee share ownership trust	Employees who terminate their participation after at least five years of membership may receive shares purchased through their own contributions and Company incentive contributions.
	Periodic bonuses	Year-end bonuses, performance bonuses, dividends, holiday bonuses, birthday cash gifts, dinner party stipends, annual dinner participation bonuses, and scholarships for employees' children.
	Ad hoc bonuses	Referral bonus, annual dinner raffles, and birthday raffles.
Health promotion	Meals	Complimentary milk and coffee available daily, along with an employee cafeteria.
	Health examination	Free annual health exams for employees, on-site doctor consultations, and free blood pressure measurements using a tunnel-type blood pressure monitor.
Comprehensive facilities	Hardware facilities	Dormitories for employees who live far from the company, a parking lot for cars and scooters, breastfeeding rooms, fitness equipment, and a library for reading and borrowing books.
Employee Welfare Committee	Welfare fund	• Source of funding: Contributions of 0.5% of employees' monthly salaries and 0.05% of Formosa Laboratories' total monthly operating income are deposited into a dedicated account managed by the Employee Welfare Committee, which is established by both Formosa Laboratories and our employees. • Use of funds: Allowances and subsidies for various purposes such as weddings, funerals, childbirth, insurance premiums, funds and subsidies for club activities, as well as funds and subsidies for company and department activities and events.
Annual activities and events		• Quarterly birthday parties and annual dinners. • Company-organized activities held from time to time, e.g., Family Day and anniversary series activities.

▼ Continuing Education Training and Welfare System for Migrant Workers

Welfare measure	Specific implementation details
Continuing education and promotion	● From 2023 to 2025, a total of 11 employees advanced to intermediate technician positions. Foreign migrant workers were encouraged to seek promotion and remain with the company. ● From 2022 to 2025, a total of 13 foreign employees participated in forklift operator technical certification training, and 10 of them successfully passed the examination and obtained certification.
Compensation and benefits	● Provide salary reviews, bonuses, annual dinner raffle eligibility, and benefits equivalent to those provided to local employees. ● A time deposit service was offered to foreign migrant workers who may opt to have NT$3,000 automatically transferred from their monthly salary into their savings accounts.
Culture and living	● Provide interpretation and translated materials in Indonesian, Thai, English and other languages during new employee training for migrant workers. ● Provide dedicated dormitories for migrant workers that have a good environment, quality facilities, and comprehensive management. ● Offer diverse meal options in the employee cafeteria, taking foreign employees' dietary cultures into consideration when preparing meals. ● Coordinate with manpower agencies to prepare gifts for migrant workers during major festivals in Taiwan, and invite them to share in the festive atmosphere.

Scholarships for Employees' Children

Scholarships are awarded to employees' children at the annual year-end dinner to encourage academic achievement and personal development. Specifically, Formosa Laboratories awards NT$5,000 for each university student, NT$3,000 for each high school or vocational student, NT$2,000 for each middle school student, and NT$1,000 for each elementary school student. In 2025, 49 employees applied for scholarships, and 57 children received awards, with a total of NT$74,000 awarded.

▼ Scholarship Award Status for Employees' Children at Formosa Laboratories in the Past Two Years

Year	Number of Employees Applying	Number of Employees' Dependents Receiving Scholarships	Total Scholarship Amount
2025	49	57	74,000
2024	45	54 (Note)	82,000

Note: In 2024, two recipients received special awards for outstanding performance in national or international competitions in sports, music, or fine arts and related disciplines, resulting in higher total scholarship amounts.



Annual Highlight: Formosa Laboratories Family Day

Since 2023, Formosa Laboratories has organized an annual "Family Day" event. The inaugural event was held at Pusin Ranch, successfully strengthening the bond between employees and their families. In 2024, the tradition continued at the Little Ding-Dong Science Theme Park, where interactive science activities were introduced to promote learning through play and further enhance team cohesion.

In 2025, marking the 30th anniversary of Formosa Laboratories, the event was held at the Window on China Theme Park. Building on three decades of development, the scale of the event reached a new milestone, with 395 employees participating and a total attendance of 1,205 including family members. Through the 30th anniversary celebration and recreational activities within the park, the Company not only demonstrated its commitment to employee care but also enabled employees to share this milestone moment with their families, fostering a warm and supportive workplace culture.

▼ Participation in Formosa Laboratories Family Day Events Over the Past Three Years

Year	Location of Event	Number of Employees	Total Participants (Including Family Members)
2023	Pusin Ranch	239	653
2024	Little Ding-Dong Science Theme Park	293	863
2025	Window on China Theme Park	395	1,205





4.4 Safe Workplace Environment

▼ Management of Material Topics "Management of Toxic and Chemical Substances of Concern" and "Occupational Health and Safety" at Formosa Laboratories in 2025

Material Topic	Occupational Health and Safety, and Management of Toxic and Chemical Substances of Concern
Corresponding GRI Standards	GRI 403: Occupational Health and Safety 2018
Corresponding SDGs	3 GOOD HEALTH AND WELL-BEING
Commitments and Policies	Following our commitment to strictly adhere to occupational health and safety laws and regulations, Formosa Laboratories ensures that our work processes comply with safety standards based on the ISO 45001 occupational health and safety management system and the hazardous substance process management system. Based on hazard identification and risk assessment results at each unit, our employees are required to use personal protective equipment and other measures to minimize the risk of occupational accidents, thereby ensuring that our employees remain safe and healthy.
Tracking management mechanism	• Continue to pass internal audits for the ISO 45001 Occupational Health and Safety Management System and high-potency active pharmaceutical ingredients (HPAPI). • Comply with PSCI requirements and audits.

Metrics and Targets	**Short-term targets (2026)** • Zero serious workplace safety accidents. • Number of occupational accidents ≦ 8 **Medium-term targets (2027 to 2028)** • Number of occupational accidents in 2027 ≦ 6; number of occupational accidents in 2028 ≦ 6. **Long-term targets (2028 and beyond)** • Zero accidents in the manufacturing processes. • Number of occupational accidents ≦ 5; frequency-severity indicator (FSI) ≦ 0.3.
Actions and Measures	• In 2025, a total of 14 recordable occupational injuries were reported, exceeding the annual short-term target of 11 cases, indicating that there is still room for improvement in occupational safety management. • Actions and achievements in 2025: ○ Established a zero-accident dashboard to strengthen visual management of safety performance and enhance overall employee safety awareness. ○ Strengthened inspection and audit systems by introducing theme-based audit mechanisms and increasing audit frequency to enhance risk identification and timely improvement capabilities. ○ Introduced electronic management systems for contractors and chemicals to strengthen the management of external personnel and hazardous substances (the contractor management system is scheduled to go live in 2026). ○ Established and continuously promoted process safety and loss prevention systems, covering reaction thermal risk assessments, fire protection systems, and building safety improvements. ○ Continuously promoted VOCs emission control and ignition source management measures, including the installation of VOCs detectors in high-risk areas, ventilation management, explosion-proof electrical equipment management, inspection and improvement of storage tank safety facilities, and chemical temporary storage management.

Occupational Health and Safety Management

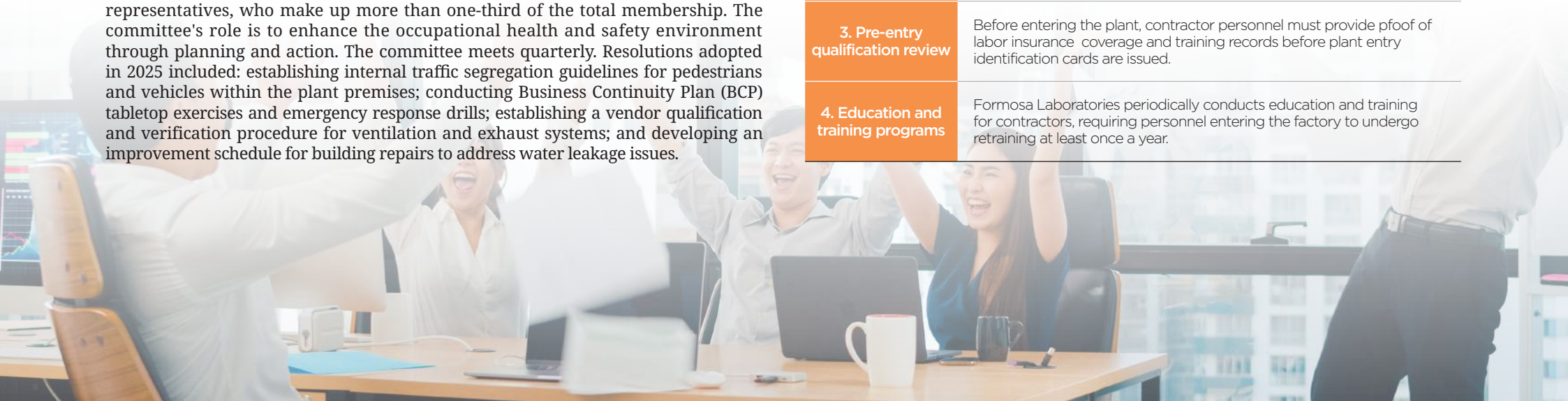
Formosa Laboratories rigorously implements various occupational health and safety (OHS) plans and complies with the requirements of the ISO 45001 Occupational Health and Safety Management System. These requirements apply to all workers at the Luzhu Plant and Luzhu No. 2 Plant, as well as to the production activities of customized synthesis, commercial-scale active pharmaceutical ingredients (APIs), and specialty chemicals, achieving 100% coverage of the workforce. The term "workers" includes both employees and non-employees. In addition, the Company has established 16 Occupational Health and Safety Management Programs in accordance with applicable laws and regulations. Details are available on the Formosa Laboratories official website.

