



# Panion & BF Biotech Inc.

## 2024 SUSTAINABILITY REPORT



# CONTENTS

---

|                                                      |    |
|------------------------------------------------------|----|
| ■ About this Report                                  | 04 |
| ■ Message from the Chairman                          | 06 |
| ■ About Panion & BF Biotech Inc.                     | 08 |
| ■ Stakeholder Engagement and Material Issue Analysis | 14 |

## 01 Corporate Operations and Governance

---

|                                                               |    |
|---------------------------------------------------------------|----|
| 1.1 Corporate Governance                                      | 41 |
| 1.2 Operational Performance                                   | 62 |
| 1.3 Implementation of Ethical Management and Legal Compliance | 64 |
| 1.4 Information Security Management                           | 69 |

## 02 Product Innovation and Customer Security

---

|                                            |     |
|--------------------------------------------|-----|
| 2.1 Innovative R&D and Access to Medicines | 83  |
| 2.2 Supply Chain Management                | 93  |
| 2.3 Product Quality and Responsibility     | 99  |
| 2.4 Customer Health and Safety             | 102 |

## 03 Sustainable Environmental Protection

---

|                                                  |     |
|--------------------------------------------------|-----|
| 3.1 Green Product Design                         | 110 |
| 3.2 Climate Change and Greenhouse Gas Management | 114 |
| 3.3 Environmental Management                     | 123 |



## 04 Employee Relations and Care

---

|                                             |     |
|---------------------------------------------|-----|
| 4.1 Employment Status                       | 141 |
| 4.2 Nurturing and Developing Diverse Talent | 148 |
| 4.3 Employee Remuneration and Benefits      | 152 |
| 4.4 Employee Communication and Care         | 156 |
| 4.5 Occupational Safety and Health          | 159 |



## 05 Giving Back to Society and Participation

---

|                                                                    |     |
|--------------------------------------------------------------------|-----|
| 5.1 Social Engagement                                              | 170 |
| 5.2 Tree Planting Activity                                         | 171 |
| 5.3 Ongoing Project Sponsorship for the Eurasian Chamber Orchestra | 172 |



## 06 Appendix

---

|                                                     |     |
|-----------------------------------------------------|-----|
| Appendix 1 GRI Content Index                        | 176 |
| Appendix 2 SASB Index                               | 192 |
| Appendix 3 Verification Statement/Assurance Opinion | 200 |



# 00 About this Report

## Reporting Guidelines and Principles

This Report discloses the 2024 operating performance and future plans of Panion & BF Biotech Inc. (PBF) in accordance with the GRI Sustainability Reporting Standards (below, “GRI Standards”) issued by the Global Sustainability Standard Board (GSSB), revealing PBF’s business philosophy and goals for sustainable operation to all stakeholders. In the future, PBF will continue to disclose information related to its environmental, social, and corporate governance at all levels, thereby demonstrating the Company’s strategies for ongoing development.

The Report was compiled with reference to the GRI Standards (2021) and the Sustainability Accounting Standards Board (SASB) sustainability indicators.

For details, please refer to the GRI Content Index in Appendix I and the SASB Index in Appendix II of the Report.

## Reporting Period GRI 2-3

The Report discloses PBF’s social, environmental, and corporate governance actions and performance; fulfillment of corporate social responsibility; and responses to issues of stakeholder concern during FY2024 (from January 1, 2024, to December 31, 2024).

## Scope of Report GRI 2-2 and GRI 2-4

Panion & BF Biotech Inc., Taipei HQ

Longtan R&D Center

Cheng Fong Chemical Co., Ltd., Dayuan Plant

PBF Pingzhen Plant

PBF Xizhi Plant

PBF Xike Plant

The financial data presented in the Report cover the consolidated financial statements of the entire parent company and its subsidiaries in Taiwan and abroad. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs). The non-financial data achievements focus on the aforementioned production/business bases . For any data revised due to errors generated during the previous reporting period, explanatory notes are provided in the corresponding chapters or sections.

## Information and Data Quality

The statistical data disclosed in the Report are derived from substantial statistics, survey results, and management system data verified and certified by a third-party accreditation organization, and such data are presented using internationally accepted indicators. The financial data are derived from the PBF's publicly released consolidated financial statements that have been audited and attested by KPMG Taiwan, and the presentation unit is the New Taiwan Dollar (NT\$).

## Report Verification GRI 2-5

The Report was compiled based on the requirements stipulated in the GRI Standards (2021), and it conforms to regulatory requirements on information disclosure such as the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. BSI Taiwan (The British Standards Institution Singapore, Taiwan Branch) was entrusted to conduct verification in accordance with the AA1000AS v3/Type 1/Moderate assurance level.

Relevant information in the Report was collected by each department and reviewed by the department head before being submitted to the Sustainable Development Committee for information compilation, organization, and internal auditing. The final report was subsequently submitted to the Board of Directors for review and approval before publication.

## Contact Information GRI 2-3

PBF's 2024 ESG Report is available for everyone to access. The Report has also been submitted to the GRI Content Index Service and the Materiality Disclosure Service.

The Report was published in August 2024 (We will continue to publish the ESG Report on a yearly basis.)

For any questions or comments about the Report, please contact us at:

Panion & BF Biotech Inc., Sustainable Development Committee  
Address: (Block F) 16F., No.3, Yuanqu St., Nangang Dist., Taipei City  
Telephone: (02)2655-8218  
Email: [ir@pbf.com.tw](mailto:ir@pbf.com.tw)  
PBF Corporate Website: <https://www.pbf.com.tw/>

## 00 Message from the Chairman

In the post-pandemic era, demographic transformation and corporate net-zero emissions will be the most important sustainable development issues for companies to contend with. In today's globally interconnected environment, companies must create value for all stakeholders and gain stakeholder recognition in order to provide long-term investment value for shareholders.

The pandemic accelerated the evolution of almost all corporate operational environments, changing the way people work and shop. Not only did it create new business opportunities, it also disrupted the development of some industries. Most noticeably, the pandemic dramatically expedited the pace of technology in reshaping daily life and business operations and redefining the relationships between companies, employees, and society.

### **The Power of Capital and Sustainable Development**

Most stakeholders, including shareholders, employees, customers, and even regulatory authorities, expect companies to do their part in realizing the global transition to a low-carbon economy. Companies' ability to effectively navigate the global energy transition in the coming years will influence decisions on capital allocation, as well as the long-term value of their businesses.

With global sustainable investment assets now exceeding US\$4 trillion (about NT\$128 trillion, equivalent to Taiwan's central government budget for 50 years), the world's actions and determination to reduce carbon emissions are on the rise. This is merely the beginning—the structural transformation of sustainable investment is still growing rapidly. Throughout the transition to net-zero emissions, each company and industry will experience certain changes. Will PBF lead this transformation or will it be forced to follow suit?

Companies demonstrate their fulfillment of responsibilities to shareholders through sound environmental, social, and corporate governance practices and policies. Many shareholders and other stakeholders are reexamining their relationships with companies. The power of global capital is also clearly taking an increased interest in the corporate governance of listed companies.

## The Rising Significance of Information Disclosure

PBF is concerned about sustainable development not because we are environmentalists, but because we are a listed company. We must be fully aware of how our business makes timely adjustments when the tide turns; therefore, in the future, PBF will establish short-, medium- and long-term targets for greenhouse gas emissions reduction. These targets, along with the quality of programs designed to achieve the targets, will have a crucial effect on the long-term economic well-being of our employees and shareholders. Additionally, PBF will adopt the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations for the disclosure of relevant reporting information, which constitutes an important tool for the Company as it faces the future.

## The Government's Full Commitment to Promoting ESG

Capital is powerful enough to shape society, and it is an important catalyst for transformation. However, the Company cannot fight alone. The government must indicate a clear direction through sustainable development policies, regulations, and information disclosure, as well as consistent categorization standards to help companies succeed. Furthermore, the government must also provide support for industries that are affected by the transition—this is integral to the global realization of a low-carbon economy.

This is why PBF is focusing on our long-term development while striving to adapt to this new world. We believe that our efforts will bring long-term revenue for our shareholders and help the environment and society move forward in a better direction.



President Tsung-Ming Chiang

# 00 About Panion & BF Biotech Inc.

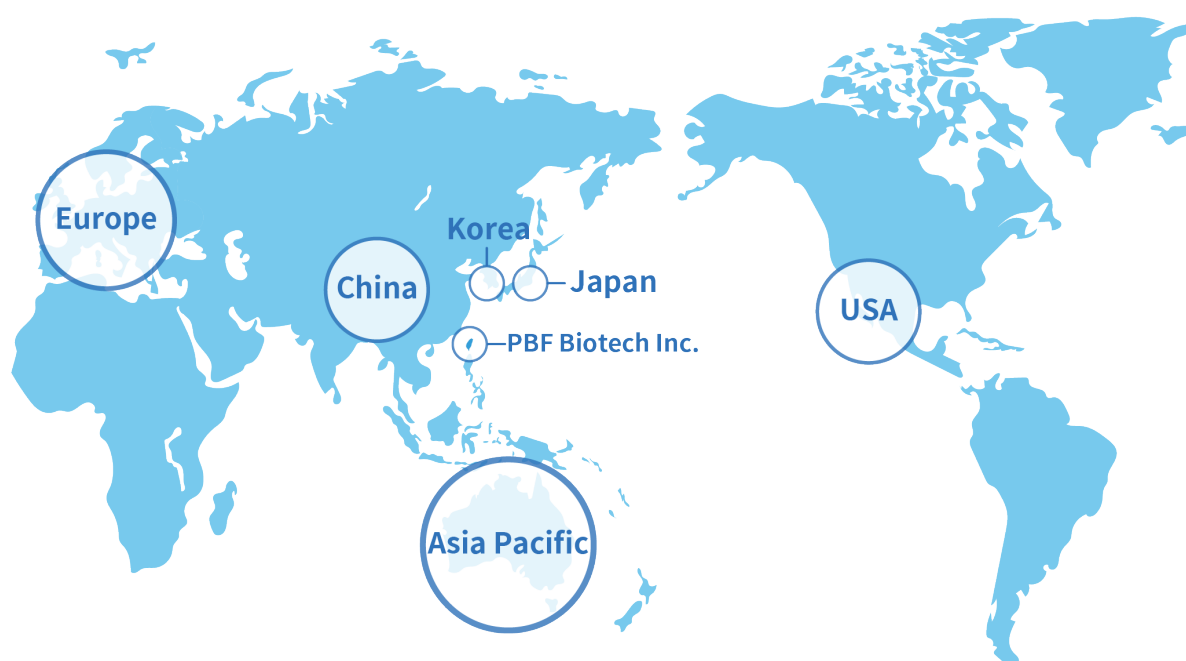
| Company Name           | Panion & BF Biotech Inc. (PBF)                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Establishment  | January 1976                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Stock Code             | 1760                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Headquarters           | (Block F) 16F, No.3, Yuanqu St., Nangang Dist., Taipei City                                                                                                                                                                                                                                                                                                                                                                                              |
| Major Production Sites | <p>PBF Pingzhen Plant: No. 266, Xinglong Rd., Pingzhen Dist., Taoyuan City</p> <p>PBF Xizhi Plant: 8F, No. 308-6, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City</p> <p>PBF Xike Plant: 6F, No. 53, Nanxing Rd., Xizhi Dist., New Taipei City</p> <p>Longtan R&amp;D Center: 9F, No. 176, Ln. 461, Zhongfeng Rd., Longtan Dist., Taoyuan City</p> <p>Cheng Fong Chemical Co., Ltd., Dayuan Plant: No. 19, Gong 4th Rd., Dayuan Dist., Taoyuan City</p> |
| Number of Employees    | The total number of employees is 558, including 221 male employees (39.6%) and 337 female employees (60.4%). The majority of employees (81.4% on average) are under 50 years old. (Calculated as of December 31, 2024)                                                                                                                                                                                                                                   |
| Industry               | Biotech and Pharmaceutical                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Public Listing Year    | 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Paid-in Capital        | NT\$857,390,000                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Operating Revenue      | NT\$2,029,645,000 元 (2024)                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Main Products          | <p>New drug R&amp;D and pharmaceutical manufacturing and sales</p> <p>Manufacturing and sales of cosmetics</p> <p>Manufacturing and sales of functional foods</p>                                                                                                                                                                                                                                                                                        |
| Corporate Website      | <a href="https://www.pbf.com.tw">https://www.pbf.com.tw</a>                                                                                                                                                                                                                                                                                                                                                                                              |

For over 40 years, PBF has been progressively cultivating its pharmaceutical manufacturing and new drug R&D capabilities. With this foundation of pharmaceutical R&D, the Company has employed its innovative R&D capability and spirit of pharmaceutical manufacturing to expand into the anti-aging market in the aesthetics medicine industry. Based on the core business philosophy of “improving human health and quality of life”, PBF has developed four major areas of business – Medical Treatment, Medical Prevention, Medical Diagnostics, and Delaying Aging Process. Based on these areas of development, PBF has expanded into six corporate business units: PBF Taiwan, PBF China, Innovative Medicine, Innovative Diagnostics, Innovative Aesthetics, and Active Pharmaceutical Ingredients (APIs). The Company has continued to cultivate innovative R&D, insisting on production quality compatible with international standards and establishing high-quality marketing channels while fully committing to business in new drugs R&D, niche generics, APIs, infection control, testing and diagnostics, and cosmeceutical healthcare. Additionally, we are actively working toward internationalization by striving to set foot in both overseas and Greater China markets, with an aim to realize the vision of “enjoying life to the fullest and living to 120” based on the goal of “maintaining dignity and quality of life”.

|                       |                                                                                                                                                                                                                                                     |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Philosophy   | Adhering to the business philosophy of “health, sharing and caring”, PBF is committed to ongoing innovation and R&D work to enhance the quality of life and standard of living for everyone, ensuring a healthy, beautiful, and happy life for all. |
| PBF Culture           | Equality for all, benefits sharing, innovative reforms, and surpassing goals                                                                                                                                                                        |
| Commitment and Vision | PBF improves people’s biological age and appearance with reliable, effective, and comprehensive care from the inside out. Health brings vitality, and beauty builds self-confidence, enabling everyone to lead a wonderful life!                    |

# 00 About Panion & BF Biotech Inc.

## Product Revenue Information

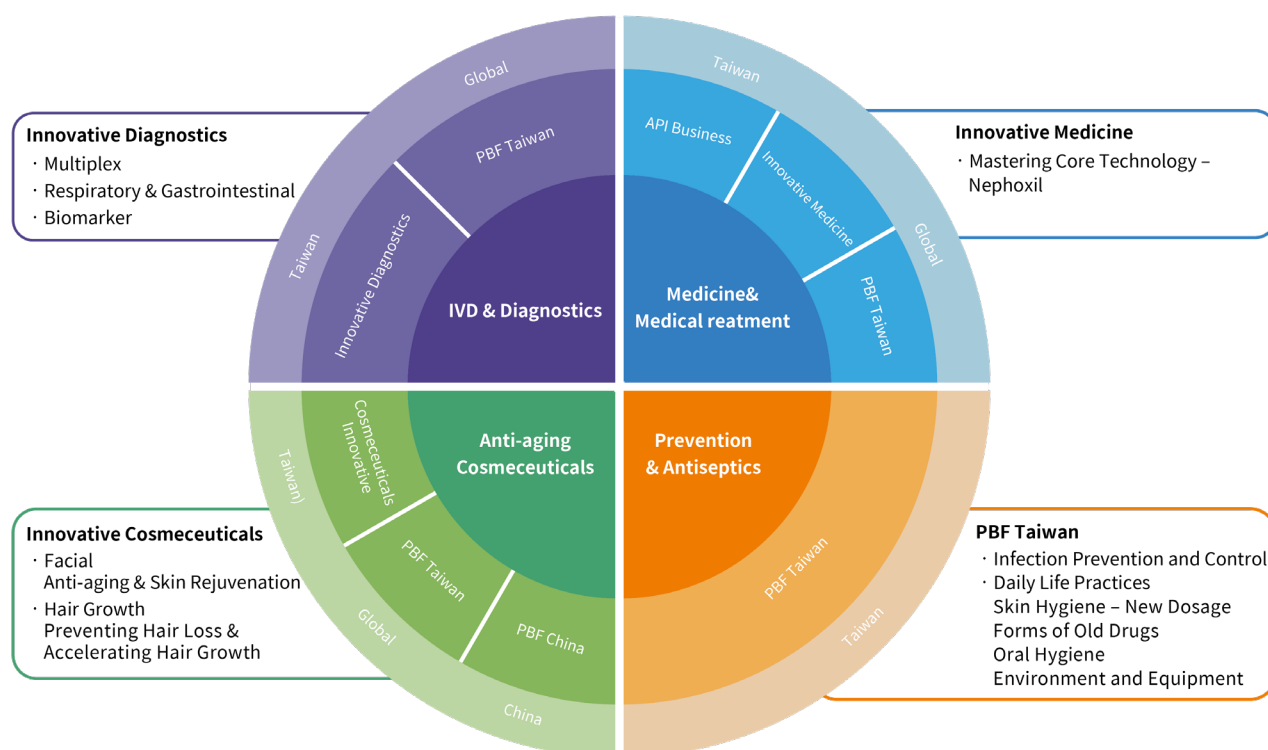


The statistics on PBF's products by sales regions are shown in the table below. Taiwan remained the primary sales region in 2024.

單位：新台幣千元

| Region \ Year                       | 2022      |                | 2023      |                | 2024      |                |
|-------------------------------------|-----------|----------------|-----------|----------------|-----------|----------------|
|                                     | Amount    | Proportion (%) | Amount    | Proportion (%) | Amount    | Proportion (%) |
| Taiwan                              | 1,878,863 | 78.33          | 1,315,346 | 69.9           | 1,440,432 | 70.97          |
| United States                       | 401,088   | 16.72          | 405,235   | 21.53          | 411,318   | 20.27          |
| Mainland China, Hong Kong and Macau | 109,790   | 4.58           | 146,842   | 7.8            | 122,733   | 6.05           |
| South Korea                         | -         | -              | 13,760    | 0.73           | 52,818    | 2.6            |
| Other                               | 8,907     | 0.37           | 692       | 0.04           | 2,344     | 0.11           |
| Total                               | 2,398,648 | 100            | 1,881,875 | 100            | 2,029,645 | 100            |

## PBF Product Category



PBF has established itself as a diversified biotechnology company, and through its commitment to the highest specifications and the most rigorous standards, the Company aims to become an exemplary national pharmaceutical manufacturer. Looking ahead to 2025, PBF will focus on new dosage forms and new indications for drug development to accelerate product development and increase market competitiveness. The Company will continue to invest in innovative research and development with an emphasis on the development of improved products and breakthrough products. Additionally, the Company will diversify its revenue sources by actively expanding into the aesthetics and anti-aging market as well as the precision diagnostics market.

## 00 About Panion & BF Biotech Inc.

To achieve the goal of self-manufacture and supply, PBF is strengthening its vertical integration capability by consolidating upstream and downstream industries of active pharmaceutical ingredients and finished products. Moreover, the Company pursues cost reduction through the optimization and streamlining of manufacturing processes and seeks opportunities to enter alliances within the biotechnology industry. PBF remains committed to optimizing manufacturing technologies, expanding PIC/S GMP certified manufacturing facilities, enhancing production capacity, and reducing operational costs; at the same time, the Company also keeps abreast of changes in regulatory policies to ensure timely responses. All of these measures aim to increase gross margin and offer the potential for higher profit margins.

In addition to diversifying operations in Taiwan and deepening cooperation with target customers, PBF is actively working toward internationalization to enhance operational performance. The management team enhances R&D capacity through the continuous introduction of new concepts, new technologies, new methods, and special raw materials. By setting the most stringent and specialized pharmaceutical standards for product manufacturing and R&D, PBF is creating a healthy and happy life for everyone.

00

01

02

03

04

05

Appendix

# 00 Stakeholder Engagement and Material Issue Analysis

## 1. Stakeholder Identification GRI 2-29

PBF identifies the company's major stakeholders through the five principles of the AA1000 Stakeholder Engagement Standard 2015: Dependency, Influence, Responsibility, Diverse Perspectives, and Tension, screening them according to their significance. Based on the results, the significance of economic, environmental, and human rights (social) impacts of relevant material issues are further assessed, which serves as the basis for strategic planning of sustainable development as well as information disclosure in the Report. The six categories of key stakeholders identified for 2024 were employees, media, suppliers, customers (patients and healthcare personnel), shareholders and investors, and competent authorities. These categories are the same as those identified in 2023.

Responding to stakeholders' expectations and continuing to create value for stakeholders are the keys to a company's sustainability and success. PBF communicates with stakeholders, understands their needs and expectations, and responds accordingly. This not only assists the Company in reviewing and planning short-, medium-, and long-term strategies but also creates value for stakeholders, thus opening up new business opportunities for sustainable operations. The Company attaches great importance to the needs and expectations of stakeholders. Relevant mechanisms, along with diversified, open, and transparent communication channels have also been established to facilitate interaction with stakeholders. These channels include the corporate website, annual shareholders meetings, investor conferences, investor hotline and mailbox, customer visits, corporate visits, participation in external associations or organizations, and the organization of and participation in briefing sessions and symposiums. The purpose of these communication channels is to gain a practical understanding of the issues of concern to stakeholders and stakeholders' suggestions.

| Stakeholder                                   | Major Issues of Concern                                                                                                                                                                                                           | Communication Channel and Frequency                                                                                                                                                                                                                                    |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                                     | Labor Management<br>Human Resource Development<br>Occupational Safety and Health<br>Financial Risk<br>Legal Compliance and Internal Audit and Control<br>Corporate Governance<br>Process Safety<br>Disease Outbreak/Health Crisis | <b>Regularly</b><br>Labor-management meetings (four times in 2024)<br><b>Occasionally</b><br>Direct supervisors, HR specialists, bulletin board, employee mailbox, employee forums, employee grievance channels, training programs, and policy dissemination meetings. |
| Media                                         | Board Governance<br>Financial Risks<br>Corporate Social Responsibility/<br>Sustainable Development<br>R&D Technology and Product<br>Innovation<br>Geopolitical Risks                                                              | <b>Regularly</b><br>Investor conference (twice in 2024)<br><b>Occasionally</b><br>Spokesperson hotline and mailbox, press releases, Market Observation Post System (MOPS)                                                                                              |
| Suppliers                                     | Supply Chain Standards<br>Raw Material Procurement<br>Raw Material Price Volatility Risks<br>Anti-corruption<br>Product Quality and Safety                                                                                        | <b>Regularly</b><br>Regular supplier meetings; audits, evaluations, and counselling for suppliers. (at least once in 2024)<br><b>Occasionally</b><br>Supplier grievance channels, technical seminars                                                                   |
| Customers (patients and healthcare personnel) | Product Quality and Safety<br>R&D Technology and Product<br>Innovation<br>Information Security<br>Packaging Materials and Waste                                                                                                   | <b>Regularly</b><br>Internal quality and review meetings, customer satisfaction surveys (at least once in 2024)<br><b>Occasionally</b><br>Business visits, various business meetings, technical seminars                                                               |
| Shareholders and Investors                    | Board Governance<br>Shareholder Relations<br>Financial Risks<br>R&D Technology and Product<br>Innovation                                                                                                                          | <b>Regularly</b><br>Shareholders meeting (once in 2024) 、 Board meetings (five times in 2024), annual report (once in 2024), ESG Report (twice in 2024), financial reports (four times in 2024)<br><b>Occasionally</b><br>Investors section on the corporate website   |

# 00 Stakeholder Engagement and Material Issue Analysis

| Stakeholder           | Major Issues of Concern                                                                                                                                                                                                                                                                         | Communication Channel and Frequency                                                                                                                        |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Competent Authorities | Anti-corruption<br>Legal Compliance and Internal Audit and Control<br>Financial Changes and Risks<br>Greenhouse Gas Emissions<br>Toxic Chemicals, Wastewater Discharge, and Waste<br>Packaging Materials and Waste<br>Medical Waste Management<br>Environmental Impact<br>Earthquakes and Fires | <b>Occasionally</b><br>Market Observation Post System (MOPS), official documents, policy dissemination meetings, audit and visits by competent authorities |

## 2. Material Topic Analysis GRI 3-1, GRI 3-2 and GRI 3-3

### Material Topic Analysis Process

| Workflow                                           | Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Outcome                          |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Step 1.<br>Identify stakeholders for communication | PBF identified the Company's key stakeholders through the five principles of the AA1000 Stakeholder Engagement Standard: Dependency, Responsibility, Level of Concern, Influence, and Diverse Perspectives according to their significance. The six categories of key stakeholders identified for 2024 were employees, media, suppliers, customers (patients and healthcare personnel), shareholders and investors, and competent authorities. These categories are the same as those identified in 2023. | 6 categories of key stakeholders |
| Step 2.<br>Collect issues on sustainability        | PBF followed the GRI Standards and the four principles of Inclusivity, Materiality, Responsiveness, and Impact as detailed in the AA1000 Accountability Principles to identify material issues related to the Company's operations. Moreover, by following GRI Standards 2021 and referring to international sustainability standards, along with SDGs, TCFD, SASB, and other specific topics, PBF selected a total of 32 sustainability issues.                                                          | 32 sustainability issues         |

| Workflow                                                             | Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Outcome                                                      |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Step 3.<br>Survey stakeholders to understand their levels of concern | PBF conducted a Materiality Issue Awareness Questionnaire to assess stakeholders' levels of concern regarding the 32 sustainability issues, focusing on those that are closely related to and have a high level of influence on PBF.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Materiality matrix                                           |
| Step 4.<br>Identify and assess the impact and significance of issues | <p>PBF assessed the impact of 32 sustainability issues on the Company's operations and sustainable development by using the Positive and Negative Impact Assessment of Materiality Issue Questionnaire.</p> <p>Based on the positive and negative impact of these materiality issues and the likelihood of occurrence, PBF created a materiality matrix to assess the significance of impacts and discuss the scope and level of impacts on the value chain resulting from sustainability issues.</p>                                                                                                                                                                                             | Materiality matrix                                           |
| Step 5.<br>Confirm material topics and content of disclosure         | <p>The task force reviewed the results of Steps 3 and 4 and made adjustments based on recommendations from the management team, and eventually identified 14 sustainability issues with medium to high impact on PBF as material topics for the year. The results were subsequently submitted to the Sustainable Development Committee and the Board of Directors for approval.</p> <p>In accordance with the reporting requirements for each topic, the task force outlined the response strategies; short-, medium-, and long-term goals; performance outcomes; and management policies for each material topic in the Report. The 14 material topics correspond to 14 GRI topic standards.</p> | The 14 material topics correspond to 14 GRI topic standards. |

# 00 Stakeholder Engagement and Material Issue Analysis

## ✓ Collecting Sustainability Issues

PBF has followed GRI standards and the four principles of Inclusivity, Materiality, Responsiveness and Impact detailed in the AA1000 Accountability Principles to identify the material issues related to the Company's operations. Moreover, by following GRI Standards 2021 and referring to the specific issues of international sustainability standards such as SDGs, TCFD, and SASB, PBF screened a total of 32 sustainability issues as the basis for stakeholder communication and feedback. After listening attentively to stakeholders, gaining practical understanding, and analyzing their needs and expectations, PBF further assessed the significance of the material issues' impacts on the economy, the environment, and society. The assessment results have served as the basis for the Company's planning of sustainable development strategies as well as the foundation for the Report's information disclosure.

| Environment (E)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Society (S)                                                                                                                                                                                                                                                                                                                                                                                                                                     | Corporate Governance (G)                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Greenhouse Gas Emissions and Climate Change Strategy</li> <li>2. Product Carbon Footprint</li> <li>3. Environmental Impact</li> <li>4. Earthquakes and Fires</li> <li>5. Pressure due to Water and Electricity Shortages</li> <li>6. Raw Material Procurement</li> <li>7. Biodiversity and Land Use</li> <li>8. Toxic Chemicals, Wastewater Discharge, and Waste</li> <li>9. Packaging Materials and Waste</li> <li>10. Medical Waste Management</li> <li>11. Opportunities for Renewable Energy</li> <li>12. Opportunities for Green Building</li> <li>13. Disease Outbreak/Health Crisis</li> </ol> | <ol style="list-style-type: none"> <li>14. Labor Management</li> <li>15. Human Resource Development</li> <li>16. Occupational Safety and Health</li> <li>17. Supply Chain Standards</li> <li>18. Product Quality and Safety</li> <li>19. Process Safety</li> <li>20. Raw Material Price Volatility Risks</li> <li>21. Implementation or Strategic Communication</li> <li>22. Corporate Social Responsibility/Sustainable Development</li> </ol> | <ol style="list-style-type: none"> <li>23. Board Governance</li> <li>24. Shareholder Relations</li> <li>25. Financial Risks</li> <li>26. Anti-corruption</li> <li>27. Legal Compliance and Internal Audit and Control</li> <li>28. Risk Identification and Response Actions</li> <li>29. Economic Slowdown</li> <li>30. Geopolitical Risks</li> <li>31. R&amp;D Technology and Product Innovation</li> <li>32. Information Security</li> </ol> |

### ✓ Assessing the results of the Sustainability Issue Awareness Questionnaire

PBF conducted a comprehensive survey to assess stakeholders' levels of concern on these 32 sustainability issues and compiled the results. The survey results were ranked according to score, from highest to lowest, as shown in the table below:

| Environmental (E)<br>Sustainability Issues,<br>Ranked by Level of Concern                                                                                                                                                                                                                                                                                                                                                                                                                                           | Social (S)<br>Sustainability Issues,<br>Ranked by Level of Concern                                                                                                                                                                                                                                                                            | Governance (G)<br>Sustainability Issues,<br>Ranked by Level of Concern                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. Pressure due to Water and Electricity Shortages<br>13. Disease Outbreak/Health Crisis<br>4. Earthquakes & Fires<br>8. Toxic Chemicals, Wastewater Discharge, and Waste<br>10. Medical Waste Management<br>3. Environmental Impact<br>6. Raw Material Procurement<br>9. Packaging Materials and Waste<br>1. Greenhouse Gas Emissions and Climate Change Strategy<br>2. Product Carbon Footprint<br>11. Opportunities for Renewable Energy<br>12. Opportunities for Green Building<br>7. Biodiversity and Land Use | 14. Labor Management<br>16. Occupational Safety and Health<br>15. Human Resource Development<br>19. Process Safety<br>18. Product Quality and Safety<br>22. Corporate Social Responsibility/Sustainable Development<br>17. Supply Chain Standards<br>20. Raw Material Price Volatility Risks<br>21. Implementation or Strategic Communication | 27. Legal Compliance and Internal Audit and Control<br>28. Risk Identification and Response Actions<br>32. Information Security<br>26. Anti-corruption<br>31. R&D Technology and Product Innovation<br>25. Financial Risks<br>29. Economic Slowdown<br>23. Board Governance<br>24. Shareholder Relations<br>30. Geopolitical Risks |