Formosa Laboratories has established the Occupational Health and Safety Committee in accordance with the Regulations Governing Occupational Health and Safety Management. The committee is composed of the workplace safety unit, top-level managers from various departments, and labor representatives from labor-management meetings. It includes 20 members: one medical professional, one occupational health and safety staff member, eight department heads, and 10 labor representatives, who make up more than one-third of the total membership. The committee's role is to enhance the occupational health and safety environment through planning and action. The committee meets quarterly. Resolutions adopted in 2025 included: establishing internal traffic segregation guidelines for pedestrians and vehicles within the plant premises; conducting Business Continuity Plan (BCP) tabletop exercises and emergency response drills; establishing a vendor qualification and verification procedure for ventilation and exhaust systems; and developing an improvement schedule for building repairs to address water leakage issues.

Contractor Occupational Health and Safety Management

In accordance with Formosa Laboratories' contractor management program, the Company holds contractor toolbox meetings from time to time and implements pre-entry safety and health training, audits, and penalties for violations. In addition, the Company is planning to establish a contractor management system to collect and maintain a database of contractor access and entry records, thereby reducing the time required for manual review and verification. The system is expected to be completed in 2026. Current contractor control and guidance measures are as follows:

1. Evaluation and classification management	Contractors must achieve at least a Grade B in the safety and health assessment to become qualified contractors of Formosa Laboratories and must undergo regular re-evaluations. (Grade A: once every two years; Grade B: once a year; Grade C: unqualified vendor)
2. Signing of the declaration	The contract signed with the winning contractor must include in-plant safety and health regulations and the contractor's safety and health declaration.
3. Pre-entry qualification review	Before entering the plant, contractor personnel must provide pfoof of labor insurance coverage and training records before plant entry identification cards are issued.
4. Education and training programs	Formosa Laboratories periodically conducts education and training for contractors, requiring personnel entering the factory to undergo retraining at least once a year.



Hazardous Substances Management

The operation of Formosa Laboratories' hazardous substances process management system includes verifying the storage of raw materials, reviewing the part number of finished products, assessing whether the chemicals are regulated by law and classifying them, and establishing a chemical inventory while implementing systematic management and control based on the hazards and risks of different chemicals and relevant regulatory requirements. To minimize the risk of direct contact with chemicals or hazards to our personnel, Formosa Laboratories has installed local exhaust ventilation devices and established a schedule for the use of personal protective equipment based on the results of hazard identification and risk assessment for each unit, strengthening the enforcement of personal protective measures.

Additionally, Formosa Laboratories annually updates the List of Chemicals Hazardous to Pregnant Workers at All Factories and identifies the types and quantities of substances that pose health risks or are carcinogenic, mutagenic, or toxic to reproduction (CMRs). We also involve factory nurses and unit supervisors to conduct fitness-for-duty assessments and provide refresher training on hazard awareness once a year to ensure our staff are equipped with safety knowledge and emergency response skills.

▼ Types of Controlled Hazardous Substances

Regulated characteristic	Type
Chemicals that are hazardous to workers under 18 years old and female workers who are pregnant or have given birth within the past year.	7
Substances that are carcinogenic, mutagenic, or toxic to reproduction (CMRs)	43
2025 Record Keeping of Priority Management Chemicals	35
Permit for Toxic and Hazardous Chemicals	7
Registration Documents for Toxic and Hazardous Chemicals	12
Approval Documents for Toxic Chemical Substances	73
Approval Documents for Concerned Chemical Substances	6
Category A Industrial Precursor Chemicals	5

Hazard Identification and Risk Prevention

The Company manages occupational health and safety in accordance with the principles of ISO 45001 and occupational injury and incident records, helps various units identify hazards, assess risks, and sets risk levels based on occupational accident records. Currently, the most significant hazards include physical risks from noisy operations and hazards from improper contact with hazardous substances. Therefore, we provide protective equipment, increase education and training efforts, and conduct regular health examinations. For other occupational safety risks, Formosa Laboratories enhances specialized education and training for dedicated operation units and engineering staff, while establishing management goals and monitoring them consistently. We also review and update the schedule for using protective equipment each year, require personnel to wear appropriate protective gear according to the schedule, and perform automatic machinery inspections to ensure the continued effectiveness of safety measures. For more details on hazard identification, risk assessments, and improvement measures, please visit the Formosa Laboratories official website.

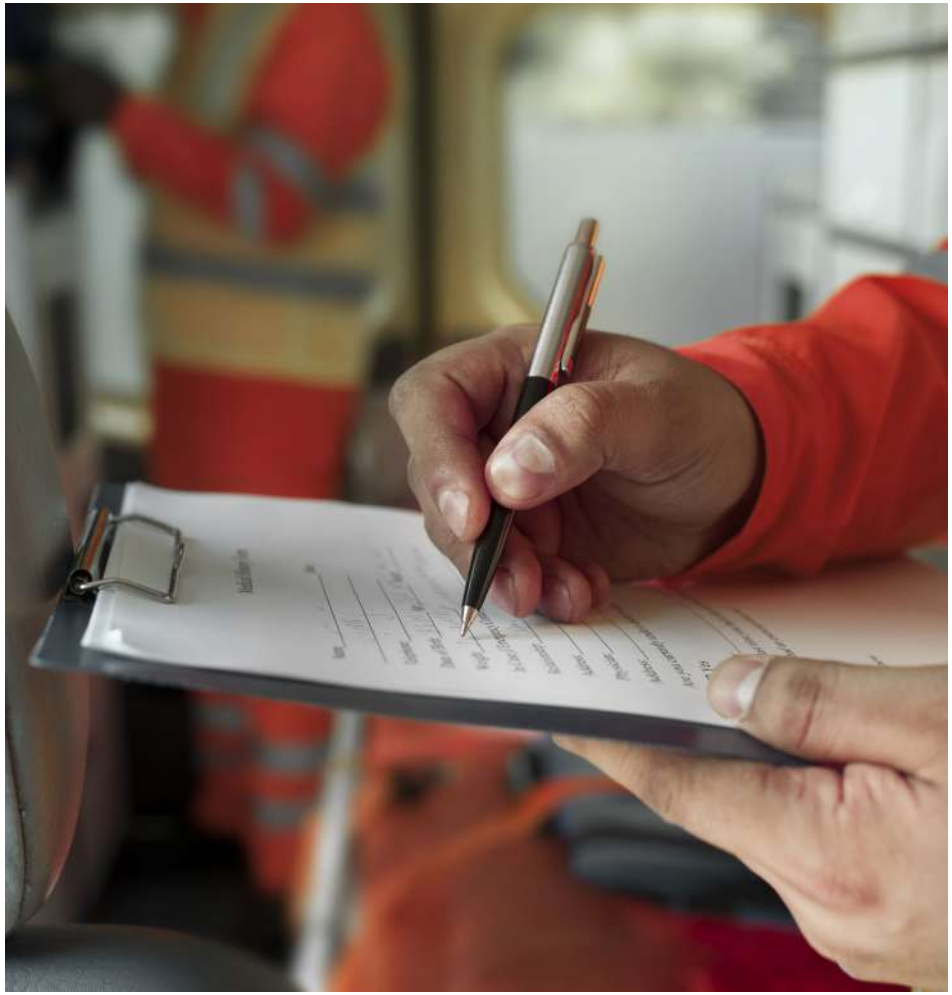


Occupational Health and Safety Education and Training

In addition to implementing emergency response measures, Formosa Laboratories regularly conducts workplace safety training for new hires and contracted workers, and provides refresher training for existing staff. We also create an emergency response plan every year. In 2025, we offered specialized training for units and personnel involved in higher-risk operations or chemical handling. Additionally, we enhanced team-based response drills, with each team performing regional joint defense exercises. Given the recent increase in traffic accidents among employees, we introduced new defensive driving courses to help reduce the chances of such incidents.