### ✓ Questionnaire survey on the positive and negative impacts of sustainability issues

The Sustainable Development Committee's taskforces assessed the positive and negative economic, environmental, and corporate governance impacts on a scale of 1–5 points for these 32 sustainability issues. The results rated by various issue-related units were then compiled by the Sustainable Development Committee's taskforces. An example is shown in the table below:

# 00 Stakeholder Engagement and Material Issue Analysis

## (1) Quantifying the impact:

| Material Issue                                       | Environment      |                 |                          |                     |
|------------------------------------------------------|------------------|-----------------|--------------------------|---------------------|
|                                                      | Level of Impact  |                 | Likelihood of Occurrence |                     |
|                                                      | Positive benefit | Negative impact | Positive likelihood      | Negative likelihood |
| Greenhouse Gas Emissions and Climate Change Strategy | 4                | 2               | 4                        | 3                   |

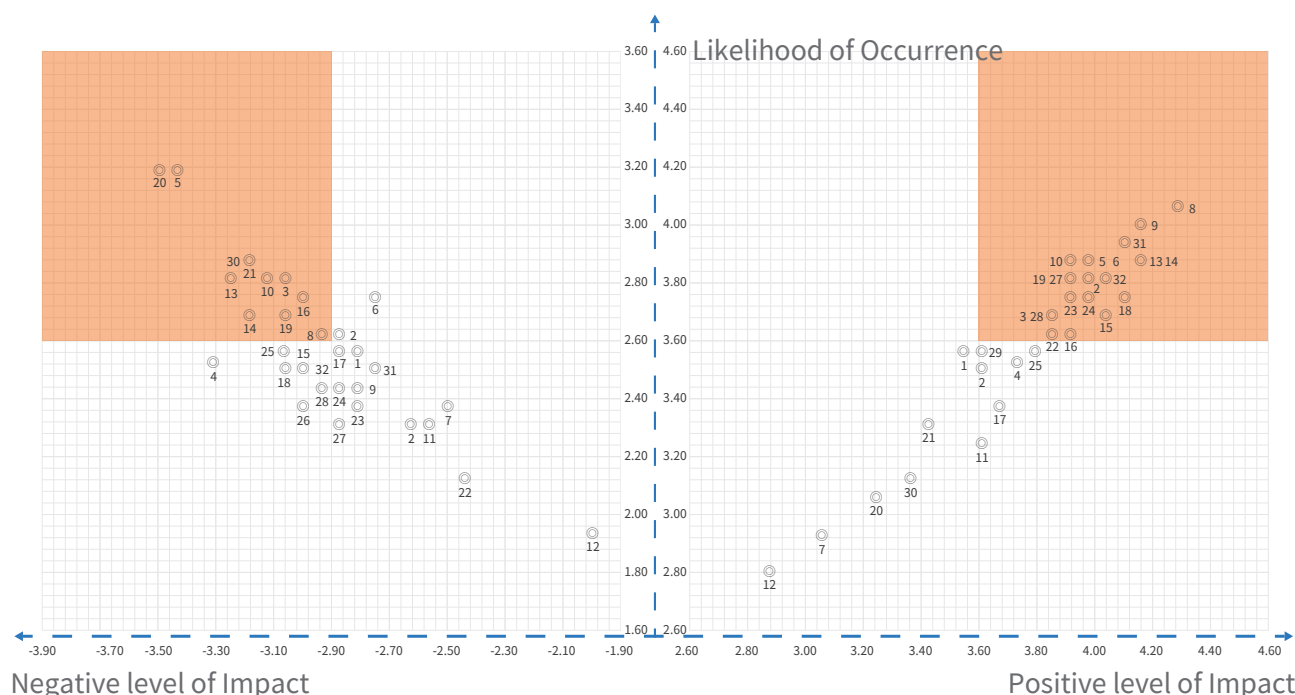
Positive and Negative Impact Quantification Description:

|                                                                 |                                                                                                                                                   |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Level of positive impact (benefit)                              | The level of positive benefit from sustainability issues on PBF's operations and sustainable development (ESG) is rated on a scale of 1–5 points. |
| Actual/potential likelihood of occurrence                       | The likelihood of a positive impact resulting from sustainability issues is rated on a scale of 1–5 points.                                       |
| Level of negative impact                                        | The level of negative impact from sustainability issues on PBF's operations and sustainable development (ESG) is rated on a scale of 1–5 points.  |
| Actual/potential likelihood of occurrence                       | The likelihood of negative impact resulting from sustainability issues is rated on a scale of 1–5 points.                                         |
| Level of impact on PBF's operations and sustainable development | The rank is based on the statistical chart of the level of positive/negative impact and the likelihood of occurrence.                             |

## (2) Impact ranking: The survey results are illustrated in the chart below:

Sustainability issues with higher levels of impact and likelihood of occurrence within each tier are marked in color.

**Fig. 1 Statistical Chart on Level of Impact/Likelihood of Occurrence of PBF's Sustainability Issues 2024**



Note1: The fourth quadrant within the range of the grade is marked as the demarcation point.

1. Greenhouse Gas Emissions and Climate Change Strategy
2. Product Carbon Footprint
3. Environmental Impact
4. Earthquakes & Fires
5. Pressure due to Water and Electricity Shortages
6. Raw Material Procurement
7. Biodiversity and Land Use
8. Toxic Chemicals, Wastewater Discharge, and Waste
9. Packaging Materials and Waste
10. Medical Waste Management
11. Opportunities for Renewable Energy
12. Opportunities for Green Building
13. Disease Outbreak/Health Crisis
14. Labor Management
15. Human Resource Development
16. Occupational Safety and Health

17. Supply Chain Standards
18. Product Quality and Safety
19. Process Safety
20. Raw Material Price Volatility Risks
21. Implementation or Strategic Communication
22. Corporate Social Responsibility/Sustainable Development
23. Board Governance
24. Shareholder Relations
25. Financial Risks
26. Anti-corruption
27. Legal Compliance and Internal Audit and Control
28. Risk Identification and Response Actions
29. Economic Slowdown
30. Geopolitical Risks
31. R&D Technology and Product Innovation
32. Information Security

# 00 Stakeholder Engagement and Material Issue Analysis

After reviewing the quantitative results and making appropriate adjustments based on recommendations from the management team, the Sustainable Development Committee’s taskforces selected 14 medium- and high-impact sustainability issues as material topics for the year. The results were then submitted to the Sustainable Development Committee and the Board of Directors for approval. Material topics that were comprehensively assessed and compiled are as follows:

| Compilation of Environmental (E) Material Topics                                                                                                                                                                                                                                                                                                                                       | Compilation of Social (S) Material Topics                                                                                                                                                                                                                  | Compilation of Corporate Governance (G) Material Topics                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Greenhouse Gas Management and Climate Change Strategy</li> <li>• Pressure due to Water and Electricity Shortages</li> <li>• Raw Material Procurement (including Supply Chain Management)</li> <li>• Toxic Chemicals, Wastewater Discharge, and Waste</li> <li>• Packaging Materials and Waste (including Medical Waste Management)</li> </ul> | <ul style="list-style-type: none"> <li>• Labor Management (including Employee Safety and Health)</li> <li>• Human Resource Development</li> <li>• Product Quality and Safety</li> <li>• Corporate Social Responsibility/Sustainable Development</li> </ul> | <ul style="list-style-type: none"> <li>• Board Governance (including Implementation or Strategic Communication)</li> <li>• Legal Compliance and Internal Audit and Control (including Anti-corruption)</li> <li>• R&amp;D Technology and Product Innovation</li> <li>• Risk Identification and Response Actions (including Financial Risks, Raw Material Price Volatility Risks, and Earthquakes and Fires)</li> <li>• Information Security</li> </ul> |

A total of 14 material topics were identified for 2024, which is one more material topic than in 2023, due to the addition of the “Risk Identification and Response Actions” topic. The significance of these 14 material topics to PBF is as follows:

## Material Topic Impact Evaluation

| Material Topics                                       | Description                                                                                                                                                                                                                                                                                                                                                                                    | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                | Positive impact                                                                                                                                                                                                                                                         | Negative impact                                                                                                                                                                                                                                                                    |
| Greenhouse Gas Management and Climate Change Strategy | Greenhouse gas emissions reduction is a global trend for environmental protection. It demonstrates PBF's commitment to health and environmental responsibility and is conducive to enhancing brand reputation and market competitiveness. Greenhouse gas inventory and reporting mechanisms promote energy conservation and emission reduction, which further enhances operational efficiency. | The active adoption of energy efficient equipment, green processes, and carbon management strategies will reduce PBF's operational carbon footprint, enhance business resilience, and address climate risks, allowing PBF to seize opportunities for green procurement. | Without effective strategies for carbon emission control or climate risks, PBF may face potential risks of regulatory restrictions, rising carbon tax, or supply disruptions, which will cause an impact on operational stability and opportunities for international cooperation. |
| Pressure due to Water and Electricity Shortages       | PBF is committed to reducing energy consumption in business operations to achieve the goal of energy conservation and appreciating the earth through energy management that improves the efficiency of manufacturing lines. The specific achievements of energy conservation can also enhance market competitiveness derived from sustainable business operations.                             | The adoption of measures to improve water and electricity efficiency reduces costs and resource consumption, thereby strengthening PBF's corporate image of sustainability.                                                                                             | Water and electricity shortages or uneven distribution of resources can directly affect production schedules and disrupt cold chains, which will impact product quality and delivery time.                                                                                         |

# 00 Stakeholder Engagement and Material Issue Analysis

| Material Topics                                 | Description                                                                                                                                                                                                                                                                                                    | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                                                                                                                                                                                                                                                                                                                | Positive impact                                                                                                                                                                                                                           | Negative impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Raw Material Procurement                        | Priority is given to local and recyclable materials to help reduce products' carbon footprints and actively respond to the demands of the green and eco-friendly markets. By promoting green transformation throughout the supply chain, PBF strengthens supplier management and its reputation in the market. | Establishing a sustainable supply chain management system and introducing supplier evaluation and risk control mechanisms will increase the availability of raw materials to further ensure product quality and reduce operational risks. | Fluctuations in raw material prices, unclear sources, or failure to comply with ESG principles during the procurement process may lead to human rights violations or environmental disputes, which will damage the brand's reputation.                                                                                                                                                                                                                                                                                                    |
| Toxic Chemicals, Wastewater Discharge and Waste | Adopting an environmental management system effectively controls and reduces pollution and waste, enabling PBF to comply with domestic and international regulatory standards and reduce potential risks. Additionally, it promotes a circular economy that will enhance PBF's market position.                | Proper handling of toxic chemicals, wastewater, and waste in accordance with regulations helps prevent environmental pollution, protect the health of employees and the community, and reduce the risks of fines and disputes.            | Improper handling of such items will lead to public health concerns and social unrest, which will damage the public's trust in PBF. In 2024, the Company failed to obtain a permit for the handling of concerned chemical substances (namely, sodium azide) before February 1, 2024, as required. Upon realizing this, PBF promptly applied for the necessary permit and obtained the required documents on August 5, 2024. In the future, PBF will continue to monitor the handling of toxic chemicals, wastewater discharge, and waste. |

| Material Topics               | Description                                                                                                                                                                                                                                                                                        | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                                                                             |                                                                                                                                                 |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                               |                                                                                                                                                                                                                                                                                                    | Positive impact                                                                                                                                                                                                                | Negative impact                                                                                                                                 |
| Packaging Materials and Waste | Introducing green design concepts at all stages of the product lifecycle reduces the environmental impact of packaging and waste, thereby fulfilling the Company's product liability and consumer safety obligations while aligning with consumer expectations for health products.                | Optimizing packaging design, introducing recycled materials, and minimizing excessive packaging serves to reduce environmental burdens and enhance the product's image.                                                        | Medical product packaging made from non-biodegradable waste or incorrect sorting of waste will increase social costs and environmental impacts. |
| Labor Management              | Diverse communication methods and a healthy work environment enhance employee satisfaction and retention rates. This is especially important in the R&D field, which requires highly skilled talent. Creating an inclusive and supportive corporate culture helps attract more outstanding talent. | A comprehensive occupational safety and health system and protection of labor rights improve employee satisfaction, retention rates, and productivity, while strengthening the image of PBF as a socially responsible company. | Occupational accidents, excessive workloads, or labor disputes may result in reputational damage and operational disruptions.                   |
| Human Resource Development    | Based on the ultimate goal of long-term development of employees, PBF cultivates skilled technical talent through comprehensive support mechanisms and talent cultivation planning with an aim to facilitate improvement in core competitiveness.                                                  | Training systems, career planning, and talent cultivation facilitate the transfer of technical knowledge and drive innovation, thereby drawing outstanding talent to PBF.                                                      | Ignoring employee learning and growth will result in talent loss and a decline in the organization's innovation capacity.                       |

# 00 Stakeholder Engagement and Material Issue Analysis

| Material Topics                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                                                               |                                                                                                                                                                                                                  |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Positive impact                                                                                                                                                                                                  | Negative impact                                                                                                                                                                                                  |
| Product Quality and Safety                               | Stringent management of product quality strengthens consumer and industry confidence in PBF, particularly in the pharmaceutical and high-end medical aesthetics markets. Starting from the initial stage of product development, PBF not only imposes strict requirements on drug quality and specifications from the source, but also performs comprehensive and periodic environmental monitoring and risk assessment. This practice minimizes market and legal risks and aims to ensure the efficacy and safety of drugs. | Insistence on high pharmaceutical standards helps build consumer trust and brand value while meeting the requirements of the global market.                                                                      | Failure to maintain quality control may result in drug recalls, loss of trust, and liabilities.                                                                                                                  |
| Corporate Social Responsibility/ Sustainable Development | By adhering to the core sustainability concept of “dedication to building a better society”, PBF hopes to increase brand value and build a better society through continuous efforts.                                                                                                                                                                                                                                                                                                                                        | Engagement in corporate social responsibility activities strengthens connections with stakeholders such as the community, government, and academia, thereby enhancing the overall image and social value of PBF. | Corporate social responsibility practices that lack strategic planning will fall short of stakeholder expectations, which may lead to resource wastage or failure to seize opportunities to create social value. |

| Material Topics                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                                                    |                                                                                                                                                   |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Positive impact                                                                                                                                                                                       | Negative impact                                                                                                                                   |
| Board Governance                                | Enhancing the professionalism and diversity of the Board improves the execution and supervision of PBF's operations, which is conducive to the formulation of long-term strategies, especially for decision-making efficiency in new drug R&D and global market competition.                                                                                                                                                                                                                                                                       | Sound corporate governance and strategic communication with senior management help improve the quality of corporate decision making, risk management, and implementation of sustainability practices. | Failure by the Board to actively engage in sustainable governance and transparent communication will affect the confidence of external investors. |
| Legal Compliance and Internal Audit and Control | PBF has established the Procedures for Ethical Management and Guidelines for Conduct, which clearly defines improper gains and unethical behavior, specifies relevant preventive measures, and strictly prohibits personnel from engaging in any illegal or unethical behavior. The Company also prevents unethical behavior through the audit mechanism of the internal audit unit. Strengthening ethical management and risk control while ensuring compliance with regulatory requirements in the industry will help minimize compliance risks. | Robust internal audit and anti-corruption mechanisms reduce operational risks and the possibility of legal disputes, which helps maintain PBF's legitimacy and lay the foundation for sustainability. | Inadequate mechanisms for internal control may lead to incidents involving illegal behavior, fraud, or harm to shareholders' interests.           |

# 00 Stakeholder Engagement and Material Issue Analysis

| Material Topics                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                                                 |                                                                                                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Positive impact                                                                                                                                                    | Negative impact                                                                                                                                                                              |
| R&D Technology and Product Innovation | The conceptual model of PDCA is employed to improve technological innovation across the entire industrial supply chain, enabling rapid response to market demands, particularly in the realm of new product development. By deepening R&D capabilities and integrating upstream and downstream industries for interdisciplinary cooperation, PBF actively expands its presence in domestic and international markets while promoting the integration and innovation of the industrial ecosystem. | A business model centered on innovation helps enhance competitive advantages, expand markets with high value-added products, and elevate the industry's offerings. | R&D investment entails significant costs and runs the risk of innovation failure or intellectual property disputes, which may further affect the Company's finances and resource allocation. |
| Information Security                  | PBF has established a Corporate Governance Team under the Sustainable Development Committee. One of the working groups—the Information Security Team of the Information Department—has implemented six major management measures to improve data security and privacy, thereby enhancing the trust of consumers and partners in PBF and ensuring the sustainable operation of systems.                                                                                                           | Enhancing information security ensures the safety of customer and company data, which helps prevent the leakage of trade secrets as well as damage to trust.       | Information system hacks or data leakage may result in penalties for statutory noncompliance as well as business interruptions and damage to the Company's reputation.                       |

| Material Topics                          | Description                                                                                                                                                                                                                                                                                                                               | Actual/Potential Impact on the Economy, the Environment, and People (Human Rights)                                                        |                                                                                                                                      |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
|                                          |                                                                                                                                                                                                                                                                                                                                           | Positive impact                                                                                                                           | Negative impact                                                                                                                      |
| Risk Identification and Response Actions | In terms of risk management procedures, on November 12, 2024, the Board approved the adoption of the Risk Management Policy and Procedures, aiming to strengthen the risk management system. The policy and procedures include major risk identification, risk analysis, risk monitoring and response, and risk reporting and disclosure. | Systematic mechanisms for risk identification and crisis response help protect operational continuity as well as stakeholders’ interests. | Without sufficient risk monitoring capabilities, PBF will suffer significant losses in the event of disasters or market disruptions. |

# 00 Stakeholder Engagement and Material Issue Analysis

**Scope of Material Topic Impacts** ● Direct Impact ◎ Indirect Impact ○ Business Relationships

| Dimension   | Material Topics                                 | GRI Topic Standards<br>GRI Disclosure Items                               | Corresponding Chapters                  | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|-------------|-------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|             |                                                 |                                                                           |                                         | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Environment | Greenhouse Gas Emissions                        | GRI 305 Emissions(2016)<br>GRI 305-01, GRI 305-02, GRI 305-03, GRI 305-04 | 3.2.2 Greenhouse Gas Management         |                                      | ●                   |                                               | ●         | ●         | ◎     |
|             | Pressure due to Water and Electricity Shortages | GRI 305 Emissions(2016)<br>GRI 305-01, GRI 305-02, GRI 305-03, GRI 305-04 | 3.2.3 Energy Management                 | ●                                    | ●                   | ●                                             | ◎         | ●         | ◎     |
|             | Raw Material Procurement                        | GRI 302 Energy (2016)<br>GRI 302-1, GRI 302-3                             | 2.2.2 Supplier Screening and Management | ●                                    | ●                   | ●                                             | ◎         | ●         |       |
|             | Toxic Chemicals, Wastewater Discharge and Waste | GRI 303 Water and Effluents (2018)<br>GRI 303-3, GRI 303-4, GRI 303-5     | 3.3.1 Water Resource Management         | ◎                                    | ◎                   | ●                                             | ◎         | ●         |       |

| Dimension   | Material Topics               | GRI Topic Standards<br>GRI Disclosure Items                                                  | Corresponding Chapters                        | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|-------------|-------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|             |                               |                                                                                              |                                               | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Environment | Packaging Materials and Waste | GRI 306<br>Waste (2020)<br>GRI 306-1,<br>GRI 306-2,<br>GRI 306-3,<br>GRI 306-4,<br>GRI 306-5 | 3.3.2<br>Waste and Toxic Chemicals Management |                                      |                     | ●                                             | ●         |           |       |

# 00 Stakeholder Engagement and Material Issue Analysis

| Dimension | Material Topics  | GRI Topic Standards<br>GRI Disclosure Items                                                                                                                                                                                                            | Corresponding Chapters          | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|-----------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|           |                  |                                                                                                                                                                                                                                                        |                                 | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Society   | Labor Management | GRI 202 Market Presence (2016)<br>GRI 202-1,<br>GRI 202-2<br>GRI 401 Employment (2016)<br>GRI 401-1,<br>GRI 401-2<br>GRI 403 Occupational Health and Safety (2018)<br>GRI 403-3,<br>GRI 403-4,<br>GRI 403-5,<br>GRI 403-6,<br>GRI 403-9,<br>GRI 403-10 | 3.2.2 Greenhouse Gas Management |                                      | ●                   |                                               | ●         | ●         | ◎     |
|           |                  |                                                                                                                                                                                                                                                        |                                 |                                      |                     |                                               |           |           |       |

| Dimension | Material Topics            | GRI Topic Standards<br>GRI Disclosure Items                                                                                                         | Corresponding Chapters                                                         | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|-----------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|           |                            |                                                                                                                                                     |                                                                                | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Society   | Human Resource Development | GRI 404<br>Training and Education (2016)<br>GRI 404-1,<br>GRI 404-3<br>GRI 405<br>Diversity and Equal Opportunity (2016)<br>GRI 405-1,<br>GRI 405-2 | 4.2<br>Diversification Through Talent Cultivation and Development              | ◎                                    | ◎                   | ◎                                             |           | ●         |       |
|           | Product Quality and Safety | GRI 416<br>Customer Health and Safety (2016)<br>GRI 416-2                                                                                           | 2.3<br>Product Quality and Responsibility<br>2.4<br>Customer Health and Safety | ●                                    | ●                   | ◎                                             |           | ●         |       |

# 00 Stakeholder Engagement and Material Issue Analysis

| Dimension            | Material Topics                                             | GRI Topic Standards<br>GRI Disclosure Items      | Corresponding Chapters                                                                        | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|----------------------|-------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|                      |                                                             |                                                  |                                                                                               | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Corporate Governance | Corporate Social Responsibility/<br>Sustainable Development | Self-defined topic                               | 1.1.3 Sustainable Development Committee                                                       |                                      | ●                   | ●                                             | ◎         | ●         | ◎     |
|                      | Board Governance                                            | GRI 201 Economic Performance (2016)<br>GRI 201-1 | 1.1.2 Board Operations (Director Function Enhancement)<br>1.2 Corporate Operating Performance | ●                                    | ◎                   | ●                                             | ●         | ●         | ◎     |
|                      | Risk Identification and Response Actions                    | GRI 201 Economic Performance (2016)<br>GRI 201-2 | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD)                              | ●                                    | ◎                   | ●                                             | ○         | ●         |       |

| Dimension            | Material Topics                                 | GRI Topic Standards<br>GRI Disclosure Items | Corresponding Chapters                     | Engagement Level and Scope of Impact |                     |                                               |           |           |       |
|----------------------|-------------------------------------------------|---------------------------------------------|--------------------------------------------|--------------------------------------|---------------------|-----------------------------------------------|-----------|-----------|-------|
|                      |                                                 |                                             |                                            | Shareholders and Investors           | Competent Authority | Customers (Patients and Healthcare Personnel) | Suppliers | Employees | Media |
| Corporate Governance | Legal Compliance and Internal Audit and Control | Self-defined topic                          | 1.3.2 Implementation of Ethical Management | ●                                    |                     | ●                                             | ●         | ◎         |       |
|                      | R&D Technology and Product Innovation           | Self-defined topic                          | 2.1 Innovative R&D and Access to Medicines | ●                                    | ◎                   | ●                                             |           | ●         |       |
|                      | Information Security                            | GRI 418 Customer Privacy (2016) GRI 418-1   | 1.4 Information Security Management        | ◎                                    |                     | ●                                             | ●         | ●         |       |

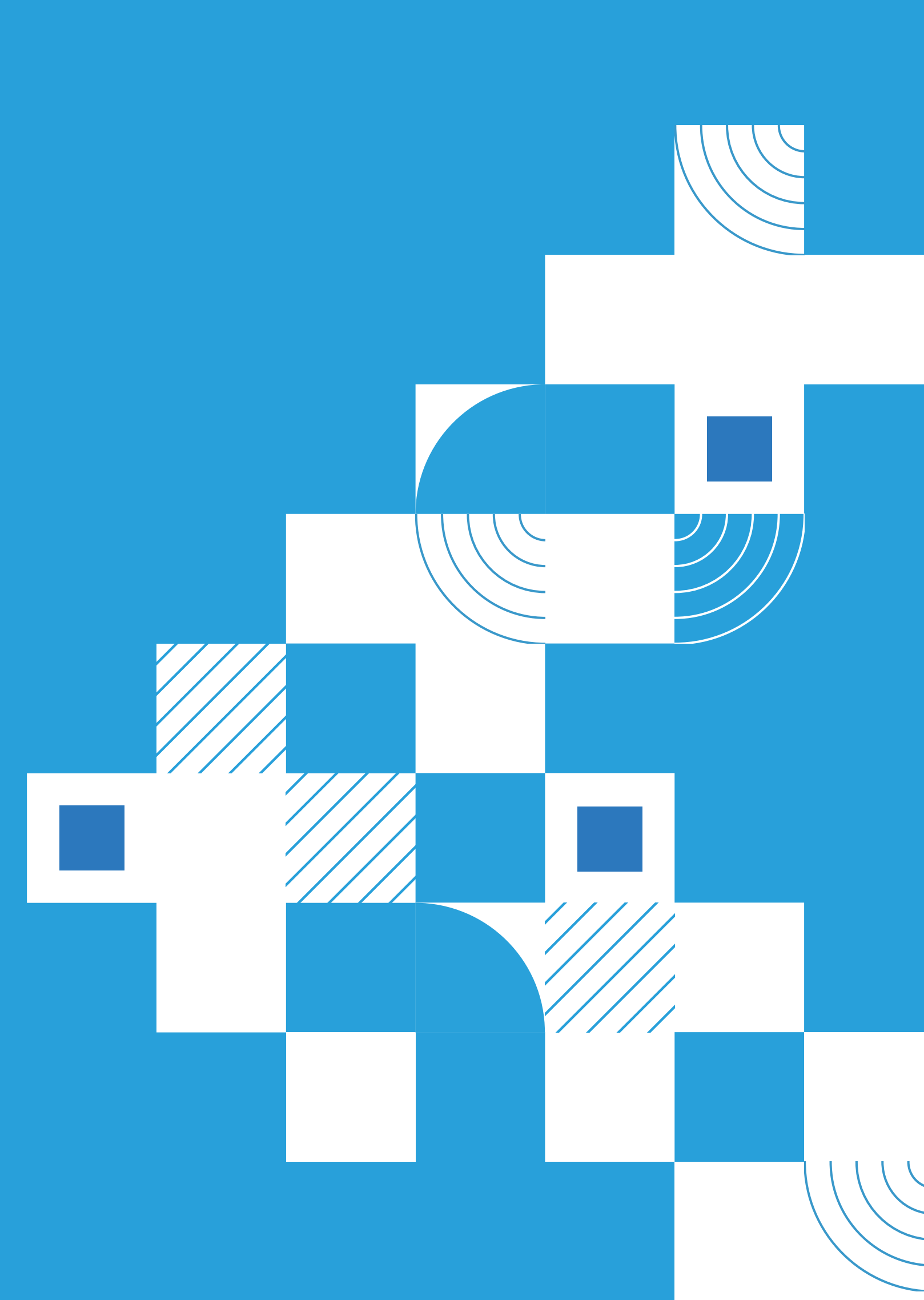
Note: Direct impact refers to the direct positive or negative effects of material topics on stakeholders.

A total of 14 material topics were identified for 2024, which is one more material topic than in 2023, due to the addition of the “Risk Identification and Response Actions” topic. Information is disclosed in accordance with the GRI Standards to ensure a thorough response to stakeholders. The management approaches for each material topic are detailed in the corresponding chapters. For a description of indicators, please see Appendix 1 - GRI Content Index.