▼ Occupational Health and Safety Training for Employees at Formosa Laboratories in 2025

Worker category	Type of training	Training programs in 2025
New employees	General Training	General occupational safety and health training.
	Special Training	Hazard awareness training, forklift training, Self-propelled aerial work platform, and other training programs.
Existing employees	Firefighting and Emergency Response Training	Emergency Response Command Course, Evacuation Guidance Course, Firefighting Course, First Aid Course, Safety Protection Course, Fire Alarm and Communication Course, Evacuation Drill.
	Special Training	Hazard awareness training, respirator fit testing for respiratory protective equipment, and in-plant construction management, including descriptions of forms and processes related to construction management.
	General Training	General occupational safety and health training.
Contractors	General Training	Plant entry safety and health training for contractors

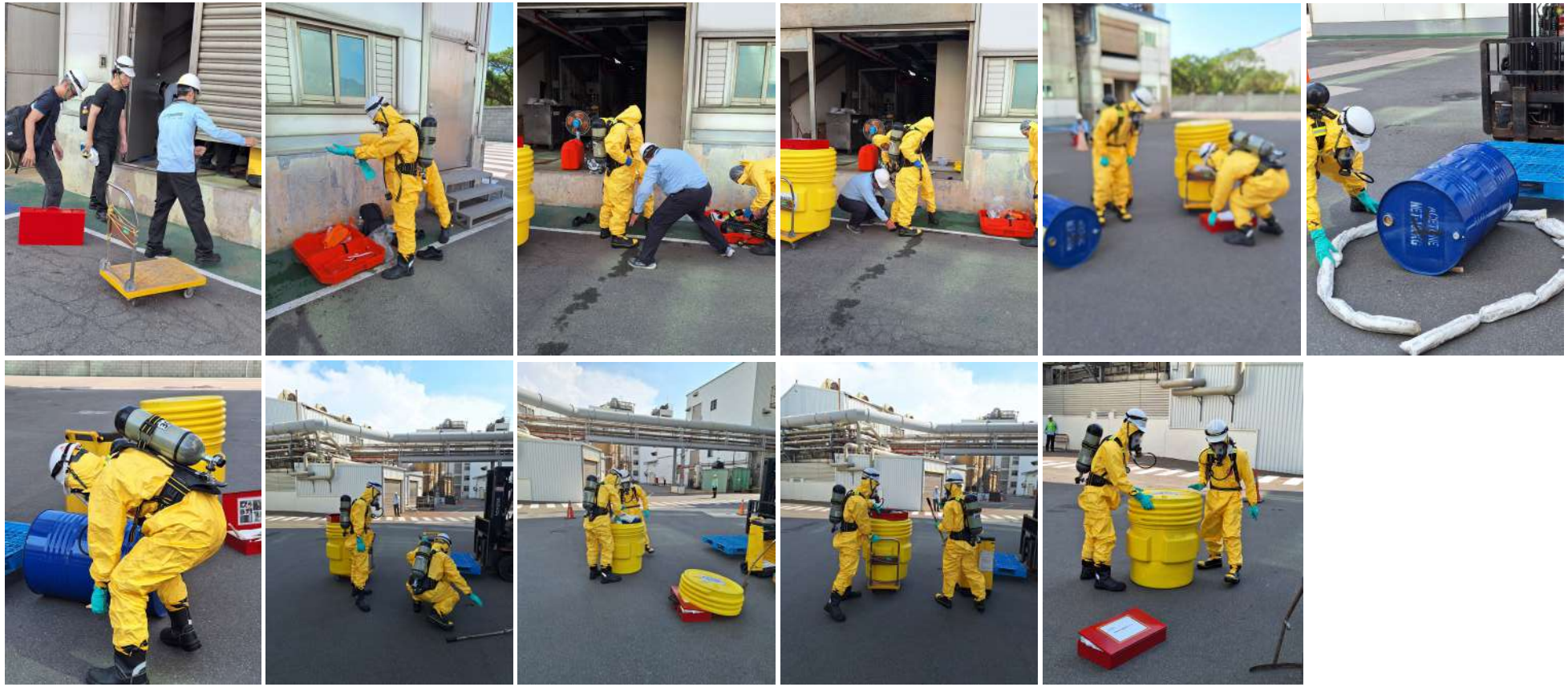


Formosa Laboratories Self-rescue Team

To strengthen employees' self-protection capabilities in the event of emergencies, Formosa Laboratories has established a dedicated "Corporate Emergency Response Team." Its core mission is to build a robust life safety protection framework, minimize the impact of potential incidents, and ensure efficient response speed and decision-making capability during emergencies. In regular operations, the response team conducts monthly emergency preparedness meetings and annual skill training. In terms of external validation, the Company actively participates in unannounced drills organized by government authorities to ensure seamless integration with public emergency response and disaster relief systems. In addition, the Company continues to invest in upgrading emergency response equipment and personal protective equipment (PPE), and enhances cross-functional coordination capabilities through high-intensity simulation exercises, thereby reinforcing operational resilience and business continuity.



∧ Unannounced Nationwide Joint Response Training Organized by the Environmental Protection Bureau



∧ In-plant chemical disaster response drill

Emergency Response Mechanism

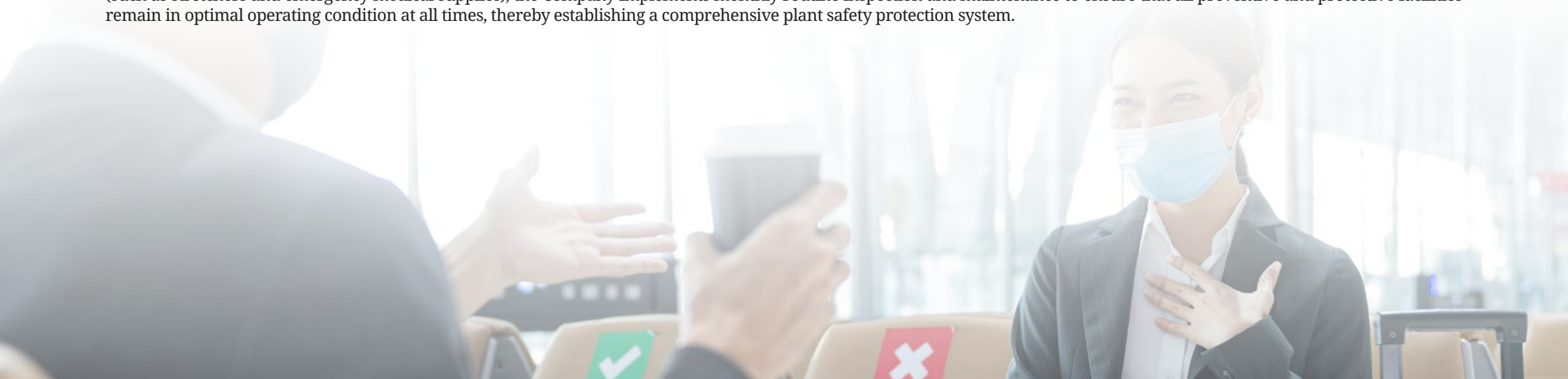
To implement occupational accident prevention and reduce the risk of recurrence, Formosa Laboratories has established the "CO-328 Incident Emergency Response and Reporting Procedure" in accordance with relevant regulations. The Company strictly complies with Article 18 of the Occupational Safety and Health Act to safeguard employees' "right to withdraw from unsafe work," ensuring that workers are empowered to immediately stop work and evacuate the site when there is an imminent risk to personal safety in the working environment. For uncontrollable or immediately hazardous incidents, each plant building has established standardized emergency response procedures, with priority given to plant evacuation plans. The protection of employees' lives and safety is regarded as the highest priority.

Formosa Laboratories conducts regular annual fire (and chemical incident) emergency drills across its plants and provides professional training and competency assessments for emergency response team members. To verify the reliability and operational effectiveness of the emergency response plan, the Company conducts at least one unannounced emergency drill each year. In 2025, the scope of drills included:

- Full-site evacuation drills
- Fire and chemical incident response drills with inter-facility fire protection coordination
- Earthquake and power outage evacuation training

Through frequent and scenario-based drills, the Company ensures that employees can respond promptly and accurately in the event of emergencies, thereby minimizing potential impacts and losses.

Formosa Laboratories upholds the PDCA (Plan–Do–Check–Act) cycle management principle and holds post-incident and post-drill review meetings to ensure follow-up actions are implemented for identified deficiencies. The Company conducts annual rolling reviews and revisions of emergency response procedures and management protocols, and strengthens the management of emergency response resources. For fire protection facilities, public address systems, firefighting equipment, and medical first-aid equipment (such as stretchers and emergency medical supplies), the Company implements monthly routine inspection and maintenance to ensure that all preventive and protective facilities remain in optimal operating condition at all times, thereby establishing a comprehensive plant safety protection system.