# 01

## Corporate Operations and Governance

|                                                               |    |
|---------------------------------------------------------------|----|
| 1.1 Corporate Governance                                      | 41 |
| 1.2 Operational Performance                                   | 62 |
| 1.3 Implementation of Ethical Management and Legal Compliance | 64 |
| 1.4 Information Security Management                           | 69 |



# 01 Corporate Operations and Governance

“A beautiful life for everyone” is PBF’s corporate vision. The Company is committed to incorporating the spirit of professional pharmaceutical manufacturing, innovation, and advancement into everyone’s lives, while continuously introducing new technologies and deepening R&D capability. By integrating upstream and downstream industries, PBF actively expands its presence in domestic and international markets.

| Material Topic                         | Board Governance & Corporate Social Responsibility/Sustainable Development                                                                                                                                                                                                                                                                                       |                                                                                                         |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Policy/<br>Strategy                    | PBF adheres to corporate governance practices and implements them in its business operations. The Company insists on the transparency of operations and information, and emphasizes the rights and interests of stakeholders. A dedicated Sustainable Development Committee has been established to implement the Company’s philosophy of sustainable operation. |                                                                                                         |
| Management<br>Assessment<br>Mechanisms | The establishment of a governance organization and the implementation of internal control mechanisms help achieve the goals of performance enhancement and sustainable development.                                                                                                                                                                              |                                                                                                         |
| Sustainability<br>Indicator            | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                        | Medium- and Long-term Goals                                                                             |
| Board<br>Structure                     | The current board consists of 9 directors, including 3 independent directors (33.33%) and 1 female director (11.11%).                                                                                                                                                                                                                                            | Independent directors and female directors account for at least 45% and 25% of the Board, respectively. |
| Corporate<br>Governance<br>Evaluation  | Ranked among the top 36-50% in the corporate governance evaluation.                                                                                                                                                                                                                                                                                              | Rank among the top 50% in the corporate governance evaluation.                                          |

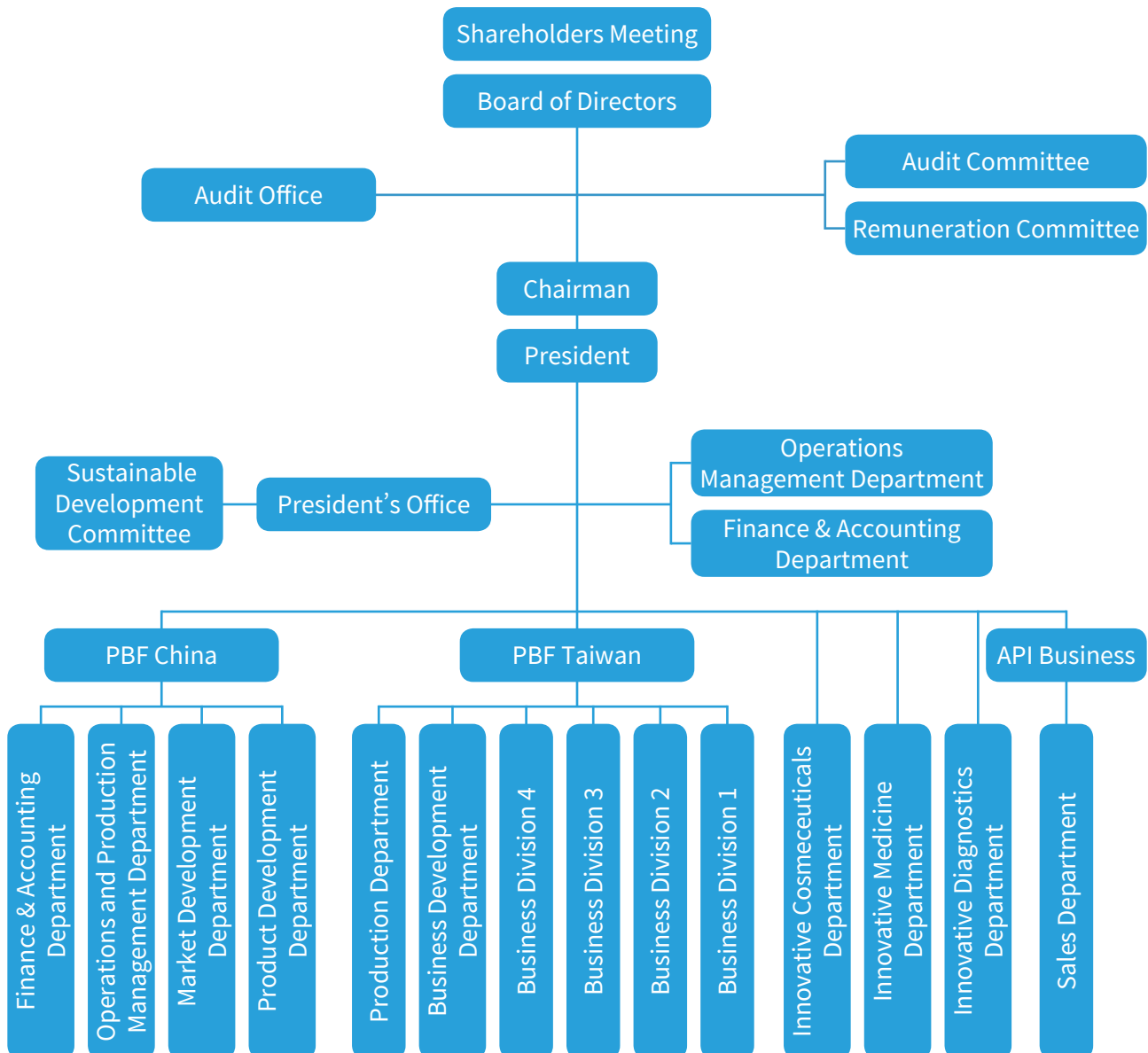
| Material Topic                                       | Legal Compliance and Internal Audit and Control                                                                                                                                                                                                                                                                                                              |                                   |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Policy/<br>Strategy                                  | PBF has established a legal compliance unit to closely monitor the formulation and development of laws and regulations that may impact the Company. The unit has also establish a system to evaluate the Company's compliance with laws, policies, and regulations, and it is responsible for assisting each department in implementing various regulations. |                                   |
| Management<br>Assessment<br>Mechanisms               | The establishment of a governance organization and the implementation of internal control mechanisms will ensure that all personnel and operations of the Company comply with relevant laws and regulations.                                                                                                                                                 |                                   |
| Sustainability<br>Indicator                          | 2024 Evaluation Mechanism and<br>Performance                                                                                                                                                                                                                                                                                                                 | Medium- and Long-term Goals       |
| Corruption<br>incident                               | In 2024, there was no reported violations of corporate governance, anti-corruption, or fair trade laws.                                                                                                                                                                                                                                                      | No corruption incidents reported. |
| Penalty fines<br>issued by<br>competent<br>authority | In 2024, PBF was fined NT\$30,000 for violating environmental protection laws.                                                                                                                                                                                                                                                                               | No penalty fines reported.        |

# 01 Corporate Operations and Governance

| Material Topic                         | Information Security                                                                                                                                                                                                                                                |                                                                                                                         |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Policy/<br>Strategy                    | Maintain the high-availability of the Company's information systems and the security of the information environment; protect trade secrets; and prevent the improper use, disclosure, modification, and destruction of the information system and its data.         |                                                                                                                         |
| Management<br>Assessment<br>Mechanisms | To strengthen the company's information security management and ensure the security of data, systems, and networks, PBF has established the Information Security Team under the Sustainable Development Committee.                                                  |                                                                                                                         |
| Sustainability<br>Indicator            | 2024 Evaluation Mechanism and<br>Performance                                                                                                                                                                                                                        | Medium- and Long-term Goals                                                                                             |
| Information<br>security<br>incident    | In terms of information security for each department in 2024, there were no reports of incidents jeopardizing the information security of the Company, and there were no complaints from external parties that were deemed valid after verification by the Company. | No violation of information security-related laws and regulations, and no occurrence of information security incidents. |
| Corporate<br>Governance<br>Evaluation  | Ranked among the top 36-50% in the corporate governance evaluation.                                                                                                                                                                                                 | Rank among the top 50% in the corporate governance evaluation.                                                          |

## 1.1 Corporate Governance

### ■ 1.1.1 PBF Organizational Structure GRI 2-9



# 01 Corporate Operations and Governance

| Major department                     | Main responsibilities                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Office                         | Audits the Company's internal rules, regulations, and internal control system, and provides suggestions for improvement.                                                                                                                                                                                                                                                                                           |
| President's Office                   | Assist, the President in overseeing the Company's operations, aligning with operational goals, conducting management analysis, directing and supervising the business of each department, issuing meeting notices, preparing related meeting information and documents, and managing intellectual property. In addition, the Sustainable Development Committee is under the supervision of the President's Office. |
| Operations Management Department     | Responsible for legal affairs, stock affairs, document management, human resources development, general affairs, information, material procurement, and supply chain management.                                                                                                                                                                                                                                   |
| Finance and Accounting Department    | Oversees the Company's annual budget allocation, funding utilization and adjustment, accounting, cost management, tax processing, and evaluation of investment transfers; also assists subsidiaries in their financial management.                                                                                                                                                                                 |
| Innovative Diagnostics Department    | Responsible for test reagent market research and analysis, and product development, production control, testing, quality assurance, raw material procurement, and machine maintenance, as well as the warehouse management of test reagents.                                                                                                                                                                       |
| Innovative Medicine Department       | Responsible for the development, analysis, and license management of new drug projects, as well as business involving sports medicine.                                                                                                                                                                                                                                                                             |
| Innovative Cosmeceuticals Department | Responsible for the development of innovative cosmeceuticals and medical devices for aesthetic treatments, including anti-aging cosmeceuticals and non-invasive/minimally-invasive anti-aging cosmeceuticals and medical devices.                                                                                                                                                                                  |

| Major department | Main responsibilities                                                                                                                                                             |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Business     | Responsible for the production and R&D of APIs to provide the parent company and other pharmaceutical companies worldwide with necessary raw materials.                           |
| PBF Taiwan       | Responsible for the production, R&D, sales, import, and export of pharmaceuticals, medical devices, cosmetics, and healthcare products through various channels in Taiwan.        |
| PBF China        | Responsible for the production, R&D, sales, import, and export of medical devices, cosmeceuticals, cosmetics, and healthcare products through various channels in Mainland China. |

### 1.1.2 Operations of Board of Directors (Enhancement of Directors' Competencies) GRI 2-10, GRI 2-12 and GRI 2-13

The shareholders meeting is the highest authority of the Company, whereas the Board of Directors, led by the Chairman of the Board, is responsible for the execution and supervision of the Company's operations in order to enhance the Group's overall operational efficiency and decision-making capability. To strengthen the independence of the Board of Directors, the Company's Board, which consists of nine directors, includes three independent directors. The Chairman of the Board communicates closely with all directors regarding the Company's operational overview and performance in order to implement corporate governance.

The Board of Directors convened seven meetings in 2024 to review and supervise the Company's material decisions regarding economic, social, and environmental issues, aiming to maximize shareholders' benefits and interests. In cases where meeting items involved issues related to the interests of certain directors or the corporations directors represent, the critical content of such issues was explained at that Board meeting. If there was any concern that the Company's interests might be affected, such directors were required to recuse themselves to avoid conflicts of interest; they could not join the discussions and voting, nor could they exercise voting rights on behalf of other directors.

# 01 Corporate Operations and Governance

During their terms of office, the directors communicate and conduct in-depth discussions on the Company's operations and future direction, and they jointly make decisions that significantly impact the organization's growth, performance enhancement, operational development, risk management, and corporate governance, fully utilizing their respective professional skills to guide the Company's management and supervise the Board of Directors.

The members of the Board of Directors are as follows:

| Name              | Title    | Gender | Curriculum Vitae                                                                                                                                                                                                                    |
|-------------------|----------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Li-Chiu Chang     | Chairman | Male   | Master of Insurance, National Chengchi University<br>Chairman of Yuanta Securities Co., Ltd.<br>President of Yuanta Securities Co., Ltd.<br>President of Grand Cathay Securities Corporation                                        |
| Te-Fu Hsieh       | Director | Male   | Bachelor of Pharmacy, Taipei Medical University<br>Chairman of Lumosa Therapeutics Co., Ltd.<br>Director of King Anticancering Biotech Co., Ltd.<br>Director of Taiwan Bio Industry organization                                    |
| Tsung-Ming Chiang | Director | Male   | Bachelor of Pharmacy, Taipei Medical University<br>Manager of Johnson & Johnson Western Medicine Division<br>Sales Director of Bristol-Myers Company                                                                                |
| Chih-Ming Lin     | Director | Male   | Bachelor of Pharmacy, Taipei Medical University<br>Chairman of Panion & BF Biotech Inc.<br>Director of Chung Shan Hospital Pharmacy<br>Director of Chunghua Open Hospital Pharmacy<br>Sales Representative of Bristol-Myers Company |

| Name           | Title                | Gender | Curriculum Vitae                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------|----------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wen-Hung Huang | Director             | Male   | <p>Ph.D. in Social and Administrative Pharmacy, University of Minnesota, USA</p> <p>Master of Pharmacy Administration, University of Minnesota, U.S.A.</p> <p>Department of Pharmacy, National Taiwan University</p> <p>Director, Professor, and Associate Professor of Institute of Health and Welfare Policy, National Yang-Ming University</p> <p>Director-General and Deputy Director-General of the Drug Administration, Ministry of Health and Welfare, Executive Yuan</p> <p>Bureau of Drug and Food Inspection, Ministry of Health and Welfare, Executive Yuan</p> |
| Po-Chuan Chen  | Director             | Male   | <p>Master of Business Administration, Columbia University</p> <p>Bachelor of Business Administration, National Taiwan University</p>                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Jih-Yen Chang  | Independent Director | Male   | <p>Master of Finance, College of Management, National Taiwan University</p> <p>Bachelor of Accountancy, College of Business, National Taipei University</p> <p>President and Director of Deloitte Taiwan</p> <p>Member of Discipline Committee and Business Service Committee, Taipei City CPA Association</p> <p>Director of Taiwan CPA Association and Chairperson of Professional Ethics Committee</p>                                                                                                                                                                  |

# 01 Corporate Operations and Governance

| Name            | Title                | Gender | Curriculum Vitae                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------|----------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chi-Chou Liao   | Independent Director | Male   | <p>Ph.D. and Master of Industrial Pharmacy, St. John's University</p> <p>Bachelor of Pharmacy, Taipei Medical University</p> <p>Advisor of Institute for Biotechnology and Medicine Industry (IBMI)</p> <p>Director-General of the Drug Administration, Ministry of Health and Welfare, Executive Yuan</p> <p>President of the Medical and Pharmaceutical Industry Technology and Development Center</p> <p>Assistant Manager of Biotrust International Corporation</p> <p>President of Taiwan Society of Health-System Pharmacists</p> <p>Director of Pharmacy Department, Chang Gung Memorial Hospital</p> <p>Adjunct Associate Professor of Taipei Medical University, National Cheng Kung University, Chang Gung University, etc.</p> |
| Chin-Hsuan Chen | Independent Director | Female | <p>Ph.D. in Law, National Chengchi University</p> <p>Executive Master of Business Administration, National Chengchi University</p> <p>Research at Stanford University, USA</p> <p>Research at University of Victoria, Canada</p> <p>Legal Affairs Officer and Audit Manager of Taiwan Depository &amp; Clearing Corporation</p> <p>Adjunct Associate Professor of Graduate Program of Law, Department of Law, Central Police University</p> <p>Former Section Chief of Securities and Future Commission, Ministry of Finance</p>                                                                                                                                                                                                          |

Note 1: For more detailed information, please refer to PBF's 2024 Annual Report.

## ■ Board Independence and Diversity GRI 2-10

The current Board consists of nine directors, including three independent directors (33.33%), one director concurrently serving as an employee of the Company (11.11%), and one female director (11.11%). The Company emphasizes the enhancement of Board independence and oversight and aims to achieve a Board composition in which the majority of seats are held by external directors. To enhance the overall quality and oversight functions of the Board, the Company will appoint additional independent directors beyond the minimum required by law and ensure that directors of each gender account for at least 33% of the Board seats. These measures will bring independent and fresh perspectives to the Board while facilitating discussions on Board oversight.

The Company's Corporate Governance Best Practice Principles specify the Board Diversity Policy, which serves as the basis for the selection and appointment of directors. To align with the policy of a diverse board, the Company's Board of Directors consists of members with diverse expertise and work experience, and includes a mix of genders, ages, nationalities, cultures, professional backgrounds and skills, and industry experience. Additionally, the Company makes appropriate adjustments to the diversity policy by considering its operational needs, business model, and development. All Board members have the knowledge, skills, and experience needed to perform their duties, including the capacity to make operational judgments, perform accounting and financial analysis, handle operations and management, and conduct crisis management, as well as industry knowledge, international market perspectives, leadership ability, and the ability to make policy decisions. Stakeholders' opinions are also taken into account, and the Board members fulfill the requirements of diversity and independence, and possess the ability to handle organizational impacts.