Occupational Safety Management and Continuous Improvement

Formosa Laboratories continues to strengthen its process safety and loss prevention systems to enhance operational safety through systematic management. In 2025, a flash fire incident caused by abnormal ventilation resulted in injuries to three employees. The Company immediately initiated a comprehensive review, established a loss prevention system, and developed inspection standards to strengthen accident prevention mechanisms.

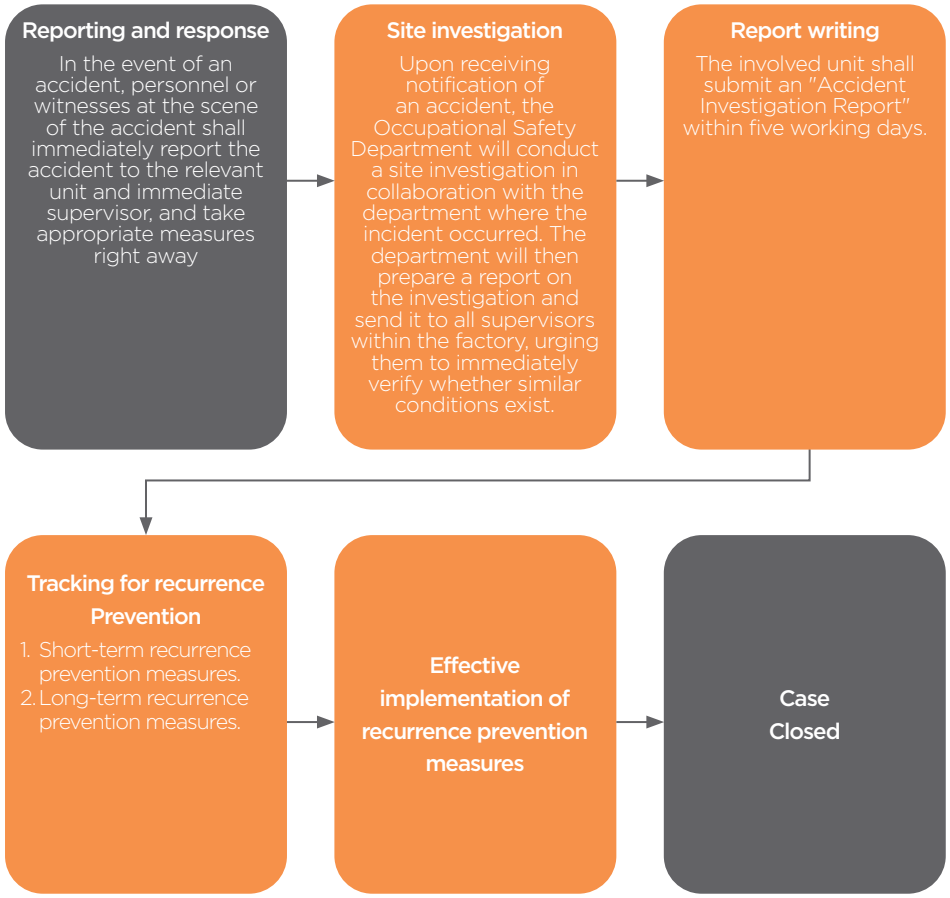
In terms of implementation, the Company launched a plant-wide inspection and remediation program in 2025, and implemented phased improvements based on site risk conditions. This included completing inspections and repair works for parts of the Luzhu Plant and Luzhu No. 2 Plant buildings, as well as addressing pipeline detachment and systemic abnormalities. The major improvement works are scheduled for completion by the end of 2026.

Regarding process safety management, the Company has introduced a front-end thermal risk assessment mechanism for products, with risk classification from Levels A to D. High-risk processes are subject to process adjustments or adiabatic temperature rise assessments to reduce the risk of runaway reactions.

In addition, regarding equipment integrity management, Formosa Laboratories conducts critical equipment assessments and predictive maintenance for high-risk fluid handling systems, ventilation systems, and fire protection equipment. In 2025, the Company completed a comprehensive inventory of high-risk equipment and established a basis for planning preventive replacement intervals. These measures are being progressively integrated into the Process Safety Management (PSM) framework, which is expected to be fully implemented by 2029.

Looking forward, the Company will continue to enhance process risk management and equipment integrity systems, and strengthen a prevention-oriented safety management mechanism to reduce the risk of occupational incidents and further improve overall operational safety.

▼ Accident Reporting and Handling Process



Health Examination

Formosa Laboratories performs annual health check-ups for all employees, including general health screenings and specialized exams for those involved in hazardous operations. Additionally, employees working with the HPAPI manufacturing process undergo hormone testing every six months. We also implement tiered health management in accordance with legal requirements. Based on the results, factory nurses and occupational medicine physicians provide health education and follow-up care, and may perform on-site assessments of suspected work-related illnesses when necessary. Employees classified as Level 3 or above based on special health examination results will undergo ongoing monitoring and reclassification. Employees at Level 4 will receive work hazard control measures and relevant management actions, with consultation and guidance from medical professionals. In 2025, a total of 804 employees underwent general health examinations, while 216 employees completed special health examinations for designated occupational exposures. No employees were classified as Level 3 or above under the special health examination health management classification system.



Statistics on Work-related Injuries and Illnesses

In 2025, Formosa Laboratories recorded a total of 14 recordable occupational injuries. Among these cases, 8 met the reporting criteria prescribed by applicable regulations, while the remaining 6 were minor injuries that required medical treatment but allowed employees to return to work immediately after treatment. No severe injuries or fatalities occurred. Work-related illness data are based on employees classified under Level 4 health management, based on special health examination results. No work-related illnesses were reported.

▼ Statistics on Work-Related Injuries and Illnesses Among Workers at Formosa Laboratories Over the Past Three Years

	Year	2023		2024		2025	
Worker information	Worker category	Employees	Non-employee	Employees	Non-employee	Employees	Non-employee
	Number of people	891	50	931	50	960	50
	Total hours worked	1,769,704	99,200	1,825,048	99,200	1,871,728	99,200
Work-related injuries	Number of fatalities	0	0	0	0	0	0
	Fatality rate	0	0	0	0	0	0
	Number of severe work-related injuries	1	0	0	0	0	0
	Severe injury frequency rate	0.12	0	0	0	0	0
	Number of recordable work-related injuries	12	0	13	1	14	0
	Total recordable injury frequency rate	6.78	0	7.67	0	7.47	0
	Major types of work-related injuries	Contact with hazardous materials, burns or scalds, abrasions	-	Contact with hazardous materials, burns or scalds, abrasions, self-falls, strains	Contact with hazardous materials	Contact with hazardous materials, burns or scalds, self-falls, strains	-
Work-related illnesses	Number of recordable work-related illnesses	2	-	-	-	-	-
	Major type of work-related illness	Noise	-	-	-	-	-

Notes：

1. Work-related injuries refer to accidental injuries that happen when workers are performing their duties or are at the workplace. Statistics on such injuries do not include "commuting accidents" that occur while traveling to and from work.
2. The number of employees is based on the annual average number of employees reported each month for occupational accident statistics. The number of non-employee workers includes the total of dispatched and resident contract workers, plus an average of 10 to 30 general construction contract workers, totaling about 50 people each month.
3. Total hours worked refers to the total number of hours worked by all workers for the entire year. Specifically, the number of hours worked by employees is determined based on the number of actual hours worked and the number of hours worked overtime, whereas the number of hours worked by non-employee workers is estimated using the following formula: 8 hours per day × 50 people per day × Number of working days throughout the year.
4. Severe work-related injuries refer to injuries (other than fatalities) that cause disability or prevent a return to the pre-injury level of health within six months.
5. Other recordable work-related injuries refer to injuries (excluding commuting injuries), regardless of whether they involve work-related injury leave. Meanwhile, the number of recordable work-related illnesses is determined based on the count of workers under Level 4 health management, according to special health examination results. However, no fatal cases were reported at Formosa Laboratories. Details about work-related illnesses among non-employee workers among non-employee workers were omitted from this report because the related information was difficult to obtain.
6. Fatality rate = Number of fatalities caused by work-related injuries × 1,000,000 ÷ Total hours worked.
7. Severe work-related injury rate = Number of severe work-related injuries × 1,000,000 ÷ Total hours worked.
8. Total recordable injury frequency rate (TRIFR) = Number of recordable work-related injuries (including the number of severe work-related injuries, the number of fatalities, and the number of other recordable work-related injuries) × 1,000,000 ÷ Total hours worked.
9. Method for calculating the rates in Items 6 to 8: Calculated to two decimal places without rounding.
10. The 1,000,000-hour-worked rate refers to the number of work-related injuries per 500 full-time workers within one year, based on the assumption that full-time workers work 2,000 hours a year.
11. Measures to reduce noise-induced occupational diseases: Reduce exposure time, adjust work schedules, and implement time management for exposure.

▼ Worker Lost-Time Injury Frequency Rate (LTIFR) and Severity Rate Statistics(2023–2025)

Year	Worker category	Number of work days lost due to disabling injuries	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Frequency-severity indicator (FSI)
2023	Employees	68.85	6.78	38	0.51
	Non-employee	0	0	0	0
2024	Employees	36.3	7.67	19	0.39
	Non-employee	0	0	0	0
2025	Employees	65	7.47	34	0.50
	Non-employee	0	0	0	0

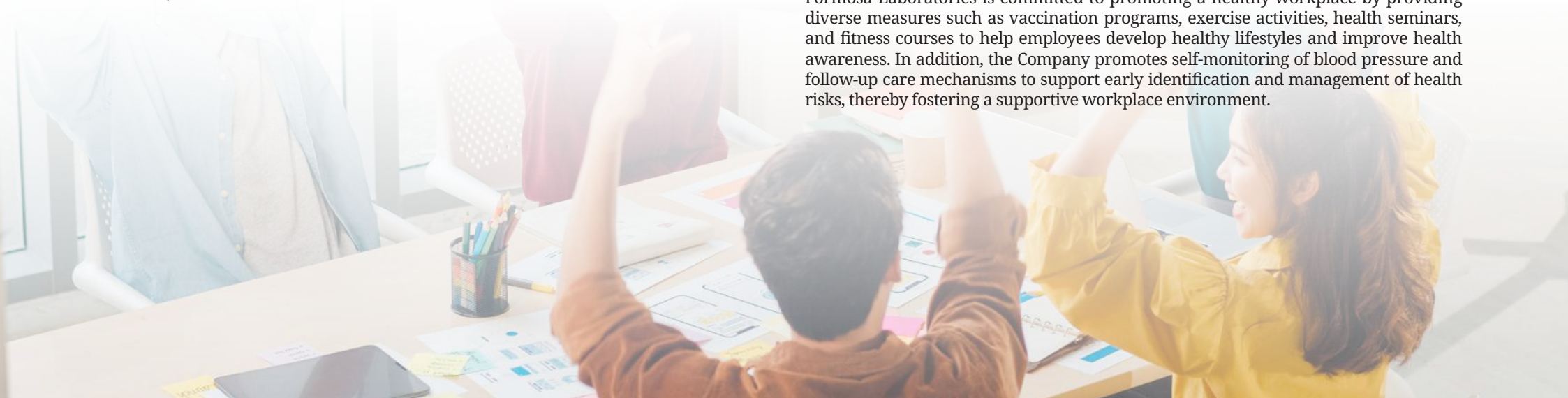
Notes：
1. The number of workdays lost is calculated by dividing the number of hours employees are unable to work by 8 hours. The calculation is based on work-related injury leave (including leave of one hour or less) and excludes sick leave and menstrual leave.
2. Disabling injury frequency rate (FR) = Number of disabling injuries × 1,000,000 ÷ Total hours worked (calculated to two decimal places without rounding).
3. Disabling Severity Rate (SR) = Days lost due to disabling injuries × 1,000,000 ÷ Total hours worked (rounded down to the nearest integer, without rounding).
4. Frequency severity indicator (FSI) = √【（FR × SR）÷ 1,000】(calculated to two decimal places, with the third decimal place rounded).

A Healthy Workplace

To help employees achieve a balance between work, health, and life, Formosa Laboratories launched Employee Assistance Programs (EAPs) in March 2023. In partnership with professional management firms and counseling centers, the company integrates internal and external resources to support employees in adapting to work, managing organizational relationships, and handling personal emotional stress. The program offers comprehensive support in areas such as medical consulting, psychological counseling, work management, finance, taxation, and legal concerns, fostering a caring and supportive work environment. Additionally, based on health examination results and employee needs, annual health promotion activities are organized to enhance the implementation of a healthy workplace.

In recent years, the utilization of the Employee Assistance Program (EAPs) has shown an increasing trend, with psychological counseling being the primary type of service used. In 2025, there were 21 cases, indicating that employees' demand for mental health support is most evident, and also reflecting the gradual effectiveness of internal promotion efforts. The Company will continue to strengthen mental health resources and communication, and optimize service content based on usage patterns to further enhance employee well-being.

Formosa Laboratories is committed to promoting a healthy workplace by providing diverse measures such as vaccination programs, exercise activities, health seminars, and fitness courses to help employees develop healthy lifestyles and improve health awareness. In addition, the Company promotes self-monitoring of blood pressure and follow-up care mechanisms to support early identification and management of health risks, thereby fostering a supportive workplace environment.



▼ Health Promotion Activities and Resources at Formosa Laboratories in 2025

Service resources	Establish a medical office with factory nurses, arrange for a doctor to be stationed at the factory once a month, offer consultation services on group insurance and life insurance, and introduce EAPs.
Psychological counseling	Offer counseling services at reduced rates in partnership with professional counseling clinics.
Information sharing	Regularly post the latest health information on bulletin boards and the company intranet.
Blood Donations	Organize two blood donation drives each year to encourage our employees to donate blood for the public good.
Vaccination	In 2025, the company organized influenza and COVID-19 vaccinations. A total of 217 participants participated in the activities across 2 batches.
TOP 10,000 Challenge	A total of 193 participants joined the program, collectively recording 92,659,654 steps. Participants' average physical activity increased by 9.4%, and the program's total estimated carbon reduction was 1.186 metric tons.
Boxing Aerobics	In collaboration with the Luzhu Sports Center, the Company organized 8 aerobic training sessions, with a total of 160 participants recorded.
Health lectures	In 2025, the Company conducted three health promotion seminars, covering topics such as "Posture Correction for Sedentary Lifestyles," "Shoulder and Neck Relief through Acupressure," and the "2-1-1 Plate Diet." A total of 90 participations were recorded.
Blood Pressure Monitoring Program	Employees were encouraged to regularly self-monitor their blood pressure and, when necessary, seek medical consultation and medication management to maintain their health. A total of 40 employees participated in the blood pressure tracking program. Among them, 3 employees followed recommendations for medical follow-up, and 1 employee was identified as having hypertension through the program and is currently receiving medication treatment with ongoing health management.


GIMMATEK CO.,LTD.

賽事編號 F-05A220E2EBC542EB

完賽證書

因舉辦線上運動會，達成健康促進的目標與成就
特此頒發此完賽證書給

台耀化學股份有限公司

統計期間	2025.04.07 - 2025.06.30 (85 天)
活動總參與人數	193 人
活動總累計步數	92,659,654 步
活動期間成員每日平均步數	5,909 步
活動前成員每日平均步數	5,400 步
成員運動量平均提升	9.4%
活動總累積減碳量	1.186 公噸

2025/07/01
日期

數據記錄、驗證皆由 HAHAGO 平台提供

Kuei-Hong Lin
董事長

▼ Statistics on Employee Assistance Programs (EAPs) at Formosa Laboratories

Case type/ Year	2023 (Q2-Q4)	2024 (Q1-Q4)	2025 (Q1-Q4)
Health consulting	0	1	0
Psychological consulting	6	6	21
Legal consulting	2	1	1
Management consulting	0	0	1
Financial consulting	0	0	1
Others (description of EAPs services)	0	1	0
Total	8	9	24



∧ Boxing Aerobics Activity





∧ Vaccination Activities







∧ Health promotion lectures

4.5 Social Participation

At Formosa Laboratories, employees are actively encouraged to participate in social welfare activities and events related to social care, environmental protection, and education promotion while maintaining friendly relationships with local communities and neighborhoods. Besides organizing various activities to support disadvantaged groups, holding blood donation drives, and organizing charity sales to raise funds Formosa Laboratories also enhances industry-academia collaboration and exchanges to develop industry talent, aiming to fulfill corporate social responsibility and consistently expand its influence.

▼ Management of Material Topic "Social Participation" at Formosa Laboratories in 2025

Material Topic	Social Participation
Corresponding GRI Standards	GRI 203-1 Infrastructure investments and services supported
Corresponding SDGs	
Commitments and Policies	Formosa Laboratories actively participates in community development and related activities organized by social welfare organizations through business activities, in-kind donations, corporate volunteering, and other social welfare services, with the aim of promoting community growth.
Tracking management mechanism	Keep records of donations at Formosa Laboratories and document our Company's involvement in annual community activities and events regularly.
Metrics and Targets	**Continuing targets:** ● Participate in (including donations to) local activities and events at least 10 times each year (✓ 160% achievement rate in 2025). ● Contribute at least NT$100,000 in actual charitable donations each year (✓ 150% achievement rate in 2025). **Medium- and long-term targets (3 to 5 years)** ● Improve the public image and social impact of Formosa Laboratories.
Actions and Measures	● Sponsored 16 local community activities in 2025, which amounted to NT$150,000. ● Conducted company visits for students from two schools, with a total of 33 students and teachers touring the Formosa Laboratories factories. ● In 2025, we participated in 18 campus activities and expanded our cooperation with 6 new schools. ● The Company collaborates with the Doctoral Program in Pharmaceutical Technology at National Taiwan University to provide an annual scholarship of NT$200,000 per student, supporting the development of industry talent. ● For the first time, the Company collaborated with Taipei Medical University to establish an Industry-Academia Master's Program for International Talent in the Biotechnology and Pharmaceutical Industry. Three international students were placed in the R&D department for internships, with the opportunity to continue employment with the Company after graduation.