The diversity policy and its implementation for the current Board of Directors is described below:

# 01 Corporate Operations and Governance

| Title                | Name              | Gender | Age           |               |               | Concurrently serving as a Company employee | Operational judgement | Management administration | Industry knowledge | Leadership | International market perspective | Finance and accounting | Legal | Crisis management |
|----------------------|-------------------|--------|---------------|---------------|---------------|--------------------------------------------|-----------------------|---------------------------|--------------------|------------|----------------------------------|------------------------|-------|-------------------|
|                      |                   |        | 51<br> <br>60 | 61<br> <br>70 | 71<br> <br>80 |                                            |                       |                           |                    |            |                                  |                        |       |                   |
| Director             | Li-Chiu Chang     | Male   |               |               | V             |                                            | V                     | V                         | V                  | V          | V                                | V                      |       | V                 |
| Director             | Te-Fu Hsieh       | Male   |               |               | V             |                                            | V                     | V                         | V                  | V          | V                                |                        | V     | V                 |
| Director             | Tsung-Ming Chiang | Male   |               |               | V             | V                                          | V                     | V                         | V                  | V          | V                                |                        | V     | V                 |
| Director             | Chih-Ming Lin     | Male   |               |               | V             |                                            | V                     | V                         | V                  | V          | V                                |                        |       | V                 |
| Director             | Wen-Hung Huang    | Male   |               |               | V             |                                            | V                     | V                         | V                  | V          | V                                |                        | V     | V                 |
| Director             | Po-Chuan Chen     | Male   | V             |               |               |                                            | V                     | V                         | V                  | V          | V                                | V                      | V     | V                 |
| Independent Director | Jih-Yen Chang     | Male   |               | V             |               |                                            | V                     | V                         | V                  | V          | V                                | V                      |       | V                 |
| Independent Director | Chi-Chou Liao     | Male   |               |               | V             |                                            | V                     | V                         | V                  | V          | V                                |                        | V     | V                 |
| Independent Director | Chin-Hsuan Chen   | Female |               | V             |               |                                            | V                     | V                         | V                  | V          | V                                |                        | V     | V                 |

## ■ Operation of the Remuneration Committee GRI 2-20

The Company's Remuneration Committee consists of three independent directors and is responsible for assessing and examining whether the Company's internal remuneration system complies with relevant regulations and can attract and retain excellent talent. The Remuneration Committee convened five meetings in 2024, and the members' attendance is listed in the table below:

| Title    | Name            | Frequency of Actual Attendance | Frequency of Proxy Attendance | Actual Attendance Ratio (%) |
|----------|-----------------|--------------------------------|-------------------------------|-----------------------------|
| Convener | Jih-Yen Chang   | 5                              | 0                             | 100                         |
| Member   | Chi-Chou Liao   | 5                              | 0                             | 100                         |
| Member   | Chin-Hsuan Chen | 5                              | 0                             | 100                         |

### **Duties of the Remuneration Committee:**

1. Periodically review the Remuneration Committee Charter and recommend amendments.
2. Establish and periodically review the performance assessment standards; annual and long-term performance goals; and the policies, systems, standards, and structure for the compensation of the Company's directors, independent directors, and managers. Disclose the contents of the performance assessment standards in the annual report.
3. Periodically assess the degree to which performance goals for the Company's directors, independent directors, and managers have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards. The annual report should disclose the results of the individual performance assessments for directors, independent directors, and managers; the relationship between the performance assessment results and the contents and amounts of their individual compensation; and the rationality of the remuneration. This information should also be reported at a shareholders meeting.

Note: For more detailed information on the operations of the Remuneration Committee, please refer to PBF's 2024 Annual Report.

### **■ Remuneration Policy for Directors and Managers GRI 2-19**

1. In accordance with the Company's Regulations Governing the Remuneration of Directors and Independent Directors, the directors' remuneration can be composed of compensation, remuneration, and professional practice fees.
  - (1) Directors' compensation is governed by Article 26-2 of the Company's Articles of Incorporation, which provides that the Company shall grant compensation to directors for the execution of their duties, regardless of whether the Company has a profit or a loss from operations. Directors' compensation is a fixed-amount payment determined based on whether they serve as on functional committees, their participation in Board proceedings, and the value of their contribution to the Company's operations.

Directors' remuneration is governed by Article 26 of the Company's Articles of Incorporation, which provides that if the Company makes a profit for the year,

# 01 Corporate Operations and Governance

after reserving an amount to make up for cumulative losses, the Company shall set aside no more than 5% of the pre-tax income (before deducting employees' and directors' remuneration) as directors' remuneration. The distribution of directors' remuneration is conducted in accordance with the Company's Regulations Governing the Remuneration of Directors and Independent Directors, which takes into account the weights given to directors based on their overall performance, the Company's operational performance, future operations and risks, as well as their participation in the Company's operations and the value of their contribution. The weights are used to formulate recommendations for the distribution of directors' remuneration.

The professional practice fee includes travel expenses and various allowances.

2. Managers' remuneration can be composed of a fixed salary and a variable bonus.
  - (1) The fixed salary is determined by taking into account the manager's educational background, work experience, professional competence, position, the Company's remuneration regulations and other personnel management rules, and by reference to industry standards.
  - (2) The variable bonus is linked to the Company's performance targets. The bonus calculation is based on the results of annual KPIs, including but not limited to the financial targets set for revenue and profitability, as well as non-financial targets.
3. Directors' and managers' remuneration, related performance assessments, and the reasonableness of compensation

The reasonableness of compensation is evaluated and reviewed annually by the Remuneration Committee and the Board of Directors. In addition to personal performance achievement rates and personal contributions to the Company, factors including the Company's overall operational performance (including the achievement of sustainability indicators), future risks and development trends in the industry, actual operating conditions, and relevant laws and regulations are taken into consideration for the timely review of the remuneration system. Additionally, the Company considers current trends in corporate governance to ensure reasonable compensation, striving for a balance between the Company's sustainable operation and risk management.

#### 4. Relevance to operational performance and future risks

- (1) The payment standards and systems under the remuneration policy are reviewed based on the Company's overall operational performance. To enhance the overall organizational efficiency of the Board of Directors and management, payment standards are determined based on personal performance achievement rates and contributions to the Company. In addition, the Company compares the remuneration standards to that of the industry, aiming to ensure competitive remuneration for its management personnel and eventually retaining outstanding management talent.
- (2) The performance goals for the Company's managers usually include risk management. This is to ensure the effective management, prevention, and control of risks within the managers' scope of responsibility. Relevant assessments are conducted based on managers' actual performance, in connection with various human resources policies and remuneration policies. The company's managers make major decisions based on their evaluations of various risk factors, and the results of these decisions are reflected in the Company's profitability. Therefore, management's remuneration is linked to risk management performance.

#### ■ Board Performance Evaluation GRI 2-18

The Company has formulated the Regulations Governing the Board Performance Evaluation, which has been approved by the Board of Directors. The Regulations mandate that internal Board performance evaluations be conducted annually, whereas external evaluations (performed by an independent professional institution or a panel of experts and scholars) must be conducted at least once every 3 years. The scope of the evaluation includes the Board's overall performance, the performance of individual directors, and the performance of functional committees such as the Remuneration Committee and Audit Committee.

# 01 Corporate Operations and Governance

1. External Evaluation: In 2024, the Company appointed the Taipei Foundation of Finance (an external independent professional institution) to evaluate the Board's performance. The evaluation results were submitted to the Board meeting on November 12, 2024, and the external evaluator's recommendations were compiled into an improvement plan to strengthen corporate governance.

| Evaluation Cycle            | Evaluation Period                     | Evaluation Scope                                                                                                                                                                                  | Evaluation Method                                                                                                                                                                                                                                                                                                                                                                           | Evaluation Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| At least once every 3 years | January 1, 2023, to September 3, 2024 | <ol style="list-style-type: none"> <li>1. Board of Directors</li> <li>2. Individual Board members</li> <li>3. Functional committees (i.e., Remuneration Committee and Audit Committee)</li> </ol> | <p>The expert panel first reviewed the relevant assessment documents provided by the Company, then assigned four experts to conduct an onsite evaluation at the Company on October 8, 2024. The onsite evaluation included individual interviews with the Chairman, conveners of functional committees, the President, the Corporate Governance Officer, and the Chief Audit Executive.</p> | <p>In addition to evaluating the seven major aspects of organizational development, this evaluation also incorporated other relevant items for consideration to practically review the operation of the Company's Board.</p> <ol style="list-style-type: none"> <li>1. Protection of shareholders' interests.</li> <li>2. Enhancement of the Board's structure and operations.</li> <li>3. Participation in the Company's operations.</li> <li>4. Improvement of the quality of the Board's decision making.</li> <li>5. Improvement of information transparency.</li> <li>6. Internal control.</li> <li>7. Implementation of sustainable development.</li> <li>8. Other relevant items for consideration.</li> </ol> |

## 2. Internal Evaluation

| Evaluation Cycle     | Evaluation Period                     | Evaluation Scope                                                                                                                          | Evaluation Method                                                                                                                                   | Evaluation Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| At least once a year | January 1, 2024, to December 31, 2024 | 1. Board of Directors<br>2. Individual Board members<br>3. Functional committees<br>4. (i.e., Remuneration Committee and Audit Committee) | Questionnaire surveys were distributed to the Board of Directors, individual board members, and functional committees for internal self-evaluation. | I. The Board's Internal Self-Evaluation<br>1. Participation in the Company's operations.<br>2. Improvement of the quality of the Board's decision making.<br>3. Composition and structure of the Board.<br>4. Election and continuing education of the directors.<br>5. Internal control.<br>6. Overall results: The average score for the self-evaluation of the Board's performance was 4.77. The result demonstrates the effective operation of the Company's board, and the Board's sufficient understanding of the Company, the management team, and the industry, which aligns with the principles of corporate governance. |

# 01 Corporate Operations and Governance

| Evaluation Cycle     | Evaluation Period                     | Evaluation Scope                                                                                                                          | Evaluation Method                                                                                                                                   | Evaluation Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| At least once a year | January 1, 2024, to December 31, 2024 | 1. Board of Directors<br>2. Individual Board members<br>3. Functional committees<br>4. (i.e., Remuneration Committee and Audit Committee) | Questionnaire surveys were distributed to the Board of Directors, individual board members, and functional committees for internal self-evaluation. | II. Board Members' Self-Evaluations<br>1. Alignment with the Company's goals and mission.<br>2. Awareness of the duties of a director.<br>3. Participation in the Company's operations.<br>4. Management of internal relationships and communication.<br>5. The director's professionalism and continuing education.<br>6. Internal control.<br>7. Overall results: The average score for the self-evaluation of Board members' performance was 4.69. The result demonstrates members' valuable contributions to the Board through the provision of suggestions, recommendations, and opinions based on their expertise. |

| Evaluation Cycle     | Evaluation Period                     | Evaluation Scope                                                                                                                          | Evaluation Method                                                                                                                                   | Evaluation Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| At least once a year | January 1, 2024, to December 31, 2024 | 1. Board of Directors<br>2. Individual Board members<br>3. Functional committees<br>4. (i.e., Remuneration Committee and Audit Committee) | Questionnaire surveys were distributed to the Board of Directors, individual board members, and functional committees for internal self-evaluation. | III. Functional Committees' Performance Evaluations<br>1. Participation in the Company's operations.<br>2. Awareness of the duties of the functional committee.<br>3. Improvement of the quality of decisions made by the functional committee.<br>4. Composition of the functional committee and election of its members.<br>5. Internal control.<br>6. Overall results: The average score for the self-evaluation of functional committees 4.81. The Remuneration Committee continues to exercise professionalism, impartiality, and the due care of a good administrator when performing its periodic reviews of directors' and managers' remuneration policies and systems, and it proposes suggestions for the Board of Directors to reference in their decision-making. The Audit Committee provides complete information and carries out effective communication on all major proposals. |

(The above scoring was based on a 5-point scale.)

# 01 Corporate Operations and Governance

3. The performance evaluations of the Board and functional committees and the self-evaluation of Board members were completed in January 2025. The results were submitted to the Board meeting on March 4, 2025, and recorded for future reference, which will serve as a basis for subsequent review and improvement.

## ■ Continuing Training and Education for the Board of Directors GRI 2-17

As required by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEX Listed Companies, it is advisable that newly-appointed directors/supervisors should take a minimum of 12 hours of training during their inaugural year, and a minimum of 6 hours of training per year from the following year onwards.

In 2024, the Board of Directors completed a total of 60 training hours, with each individual director completing at least 6 training hours. In the future, diversified external training and education courses will be arranged for directors' to enhance their expertise, enabling them to faithfully exercise the due care of a good administrator when conducting the Company's business operations, and giving full play to the operational decision-making, leadership and supervisory functions of the Board. The courses attended by directors and training hours in 2024 were as follows:

| No. | Title    | Name          | Date       | Course Title                                                      | Training Institution             | Hours |
|-----|----------|---------------|------------|-------------------------------------------------------------------|----------------------------------|-------|
| 1   | Chairman | Li-Chiu Chang | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application | Securities and Futures Institute | 3     |
|     |          |               | 2024/11/12 | Outlook for the Global Economic Situation in 2025                 | Securities and Futures Institute | 3     |
| 2   | Director | Te-Fu Hsieh   | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application | Securities and Futures Institute | 3     |
|     |          |               | 2024/11/12 | Outlook for the Global Economic Situation in 2025                 | Securities and Futures Institute | 3     |

| No. | Title    | Name           | Date       | Course Title                                                              | Training Institution                    | Hours |
|-----|----------|----------------|------------|---------------------------------------------------------------------------|-----------------------------------------|-------|
| 3   | Chairman | Li-Chiu Chang  | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application         | Securities and Futures Institute        | 3     |
|     |          |                | 2024/11/12 | Outlook for the Global Economic Situation in 2025                         | Securities and Futures Institute        | 3     |
| 4   | Director | Chih-Ming Lin  | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application         | Securities and Futures Institute        | 3     |
|     |          |                | 2024/11/12 | Outlook for the Global Economic Situation in 2025                         | Securities and Futures Institute        | 3     |
| 5   | Director | Wen-Hung Huang | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application         | Securities and Futures Institute        | 3     |
|     |          |                | 2024/11/12 | Outlook for the Global Economic Situation in 2025                         | Securities and Futures Institute        | 3     |
|     |          |                | 2024/12/2  | AI and the Industrial Revolution: Generative AI Systems Based on iFA      | Taiwan Corporate Governance Association | 3     |
|     |          |                | 2024/12/2  | Fresh Perspectives on Overall Business Strategy (The New Nine Strategies) | Taiwan Corporate Governance Association | 3     |
| 6   | Director | Po-Chuan Chen  | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application         | Securities and Futures Institute        | 3     |
|     |          |                | 2024/11/12 | Outlook for the Global Economic Situation in 2025                         | Securities and Futures Institute        | 3     |