Local Community Care and Interaction

Formosa Laboratories has a long-standing commitment to supporting local neighborhood and village activities, temple events, and school programs. It also promotes various community development initiatives and environmental protection efforts. Additionally, the company sends gifts and souvenirs to local officials, neighborhood and village leaders, police stations, and fire stations during Taiwan's three major festivals (Lunar New Year, Dragon Boat Festival, and Mid-autumn Festival) to thank them for their dedication to the community throughout the year and to maintain good relationships with local residents.

For festive gifting, priority is given to locally sourced gift boxes from Taiwan. Through actual procurement practices, the Company supports local agricultural development and promotes economic circulation, while also reducing food miles and carbon footprint. In delivering seasonal greetings, the Company also demonstrates its commitment to environmental protection and social responsibility.





∧ Certificate of Appreciation from Shanjiao Junior High School, Luzhu District



∧ 2025 Kengkou Community Parent-Child Walking Event



∧ 2025 Le Tian Temple – Marshal Zhongtan Birthday Celebration and Double Ninth Festival Senior Respect Event

Supporting Social Welfare Organizations

Formosa Laboratories hosts charity bazaars, group purchases, and donation events each year to raise funds for social welfare programs. We encourage all employees to actively join and support these efforts, turning their commitment into real actions for the public good.

Activity Name

2025 Formosa Laboratories Charity Initiative – "Safe Home Project: Love and Care Without Interruption"

Results of Activities

- Event Period: 2025/11/17 – 12/05
- Event Description: Formosa Laboratories mobilized employees to collect donated items for a charity sale. The proceeds from the sale were donated to the "Do Good Charity Platform" (Social Affairs Bureau, Taoyuan City Government).
- Donation Amount: NT$117,170 (including a personal donation from the General Manager, which is included in the total donation amount).

桃園市政府社會局
自行收納款項收據

中華民國114年12月24日　　桃府社會字第114006204號

繳款人	收入帳號	金額	事由	備註
台耀化學股份有限公司	臺灣銀行桃園分行 026045094558 桃園市政府社會局社會救助金匯款專戶	17170	安家實物銀行	
金額(大寫)新台幣壹萬柒仟壹佰柒拾元整				

經手人	聘用社會工作員 呂欣岷	主辦出納	桃園市政府社會局 主辦出納收款專用章	主辦會計	桃園市政府社會局 主辦會計收款專用章	機關首長	桃園市政府社會局 機關長官收款專用章

第一聯 收據(交繳款人收執)

本收據未經收款人、主辦出納、主辦會計及機關首長核蓋印章者無效

Calling for Blood Donations to Help People in Need

Donating blood is not only a kind act of showing love, mutual support, and saving lives, but also an important way for many people to sustain life. Regular blood donation can boost metabolism, promote smoother blood flow, and benefit others. Therefore, it is an act that promotes health and benefits both donors and recipients. With our long-standing commitment to the belief that "donating a bag of blood helps save a life," we at Formosa Laboratories organize two blood donation drives each year, encouraging our employees to donate blood and share love in the spirit of mutual help. We urge our employees to roll up their sleeves and donate blood, aiming to meet medical demand and prepare for critical moments while contributing positive energy to society.

▼ Results of Blood Donation Activities in the Past Three Years

Year	2023	2024	2025
Number of participants	89	83	102
Outcome (number of bags of blood collected)	135	123 packs	146 packs



∧ Employees Participated in the Blood Donation Activity

Environmental Protection Initiatives

Formosa Laboratories is committed to protecting marine resources and demonstrates its determination through continuous annual engagement of employees in local environmental conservation activities in Taoyuan and Luzhu. These initiatives include river restoration efforts, coastal cleanup activities, and promotion of environmental education, aiming to support the sustainable management of ecological resources.

On September 27, 2025, the Company organized the "2025 Formosa 30th Anniversary Celebration – Zhuwei Fishing Harbor Beach Cleanup and Walking Event" to further implement marine conservation and environmental sustainability. This year, participation was expanded by inviting students from Shanjiao Junior High School to join in maintaining the coastal environment of Luzhu District. A total of 177 participants joined the event, and 528 kg of waste was collected. Through the combination of walking activities and beach cleanup, the Company aims to strengthen employees' environmental awareness and physical well-being. By engaging both public and private sectors as well as local schools, the Company promotes environmental education and fulfills its corporate social responsibility, laying a foundation for sustainable development.

▼ Achievements of Beach and Creek Cleanup Activities at Formosa Laboratories over the Past Three Years

Year	2023	2024	2025
Number of participants	171	105	177
Weight of waste (kg)	757	225	528
Activity Location	Taoyuan Zhuwei Fish Harbor	Haihu Creek	Taoyuan Zhuwei Fish Harbor



∧ Photos from river cleanup events organized by Formosa Laboratories as part of its commitment to protecting aquatic ecosystems.

4.6 Nurturing Industry Talent

Formosa Laboratories is committed to cultivating the professional talent required by the biotechnology and pharmaceutical industry. Through industry-academia collaboration, internship programs, and international talent recruitment, the Company has established diverse and stable talent pipelines. It actively participates in university internship briefings, career fairs, and seminars, and organizes corporate visits to help students better understand the core functions, practical operations, and career development pathways within the pharmaceutical industry.

In terms of talent development mechanisms, Formosa Laboratories continues to collaborate with multiple universities to promote industry-academia exchange. It also participates in government-led international talent programs to recruit overseas students, providing internship opportunities and living support during their studies, and facilitating transition into full-time employment upon graduation, thereby strengthening the cultivation and retention of key technical talent. In addition, the Company has long provided scholarships and engaged in academic supervision, deepening cooperation with academic institutions to develop professionals with strong capabilities in R&D and manufacturing processes.

In 2025, the Company strengthened industry-academia engagement with multiple universities and invited faculty and students for corporate visits, continuously expanding the scope of talent engagement and development. Overall, through systematic talent cultivation and early engagement mechanisms, Formosa Laboratories is progressively strengthening the talent pipeline for the industry and establishing a seamless transition model from campus to workplace.

From 2022 to 2025, a total of 56 interns completed their internships, of whom 18 were retained as employees, resulting in a retention rate of 32.1%. Looking ahead, Formosa Laboratories will continue to optimize its talent development mechanisms and strengthen tracking and management of internship-to-employment conversion and talent retention, in order to enhance training effectiveness and meet the industry's demand for advanced technical talent.

Given that the pharmaceutical industry relies heavily on professional talent across R&D, process development, technology transfer, GMP manufacturing, and quality assurance, the Company has further defined R&D, process development, quality assurance/quality control (QA/QC), and regulatory affairs as key functional areas. Recruitment, career development, and retention mechanisms have been established for each function to strengthen overall talent management.



Campus Empowerment and Industry- Academia Exchanges

Formosa Laboratories actively participates in industry-academia exchange opportunities. Through campus seminars, the Company shares industry insights and internship information and organizes corporate visits for students. During these visits, faculty and students are introduced to plant operations, industry trends, core competencies of the pharmaceutical industry, and workplace environments. These activities provide students with close-up exposure to key knowledge of the pharmaceutical industry and career guidance, offering clearer direction for their future studies and development, and ensuring that all participants gain valuable insights from the experience.

Formosa Laboratories is committed to cultivating and developing talent for the biotechnology and pharmaceutical industry. The Company actively participates in internship briefing programs, career fairs, and academic lectures at universities and colleges. In addition, it successfully applied for and was approved under the government's 2025 International Talent Recruitment (Internship) Program. In 2025, the Company partnered with Taipei Medical University to recruit three international students from India, Malawi, and Indonesia. During their studies, each student received a monthly living allowance of NT$12,000 and was provided with internship opportunities. Upon completion of their master's degree programs, the students will officially join the Company, enabling the early cultivation of industry-ready talent to meet future workforce demands.

In 2025, Formosa Laboratories visited Chaoyang University of Technology and Taipei Medical University to share industry knowledge, with a total of 28 students participating. In addition, Tzu Chi University and Chung Yuan Christian University were invited to visit the company's manufacturing sites, with 33 faculty members and students participating in the tours. These activities were designed to enhance students' understanding of the pharmaceutical industry and broaden their future career perspectives.

Since 2016, the Company has continuously sponsored the National Taiwan University Pharmacy Journal for over a decade, supporting the development of NTU's Department of Pharmacy and the biopharmaceutical industry through related publications and activities. In parallel, the Company provides scholarships and collaborates with academic institutions to co-supervise graduate research directions, thereby deepening industry-academia cooperation, supporting student career development, and helping to establish a stable talent pipeline for the industry.



∧ The Vice President of R&D Delivered a Lecture at Taipei Medical University



∧ Company Briefing at the National Taiwan University Chemistry Annual Meeting



∧ Faculty and Students from the Department of Chemistry at Chung Yuan Christian University visited.

Scholarship and Talent Development Mechanisms

Formosa Laboratories collaborates with the NTU Doctoral Program in Pharmaceutical Technology and provides scholarship funding of up to NT$1 million over five years. Each doctoral student receives NT$200,000 per year. The program is currently supporting its second Ph.D. student, who is in the fifth year of the doctoral training program.


亞洲大學
感謝狀
茲感謝
台曜化學股份有限公司
熱心參與亞洲大學「2025 校園徵才博覽會」，
促進產學合作並嘉惠本校學子就業機會。
特致此狀，敬表謝忱。
校長蔡進發
中華民國 114 年 05 月 7 日

臺北醫學大學
TAIPEI MEDICAL UNIVERSITY
感謝狀
茲感謝
台曜化學股份有限公司 參與本校舉辦
「2025 TMU 產業見/實習 x 就業媒合博覽會」活動，
特頒此狀，謹表謝忱。
校長 吳麥斯
中華民國 114 年 03 月 20 日

國立臺灣海洋大學
2025 年校園徵才月系列活動
感謝狀
茲感謝 台曜化學股份有限公司協助本校辦理「2025 年校園徵才月 LIGHT」-徵才博覽會，活動圓滿完成，特贈此狀，以致深謝。
校長 許泰文
中華民國 114 年 3 月 20 日

Letters of Appreciation from Universities

Appendix

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GRI Index

General Disclosures

GRI Code	Disclosure Item	Referenced Chapter	Page
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GRI 2-28	Membership associations	1.2 Company Profile	P.15
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	P.5
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Disclosure of Material Topics

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GRI 3: Material Topics 2021			
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GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Information Security Management (0 case)	P.30
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GRI 303: Water and Effluents 2018			
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GRI 303-3	Water withdrawal	Enhancing Water Efficiency	P.63
GRI 303-4	Water discharge	Minimizing the Impact of Water Discharge	P.64
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GRI 401-1	New employee hires and employee turnover	New Hires and Departures	P.71
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GRI 403-2	Hazard identification, risk assessment, and incident investigation	Hazard Identification and Risk Prevention	P.80
GRI 403-3	Occupational health services	Health Examination	P.86
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management	P.79
GRI 403-5	Worker training on occupational health and safety	Occupational Health and Safety Education and Training	P.81
GRI 403-6	Promotion of worker health	A Healthy Workplace	P.88
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazardous Substances Management	P.80
GRI 403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management	P.79
GRI 403-9	Work-related injuries	Statistics on Work-related Injuries and Illnesses	P.87
GRI 403-10	Work-related ill health	Statistics on Work-related Injuries and Illnesses	P.87
Social Participation			
GRI 3-3	Management of material topics	4.5 Social Participation	P.91
GRI 203: Indirect Economic Impacts 2016			
GRI 203-1	Infrastructure investments and services supported	4.5 Social Participation	P.91

Biotechnology & Pharmaceuticals Sustainability Accounting Standard

Biotechnology & Pharmaceuticals Sustainability Accounting Standard

Disclosure Topic	Metric	Category	Metric Code	Disclosure Response	Referenced Chapter
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	HC-BP-210a.1	Formosa Laboratories currently has no ongoing clinical trial projects so there were no safety incidents, inspection findings, or legal proceedings related to clinical trials during the reporting period.	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Quantitative	HC-BP-210a.2	0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	HC-BP-210a.3	NTD 0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
Access to Medicines	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	HC-BP-240a.1	Formosa Laboratories does not currently manufacture products for the priority diseases defined by the Access to Medicine Index. The Company's collaborations with EirGenix and Formosa Pharmaceuticals are limited to the preliminary application and development of R&D projects related to the products listed in the Taiwan Food and Drug Administration (TFDA) Essential Medicines List.	-
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	HC-BP-240a.2	None	-

Disclosure Topic	Metric	Category	Metric Code	Disclosure Response	Referenced Chapter
Affordability & Pricing	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Quantitative	HC-BP-240b.2	Not applicable. All pharmaceutical products developed and marketed by Formosa Laboratories are generic drugs rather than patented or innovative drugs; therefore, these metrics do not apply.	-
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	HC-BP-240b.3	Not applicable. All pharmaceutical products developed and marketed by Formosa Laboratories are generic drugs rather than patented or innovative drugs; therefore, these metrics do not apply.	-
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Discussion and Analysis	HC-BP-250a.1	None	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System (FAERS)	Quantitative	HC-BP-250a.2	0 fatalities	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	(1) Number of recalls issued; (2) total units recalled.	Quantitative	HC-BP-250a.3	0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	HC-BP-250a.4	0 metric tons	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practice (cGMP), by type[2]	Quantitative	HC-BP-250a.5	0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management

Disclosure Topic	Metric	Category	Metric Code	Disclosure Response	Referenced Chapter
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	HC-BP-260a.1	Formosa Laboratories maintains product traceability and prevents counterfeiting throughout the supply chain through source control and traceability systems, physical anti-counterfeiting technology, and established emergency response and investigation mechanisms.	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Discussion and Analysis	HC-BP-260a.2	Formosa Laboratories has established a comprehensive emergency response and investigation mechanism to discussion of process for alerting customers and business partners of potential or known risks associated with Counterfeit Drugs.	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	HC-BP-260a.3	0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims[3]	Quantitative	HC-BP-270a.1	0	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	HC-BP-270a.2	As a manufacturer of active pharmaceutical ingredients (APIs) and injectable products, Formosa Laboratories ensures that all product packaging and labeling comply with applicable local regulatory requirements. To prevent and manage the risks associated with off-label use, the Company conducts ongoing post-marketing surveillance through its Pharmacovigilance Plan. If adverse events related to off-label use are identified through risk assessments, appropriate risk management measures such as label revisions or risk communication activities will be implemented to ensure the safe use of medicines by healthcare professionals and patients.	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management

Disclosure Topic	Metric	Category	Metric Code	Disclosure Response	Referenced Chapter
Employee Recruitment, Developing & Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	HC-BP-330a.1	Formosa Laboratories' efforts to recruit and retain scientists and R&D personnel focus on strengthening internal talent development mechanisms, attracting international talent, and building external talent pipelines to support the Company's long-term innovation and R&D capabilities.	Chapter 4 Social > 4.2 Talent Development > 4.6 Nurturing Industry Talent
	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	Quantitative	HC-BP-330a.2	Detailed statistics on voluntary and involuntary employee turnover are provided in Section 4.1 Workforce Overview.	Chapter 4 Social > 4.1 Workforce Overview
Supply Chain Management	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	HC-BP-430a.1	Formosa Laboratories does not currently participate in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or other equivalent third-party audit programs related to supply chain and ingredient integrity.	Chapter 2 Corporate Governance > 2.6 Product Responsibility and Supply Chain Management
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery[4]	Quantitative	HC-BP-510a.1	NTD 0	Chapter 2 Corporate Governance > 2.5 Ethical Corporate Management
	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	HC-BP-510a.2	Although Formosa Laboratories has limited direct interactions with healthcare professionals, the Company has established relevant codes of conduct and investigation mechanisms to govern such interactions to ensure compliance with ethical standards.	Chapter 2 Corporate Governance > 2.5 Ethical Corporate Management

Activity Metrics	Category	Unit of Measure	Metric Code	Disclosure Response	Referenced Chapter
Number of patients treated	Quantitative	Number	HC-BP-000.A	Not applicable. Formosa Laboratories' products consist of active pharmaceutical ingredients (APIs) and contract development and manufacturing (CDMO) services. As the Company does not directly provide treatment to patients, the number of patients treated is not tracked.	-
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Quantitative	Number	HC-BP-000.B	(1) 1 drug (2) 3 drugs	Chapter 1 About Formosa Laboratories > Innovation and R&D

IFRS Sustainability Disclosure Standards Content Index

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

Core Content	Paragraph Reference	Report Chapter / Description	Page
Governance	S1.27	Sustainable Development Committee	P.27
Strategy	S1.29	Identifying and Ranking Material Topics Management Approach for Material Topics	P.7 -
• Sustainability-related Risks and Opportunities	S1.30	Management Approach for Material Topics	-
• Business Model and Value Chain	S1.32	Significance and Impact Assessment of Material Topics Product Responsibility and Supply Chain Management	P.9 P.38
• Strategy and Decision-making	S1.33	Management Approach for Material Topics	-
• Financial Position, Financial Performance and Cash Flows	S1.34	Financial Impact of Climate-related Risks and Opportunities	P.50
• Resilience	S1.41	2.3 Risk Management 3.1 Response to Climate Change	P.28 P.49
Risk Management	S1.44	2.3 Risk Management	P.28
Metrics and Targets	S1.45	Management Approach for Material Topics	-
	S1.48	SASB Index	P.105
	S1.49	Principles for Report Preparation	P.3