# 01 Corporate Operations and Governance

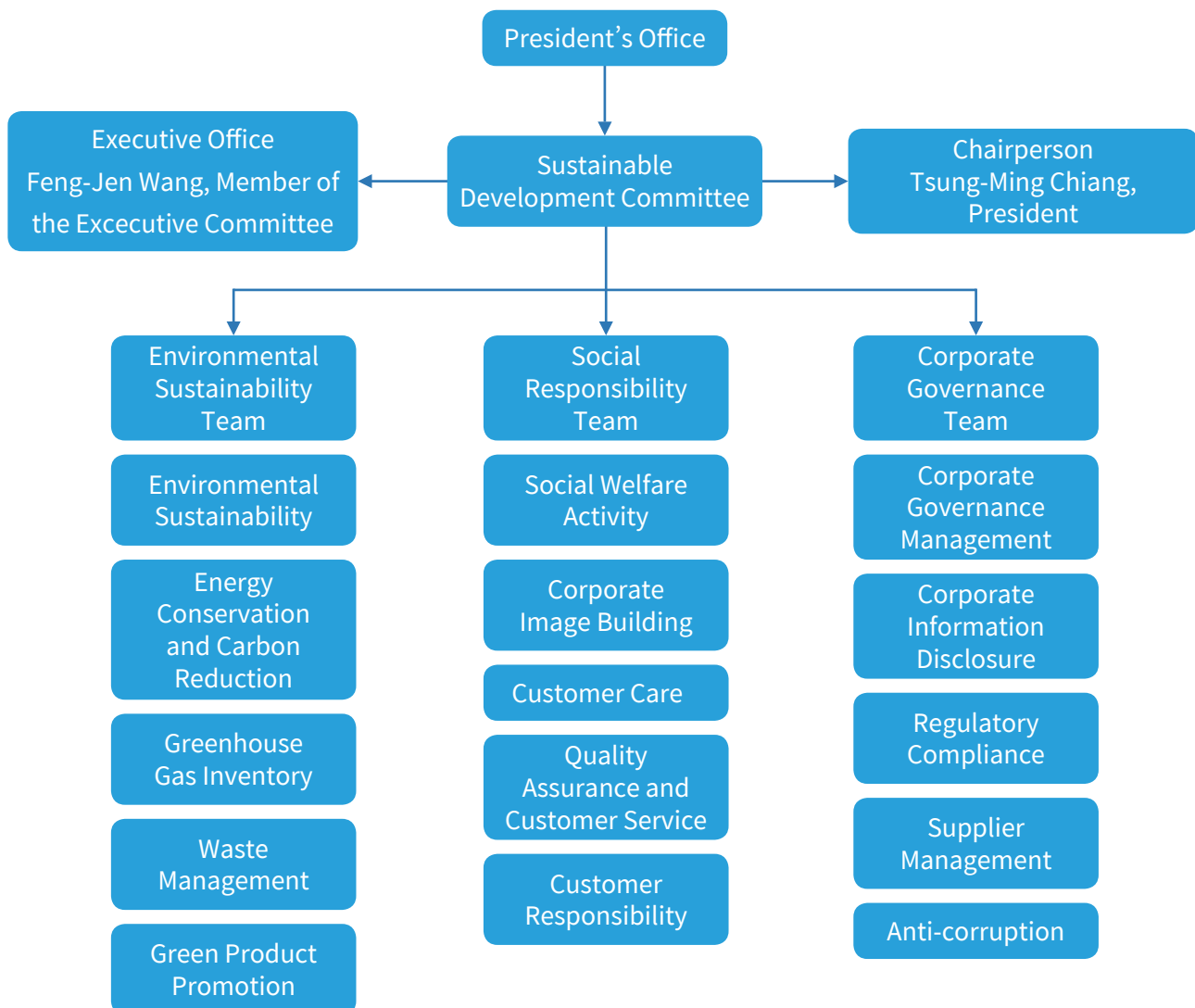
| No. | Title                | Name            | Date       | Course Title                                                      | Training Institution             | Hours |
|-----|----------------------|-----------------|------------|-------------------------------------------------------------------|----------------------------------|-------|
| 7   | Independent Director | Jih-Yen Chang   | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application | Securities and Futures Institute | 3     |
|     |                      |                 | 2024/11/12 | Outlook for the Global Economic Situation in 2025                 | Securities and Futures Institute | 3     |
| 8   | Independent Director | Chi-Chou Liao   | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application | Securities and Futures Institute | 3     |
|     |                      |                 | 2024/11/12 | Outlook for the Global Economic Situation in 2025                 | Securities and Futures Institute | 3     |
| 9   | Independent Director | Chin-Hsuan Chen | 2024/08/13 | Carbon Rights Trading Mechanism and Carbon Management Application | Securities and Futures Institute | 3     |
|     |                      |                 | 2024/11/12 | Outlook for the Global Economic Situation in 2025                 | Securities and Futures Institute | 3     |

## 1.1.3 Sustainable Development Committee GRI 2-14

PBF adheres to the core sustainability concept of “dedication to building a better society”. In addition to upholding this concept as a leader of the health food industry, PBF also hopes to build a better society through continuous efforts.

To promote sustainable management, the PBF President’s Office established a dedicated Sustainable Development Committee following the Board resolution on August 11, 2022. President Tsung-Ming Chiang serves as the chairperson of the Sustainable Development Committee, with Vice President Feng-Jen Wang serving as the executive committee member of the Executive Office to assist in the day-to-day operation of each taskforce and review implementation progress. The projects for sustainable development promotion and implementation progress were submitted to

the Board meeting on November 12, 2024. The Sustainable Development Committee consists of three taskforces: the Environmental Sustainability Team, the Social Responsibility Team, the Risk Management Team, the Corporate Governance Team, the Information Security Team, and the Ethical Management Team. The relevant information in this report was collected by each department and reviewed by the department head before being submitted to the Sustainable Development Committee for information compilation, organization, and internal auditing. The final report was subsequently submitted to the Board of Directors for review and approval before publication.



# 01 Corporate Operations and Governance

## 1. Environmental Sustainability Team

To align with the policy and measures of the Corporate Governance 3.0 – Sustainable Development Blueprint promoted by the Financial Supervisory Commission (FSC), PBF is actively moving toward the goal of corporate management and control for electricity saving, water saving, carbon reduction (implementing carbon inventory and verification operations and progress, with a view to effectively control carbon emissions), and waste, wastewater, and sewage reduction. In terms of product development, the Company will promote the reduction of environmental hormone use and other related surfactants and preservatives (complying with the most stringent standards of the European Union) as a goal. Furthermore, to minimize the use of packaging materials and their environmental impacts, PBF will opt for a simpler design and environmentally friendly materials when designing product packaging in the future.

## 2. Social Responsibility Team

In terms of corporate social responsibility, the Company continues to care for vulnerable groups and residents in remote areas, and it strives to promote the healthy development of the human body, mind, and spirit, and to work toward a society filled with sincerity, kindness, and beauty. The Social Responsibility Team also takes on the responsibilities of establishing a good corporate image, client obligations, customer care, and quality assurance and customer service.

## 3. Corporate Governance Team

In terms of corporate governance, the Company has a Board of Directors who demonstrate robust knowledge and professionalism, as well as independent directors who remain impartial to safeguard the rights and interests of the investing public and shareholders. The Corporate Governance Team is responsible for all matters relating to the Company's regulatory compliance, anti-corruption, supplier management, and governance disclosure.

#### 1.1.4 Membership in External Associations GRI 2-28

The Company actively engages in activities held by industrial associations to acquire new technological knowledge, understand international trends, and maintain interactions and exchanges with organizations in related fields. In 2024, the Company participated in the following external associations:

| Association                                                             | Status |
|-------------------------------------------------------------------------|--------|
| Taiwan BioTech Association                                              | Member |
| Institute for Biotechnology and Medicine Industry (IBMI)                | Member |
| Taiwan Pharmaceutical Manufacture and Development Association (CPMDA)   | Member |
| Taipei Pharmaceutical Business Association (TPBA)                       | Member |
| Taiwan Functional Food Industry Association (TFIA)                      | Member |
| Taipei Fodder and Animal Pharmaceutical Business Association            | Member |
| Chinese Association of Business and Intangible Asset Valuation (CABIAV) | Member |
| Taipei Pharmacists Association (TPA)                                    | Member |
| Taiwan Medical and Biotech Industry Association (PBF Xizhi Plant)       | Member |
| New Taipei City Industrial Association (NTCIA) (PBF Xizhi Plant)        | Member |
| Taoyuan City Industrial Association (TCIA)                              | Member |
| Taoyuan Pharmacist Association                                          | Member |
| Taiwan Animal Medicine and Healthcare Business Association              | Member |
| Taiwan Biotechnology Industry Promotion Association                     | Member |
| Taiwan Pharmaceutical Manufacturer Association                          | Member |
| Taiwan Society of Regulatory Affairs For Medical Products               | Member |
| Taipei Pharmacists Association (TPA)                                    | Member |

# 01 Corporate Operations and Governance

## 1.2 Operational Performance GRI 201-1

In 2024, PBF's consolidated operating revenue reached NT\$2,029,645,000, an increase of NT\$147,770,000 from 2023. The increase was mainly due to a 13% (NT\$176,717,000) growth in revenue compared to 2023, resulting from sales of western medicine preparations, functional health supplements, cosmeceuticals skincare products, and multiplex antigen rapid test reagents produced by the Taiwan business group, as well as API produced by its subsidiary, Cheng Fong Chemical. The increase in revenue led to a corresponding increase in sales and administrative expenses. Additionally, the Company continued to invest in clinical trials of the SDX (US) rapid antigen test reagents for the detection of multiple upper respiratory tract infections, new indications of Nephoxil for the treatment of chronic kidney disease, and R&D of microneedles for cosmeceuticals and minimally invasive products, with an aim to enhance the competitive advantage of the Company's products in the future market and create higher revenue and profitability.

The Company has adopted International Financial Reporting Standards (IFRS), and the major consolidated financial/operating data for the past 3 years are as follows. The Company's financial statements audited and attested by a CPA and the annual report of the shareholders meeting are available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange (<http://mops.twse.com.tw>). The financial statements of subsidiaries are consolidated into the Company's financial statements, but are not included in the Report.

### Statistics on 2024 Direct Economic Value Distributed (Unit: NT\$1000)

|                                                                 |           |
|-----------------------------------------------------------------|-----------|
| A. Direct Economic Value (Operating Revenue)                    | 2,029,645 |
| B. Economic Value Distributed (Total of 1–5)                    | 1,500,629 |
| 1. Operating Cost                                               | 959,373   |
| 2. Employee Remuneration and Benefits (Operating Expenses)      | 329,939   |
| 3. Payments to Investors (Interest Expenses and Cash Dividends) | 143,631   |
| 4. Payments to the Government *Note                             | 55,933    |
| (1) Taiwan                                                      | 49,766    |
| (2) Mainland China                                              | 6,167     |
| 5. Community Investment                                         | 11,753    |
| C. Economic Value Retained (A - B)                              | 529,016   |

Note: In accordance with GRI standards, payments to the government include all types of taxes and fines, with the exception of deferred taxes.

PBF is committed to incorporating the spirit of professional pharmaceutical manufacturing, innovation, and advancement into everyone's lives. Through excellent product R&D capabilities and international PIC/SGMP manufacturing quality standards, PBF strives to achieve the corporate vision of "enjoying a beautiful life to the fullest for everyone". PBF's business sectors include western medicine, APIs, cosmetics, nutritional supplements, infection control (cleaning and disinfection), veterinary products, and testing and diagnostics. With a complete product line, PBF continues to introduce new technologies, deepen our R&D capabilities, and integrate upstream and downstream industries to actively expand our presence in domestic and international markets.

# 01 Corporate Operations and Governance

|                                    |                              |                     | 2022                         |                     | 2023                         |                     | 2024                         |                     |
|------------------------------------|------------------------------|---------------------|------------------------------|---------------------|------------------------------|---------------------|------------------------------|---------------------|
| Product Type                       | Operating Revenue (NT\$1000) | Operating Ratio (%) | Operating Revenue (NT\$1000) | Operating Ratio (%) | Operating Revenue (NT\$1000) | Operating Ratio (%) | Operating Revenue (NT\$1000) | Operating Ratio (%) |
| Pharmaceuticals                    | 719,660                      | 37.85               | 724,221                      | 30.19               | 740,492                      | 39.35               | 789,928                      | 38.92               |
| Food Products                      | 163,910                      | 8.62                | 183,929                      | 7.67                | 295,732                      | 15.71               | 353,319                      | 17.40               |
| Chemical Products                  | 263,391                      | 13.85               | 161,267                      | 6.72                | 219,255                      | 11.65               | 176,472                      | 8.69                |
| Test Reagents                      | 313,144                      | 16.47               | 724,634                      | 30.21               | 80,774                       | 4.29                | 102,846                      | 5.07                |
| Cosmeceuticals and Medical Devices | 4,515                        | 0.24                | 4,769                        | 0.20                | 8,941                        | 0.48                | 8,658                        | 0.43                |
| APIs                               | 116,802                      | 6.15                | 189,909                      | 7.92                | 131,446                      | 6.98                | 164,736                      | 8.12                |
| Milestone Payment                  | ---                          | ---                 | 8,831                        | 0.37                | ---                          | ---                 | 22,350                       | 1.10                |
| Sales Royalties                    | 319,789                      | 16.82               | 401,088                      | 16.72               | 405,235                      | 21.54               | 411,318                      | 20.27               |
| Total                              | 1,901,211                    | 100                 | 2,398,648                    | 100                 | 1,881,875                    | 100                 | 2,029,645                    | 100                 |

## 1.3 Implementation of Ethical Management and Legal Compliance GRI 2-15, GRI 2-16, GRI 2-25, GRI 2-26 and GRI 2-27

### 1.3.1 Dedicated Unit for Ethical Management

To effectively implement ethical corporate management, PBF has designated the Administration Department to be responsible for the promotion of ethical corporate management. The Department assists the Board of Directors and management in formulating and supervising the implementation of ethical management policies and relevant preventive measures, which are customized for each department based on their respective scopes and responsibilities. This aims to ensure the effective enforcement of ethical management guidelines.

Furthermore, to achieve the goals of ethical management and corporate governance as well as to enhance information transparency in response to stakeholders' expectations, the Department also reports to the Board of Directors regarding the implementation status at regular intervals each year. The implementation status for 2024 was reported to the Board of Directors on January 17, 2025.

**The main responsibilities are as follows:**

1. Assisting in incorporating ethics and morality into the Company's business strategy and adopting appropriate prevention measures to curb corruption and malfeasance and ensure ethical management in compliance with the requirements of laws and regulations.
2. Regularly analyzing and assessing the risk of involvement in unethical conduct within the business scope, adopting programs to prevent unethical conduct accordingly, and setting out the standard operating procedures and conduct guidelines relevant to the Company's operations and business in each program.
3. Planning the internal organization, structure, and allocation of responsibilities; establishing check-and-balance mechanisms for mutual supervision of business activities within the business scope with potentially higher risks of unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policies.
5. Developing a whistle-blowing system and ensuring its effective operation.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on regular assessments of compliance with ethical management in operating procedures.