IFRS S2 Climate-related Disclosures

Core Content	Paragraph Reference	Report Chapter / Description	Page
Governance	S2.6 (a)-(b)	Sustainable Development Committee	P.27
Strategy	S2.9	Financial Impact of Climate-related Risks and Opportunities	P.50
• Climate-related risks and opportunities	S2.10(a)-(d)	Financial Impact of Climate-related Risks and Opportunities	P.50
• Business model and value chain	S2.13(a)-(b)	2.6 Product Responsibility and Supply Chain Management Financial Impact of Climate-related Risks and Opportunities	P.38 P.50
• Strategy and decision-making	S2.14(a)-(b)	Financial Impact of Climate-related Risks and Opportunities	P.50
• Financial Position, Financial Performance and Cash Flows	S2.16(a)、(c)-(d)	Financial Impact of Climate-related Risks and Opportunities	P.50
• Climate resilience	S2.22(a)	Financial Impact of Climate-related Risks and Opportunities	P.50
Risk Management	S2.25(a)-(c)	2.3 Risk Management Financial Impact of Climate-related Risks and Opportunities	P.28 P.50
Metrics and Targets			
• Climate-related metrics	S2.29(a)	3.3 Greenhouse Gas Emissions	P.59
• Climate-related targets	S2.33	3.1 Response to Climate Change	P.49

IFRS S2 Climate-related Disclosures - Cross-industry metrics

Core Content	Paragraph Reference	Report Chapter / Description	Page
● Greenhouse Gases	S2.29（a）	3.3 Greenhouse Gas Emissions	P.59
● Climate-Related Transition Risks	S2.29（b）	Financial Impact of Climate-related Risks and Opportunities	P.50
● Climate-Related Physical Risks	S2.29（c）	Financial Impact of Climate-related Risks and Opportunities	P.50
● Climate-Related Opportunities	S2.29（d）	Financial Impact of Climate-related Risks and Opportunities	P.50
● Capital Deployment	S2.29（e）	Financial Impact of Climate-related Risks and Opportunities	P.50



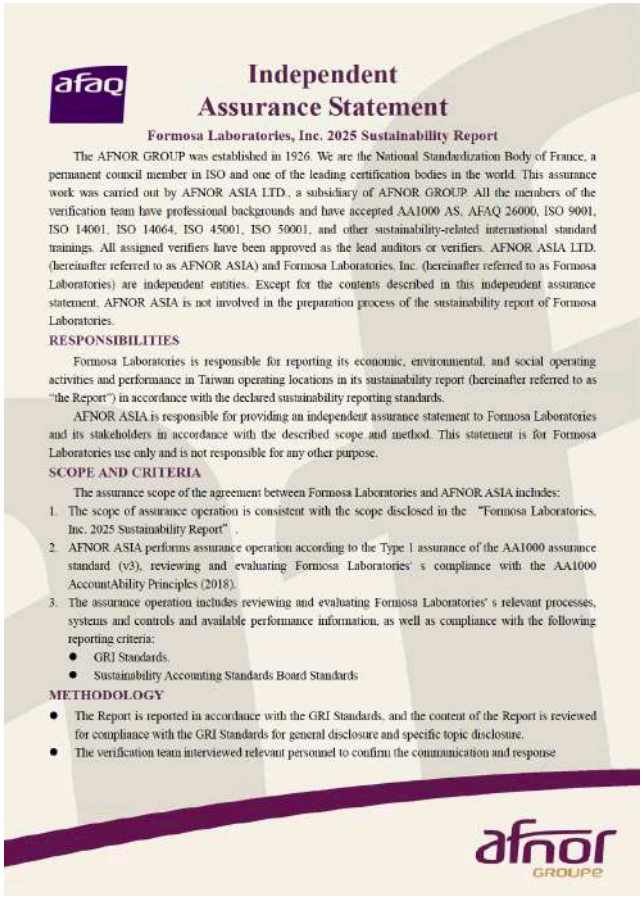
Climate-related Information of TWSE/TPEx-listed Companies

Implementation of Climate-Related Information

▼ Risk and Opportunities Caused by Climate Change to Formosa Laboratories and Corresponding Response Measures

No.	Item	Corresponding chapter/ subchapter or description
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.1 Response to Climate Change > Four Pillars of the TCFD Recommendations
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the organization (short-, medium- and long-term).	3.1 Response to Climate Change > Financial Impact of Climate-related Risks and Opportunities
3	Describe the financial impact of extreme climate events and transition actions.	3.1 Response to Climate Change > Financial Impact of Climate-related Risks and Opportunities
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1 Response to Climate Change > Four Pillars of the TCFD Recommendations
5	If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and major financial impact.	Scenario analysis has not been employed to assess resilience to climate change risk.
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	3.1 Response to Climate Change > Financial Impact of Climate-related Risks and Opportunities
7	If internal carbon pricing is used as a planning tool, state the basis for setting the price.	There is currently no "internal carbon pricing" mechanism in place. However, the company plans to progress the implementation of such a system in the future to drive low-carbon production processes, promote technological innovation, and optimize internal supply chains, thereby supporting the Company's transition to a low-carbon economy.
8	If climate-related targets have been set, specify the activities covered, the scope of greenhouse gas emissions, projected plans, and annual progress. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, specify the source and quantity of carbon credits or RECs to be offset.	The Company currently has a target of a 1% reduction in electricity consumption annually. For other climate-related targets, please refer to the Low-carbon Transition Vision section.
9	Greenhouse gas inventory and verification status, reduction targets, strategies, and detailed action plans.	Since 2022, the Company has conducted greenhouse gas (GHG) inventories and verification in accordance with ISO 14064-1:2018. In 2025, the Company further adopted the Greenhouse Gas Protocol (GHG Protocol) as the basis for GHG accounting and reporting, with the inventory results verified by an independent third party. ● Please refer to Section 3.3, Greenhouse Gas Emissions, for detailed GHG inventory results. ● Please refer to the Principles for Report Preparation section for information on external assurance. ● Please refer to the Low-carbon Transition Vision and Energy Conservation and Carbon Reduction sections for details of emission reduction targets, strategies, and action plans

Independent Third-party Verification Statement



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Independent Assurance Statement

Formosa Laboratories, Inc. 2025 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 Formosa Laboratories, Inc. (hereinafter referred to as Formosa Laboratories) 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 Formosa Laboratories.

RESPONSIBILITIES

Formosa Laboratories is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan 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 Formosa Laboratories and its stakeholders in accordance with the described scope and method. This statement is for Formosa Laboratories use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

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

1. The scope of assurance operation is consistent with the scope disclosed in the "Formosa Laboratories, Inc. 2025 Sustainability Report".
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating Formosa Laboratories' s compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating Formosa Laboratories' s relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.
   - 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 disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders 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.

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CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

Formosa Laboratories has established a diverse and extensive stakeholder consultation mechanism to identify and understand the important issues of concern to stakeholders and to include opinions from all parties, demonstrating the organization's concrete practice of inclusivity. Overall, the Report has covered Formosa Laboratories' inclusiveness issues.

Materiality

Formosa Laboratories has established processes to collect, analyze, and identify issues related to its sustainable development. The Report presents the planned and implemented analysis processes and decision-making outcomes for material topics. The organization has planned and implemented management policies for each material topic, and has set and statistically analyzed objectives and performance. In the future, the organization can continue to optimize its decision-making processes for material topics, demonstrating a timely and balanced proactive response to governance, environment, and society.

Responsiveness

Formosa Laboratories 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 incorporate domestic and international reporting requirements, invest resources to enhance internal awareness, and continue to disclose its performance through various public information channels to achieve a response that meets the expectations of stakeholders.

Impact

Formosa Laboratories has provided the necessary resources to monitor and measure the impact of its operations on the overall environment. The identified impacts and management measures have been disclosed in the Report. In the future, the organization can continue to provide resources to support the monitoring, measurement and evaluation of impact management information, and continuously improve performance through its internal management system.

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◆ **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 based on domestic and international reporting requirements to collect and compile various sustainability information through its internal management system to provide for stakeholders.

◆ **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, monitor, and disclose the information required by the indicators, and integrate, analyze, and improve it with various management information related to the organization's operations.

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 Formosa Laboratories 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 Formosa Laboratories provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in Formosa Laboratories in 2025 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 and on behalf of AFNOR :

AA1000 Licensed Report 000-84/V3-P7DPF

Dr. August Tsai
The Director for Certification and Assessment
Jun.08.2026

Verification team: Wen Yi Yen (Lead Verifier), Jheng-Hao Jhan (Verifier).

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