**1.3.2 Implementation of Ethical Management**

PBF established the Ethical Corporate Management Best Practice Principles on April 17, 2015, with the approval of the Board of Directors. In accordance with the Code of Ethical Conduct, the Procedures for Ethical Management and Guidelines for Conduct (disclosed on the corporate website under ESG Sustainability Management → Corporate Governance → Major Internal Policies) has been established to specify

# 01 Corporate Operations and Governance

various improper benefits and breaches of ethics as well as preventive measures to curb such breaches. The Procedures stipulate that the Company's personnel are strictly prohibited from engaging in any unlawful or unethical behaviors and that an audit mechanism carried out by the internal auditing unit is set forth to prevent unethical business activities.

1. PBF's conflict-of-interest policy is stated in the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, and the Procedures for Ethical Management and Guidelines for Conduct. In addition to proactive inspection of the relevant conduct, the Company has set up a dedicated e-mail address for complaints (audit@pbf.com.tw) on the corporate website as a channel to report situations where the rights of employees, customers, suppliers, or other stakeholders are jeopardized. All e-mails received are handled by the Company's Chief Audit Executive. Additionally, PBF has a data confidentiality mechanism in place where the case processing personnel are strictly prohibited from disclosing the facts of the case to others during and after the investigation, and the case is handled and stored according to its confidentiality level. The Company is obligated to protect the confidentiality of whistleblowers, and to prevent retaliation, the Company will not disclose whistleblowers' information, unless otherwise agreed by the whistleblower. No complaint cases were received in 2024.
2. The Company's Administration Department evaluates the risk of unethical behaviors every year and conducts internal control audits to assess and analyze the business activities that are potentially at a higher risk for unethical conduct. The 2023 internal control audit was completed during Q4 in conjunction with the audit work.
3. PBF provides advocacy, education, and training for all employees by compiling important information from the Ethical Corporate Management Best Practice Principles and the Procedures for Handling Material Inside Information into videos and case studies for sharing. This measure aims to remind employees of the items that they should be aware of when executing their duties. Additionally, the ethical management advocacy video is included in the onboarding course for new employees. In 2024, PBF organized internal and external education and training courses related to ethical management (including courses on quality management,

drug safety and inspection, intellectual property rights, accounting system, and internal control audit), and employees accumulated a total of 2,267 training hours.

## Legal Compliance

Although ethical management is the core of PBF's business operations, the Company attaches great importance to legal compliance in all areas. Internal departments are responsible for checking the respective laws and regulations regularly according to their responsibilities to ensure legal compliance, and they must keep abreast of regulatory trends so the Company can respond to the impact of regulatory changes in advance. To help all employees better understand legal compliance issues, the Company disseminates the latest information and trends in laws and regulations through education and training sessions and regular meetings. Employees not only gain information about additions and amendments to laws and regulations, but also have access to legal aid and counseling services provided by legal officers. In addition to internal and occasional external training courses, the Company also invites legal experts to hold internal seminars to strengthen employees' knowledge and competencies in business-related policies and regulations. Additionally, a dedicated legal unit was set up to provide legal advice and assistance for various departments. Relevant training course information and dissemination materials are also available on the corporate intranet to help employees get familiarized with the latest laws and regulation. Through the timely updating of information and operational standards, as well as internal review and implementation, PBF demonstrates its commitment to legal compliance.

In 2023, there was no penalties or fines imposed for violations of corporate governance, anti-corruption, or fair trade laws; no violations of insider trading laws and regulations by managers; and no complaints received from customers about violations of customer privacy.

In cases where fines and penalties imposed due to administrative lawsuits or major events have a significant impact on the Company's operations, relevant information will be disclosed in the ESG Report to achieve balanced reporting and information transparency.

# 01 Corporate Operations and Governance

In 2024, there was no penalties or fines imposed for violations of corporate governance, anti-corruption, or fair trade laws; no violations of insider trading laws and regulations by managers; and no complaints received from customers about violations of customer privacy.

## Major Non-compliance Incidents

Strict compliance with laws and regulations in business operations not only fulfills the Company's social responsibility but is also one of the keys to sustainable management. PBF has established a Legal Compliance Unit to closely monitor the formulation and development of laws and regulations that may impact the Company, thereby ensuring that PBF's products conform to all relevant legal standards. The Unit has also established a system to evaluate the Company's compliance with laws, policies, and regulations, and it is responsible for assisting each department in implementing various regulations. Any administrative lawsuit resulting in cumulative fines or penalties of over NT\$1 million is deemed a major non-compliance incident and disclosed in the ESG Report to achieve balanced reporting and information transparency. In 2023 and 2024, no major non-compliance incidents were reported by PBF.

Although no major non-compliance incidents occurred in 2024, publicly disclosed penalties requiring improvements are as follows: During an inspection conducted by the New Taipei City Department of Environmental Protection on November 11, 2024, it was discovered that the PBF Xizhi Plant had handled the concerned chemical substance sodium azide prior to August 5, 2024, without obtaining the required permit. This resulted in a fine of NT\$30,000.

Upon investigation, it was discovered that the PBF Xizhi Plant had obtained the sodium azide on November 6, 2020, which was before sodium azide was listed as a concerned chemical substance. Subsequent personnel changes resulted in the omission of this substance from the Company's list of controlled substances. The substance was only recorded in the system after an inventory check in June 2024, which is why the plant failed to obtain the required permit before February 1, 2024.

Upon learning of the above situation, PBF immediately applied for the permit as mandated, and it obtained the required documents on August 5, 2024. Since then, the Company has carried out monthly reporting in accordance with the law, and the person responsible for environmental protection has undergone relevant training. The Company will continue to monitor the situation carefully to prevent similar incidents from occurring in the future.

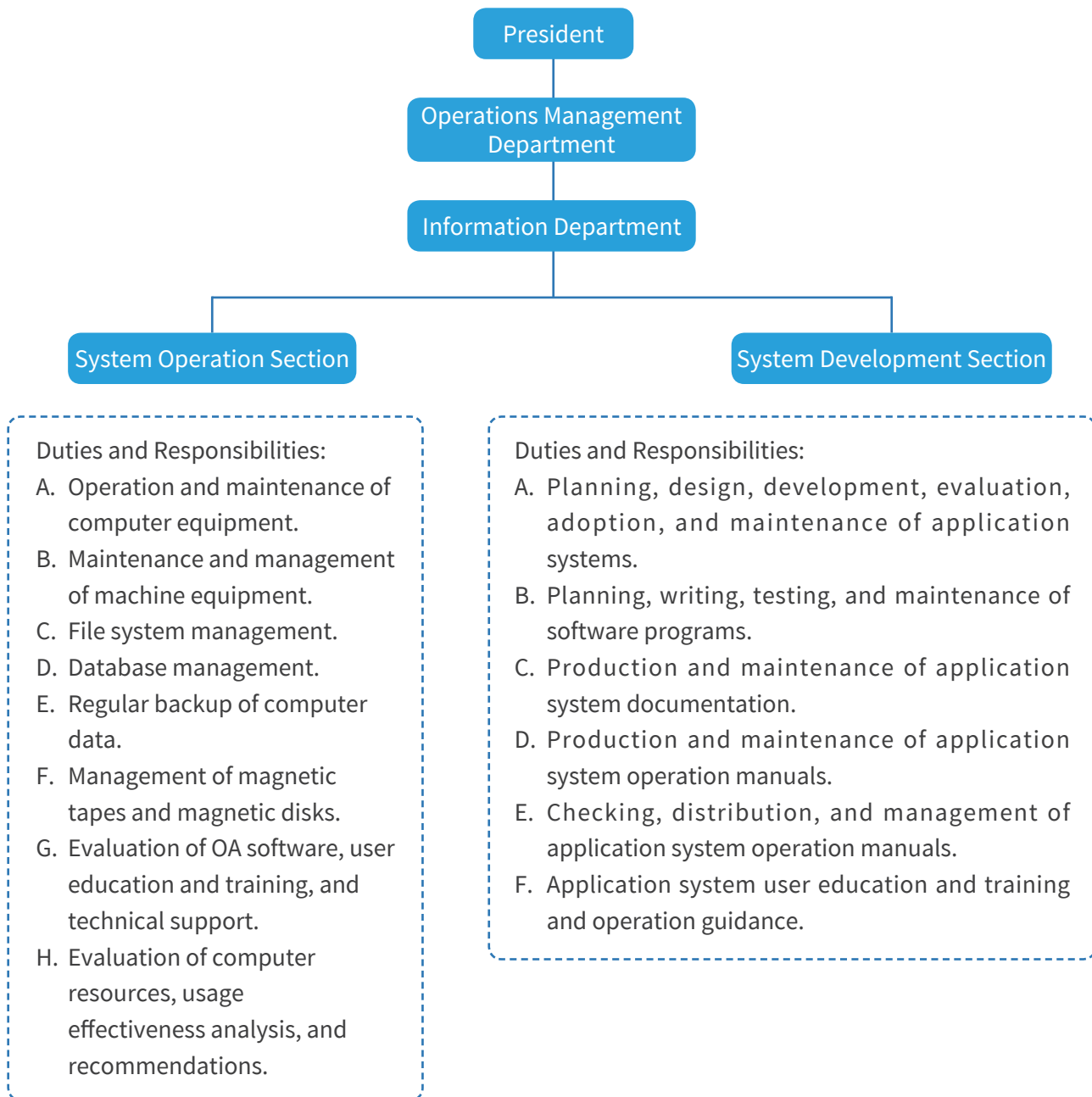
| Type                      | Number of Incidents<br>(Unit: case)                     | Penalty Paid (Unit: NT\$) |
|---------------------------|---------------------------------------------------------|---------------------------|
| Penalty incidents in 2024 | 5<br>(One of which will be cleared in 2025)             | 353,134                   |
| Penalty incidents in 2023 | 8<br>(All payments were made in the year of occurrence) | 155,700                   |

## 1.4 Information Security Management GRI 418-1

To strengthen the Company's information security management and ensure the security of information, systems, and networks, PBF has established the Information Security Team under the Sustainable Development Committee. The Team is headed by the Information Department's chief officer, who is responsible for coordinating, planning, and executing relevant tasks; analyzing information security incidents; and reporting periodically to the Sustainable Development Committee and the Board of Directors on information security related issues and implementation directions.

# 01 Corporate Operations and Governance

1. Under the supervision of the Operations Management Department
2. Number of members: 5



In terms of information security in each department, in 2024, there were no reports of incidents that jeopardized the Company's information security, no complaints from external parties that were deemed valid after verification by the Company, and no complaints made by regulatory authorities. PBF's information security policy and specific management programs are defined by six major dimensions:

| PBF's Information Security Policy         | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Implementation Status in 2024                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Computer equipment security management | <p>(1) The Company's host server and other equipment are placed in a dedicated server room, and registration is required for room access in order to keep records of entry and exits.</p> <p>(2) The server room is equipped with an independent air-conditioning system to ensure that the computer equipment functions at a proper temperature. Additionally, an automatic fire suppression system has been installed and is examined, tested, and maintained by the vendor on a regular basis.</p> <p>(3) The host server is equipped with an uninterruptible power supply system to avoid system crashes caused by unexpected power outages.</p> | <p>(1) Routine tasks completed as required.</p> <p>(2) Completion of the server room temperature monitoring system: A mobile alert will be triggered for excessive heat.</p> <p>(3) Completion of the independent air-conditioning smart system:</p> <ul style="list-style-type: none"> <li>· Automatic timer for turning the air conditioning on/off.</li> <li>· Air conditioning will turn on automatically when the server room temperature is too high.</li> </ul> |

# 01 Corporate Operations and Governance

| PBF's Information Security Policy | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implementation Status in 2024                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Network security management    | <p>(1) Firewall installation: Set up firewall rules for connection to external networks, and adopt intrusion prevention mechanisms to block hackers.</p> <p>(2) Colleagues who wish to access the host system on the corporate intranet from a remote location are required to apply for a VPN account, and can only access the system by logging in through the VPN enhanced authentication system. Additionally, access records are kept for future audits.</p> | <p>(1) Routine firewall configuration.</p> <p>(2) Installation of endpoint protection software (10U): Mainly to prevent hacker attacks and to be primarily installed on computers frequently targeted by hackers.</p> <p>(3) The Company has external systems and is gradually introducing SSL digital certificates to enhance network security.</p> |

| PBF's Information Security Policy       | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implementation Status in 2024                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Anti-virus protection and management | <p>(1) Personal computers and servers: Install licensed antivirus software and enable automatic updates to avoid malware infections and malicious attacks.</p> <p>(2) E-mail servers: Adopt an automatic network defense system and regularly update the relevant defense rules. Scan e-mails before users receive them to avoid unsafe attachments, phishing e-mails, threatening e-mails, malicious links, and spam emails, thereby preventing information security incidents caused by malicious e-mail attacks.</p> | <p>(1) Establish EndPoint Security and set up a unified policy for antivirus protection.</p> <p>(2) According to the standard operating procedures of the AMIS02 Security Information Incident Notification Procedures, an incident can be classified as a green-, yellow-, or red-level information security incident. In 2024, four were a total of three green-level information security incidents reported.</p> |
| 4. System access control                | <p>(1) Account and password management, mandatory password setting rules and mandatory password changes by users on a regular basis. Enhanced authentication required for connection to external servers and periodic verification of account validity.</p>                                                                                                                                                                                                                                                             | <p>(1) Privilege review (annual routine duty, once a year).</p>                                                                                                                                                                                                                                                                                                                                                      |

# 01 Corporate Operations and Governance

| PBF's Information Security Policy | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Implementation Status in 2024                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. System access control          | <p>(2) Employees must submit a system privilege application as required by the Company to access various application systems. Upon approval by the unit director, the Information Department will create an account for the successful applicant and set up the privileges requested so that the user can access the system and information. Additionally, the department conducts regular reviews on the relevancy of the privileges granted.</p> <p>(3) When employees resign or suspend their work, the submitted document must be countersigned by the Information Department, which will enable deletion of their accounts from the system.</p> <p>(4) Computer endpoints and computer information security are able to record and control computer access by employees to avoid data loss or leakage.</p> | <p>(2) Vulnerability scanning assisted by the vendor. The one host associated with extremely high risks was patched or allocated a budget for a system upgrade. The hosts associated with medium or high risks will be fixed to the best of the Company's ability, subject to costs and human resource considerations.</p> <p>(3) Vulnerability scanning will be continuously conducted next year.</p> |

| PBF's Information Security Policy | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implementation Status in 2024                 |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 5. Ensuring system sustainability | <p>(1) Data backup mechanism:<br/>Information system data are backed up daily and securely stored off-site.</p> <p>(2) Disaster recovery exercise:<br/>Annual drills are conducted for the core operating system, setting up a disaster scenario where backup media must be restored to the system host. User units conduct the exercise, and the correctness of the restored data is confirmed by using hard copies to ensure the correctness and validity of the backup media.</p> <p>(3) All subsidiaries and plants have rented data lines from telecommunications providers for backup purposes in addition to their own dedicated lines. This is to ensure uninterrupted network connection.</p> | (1) Disaster recovery exercise (once a year). |

# 01 Corporate Operations and Governance

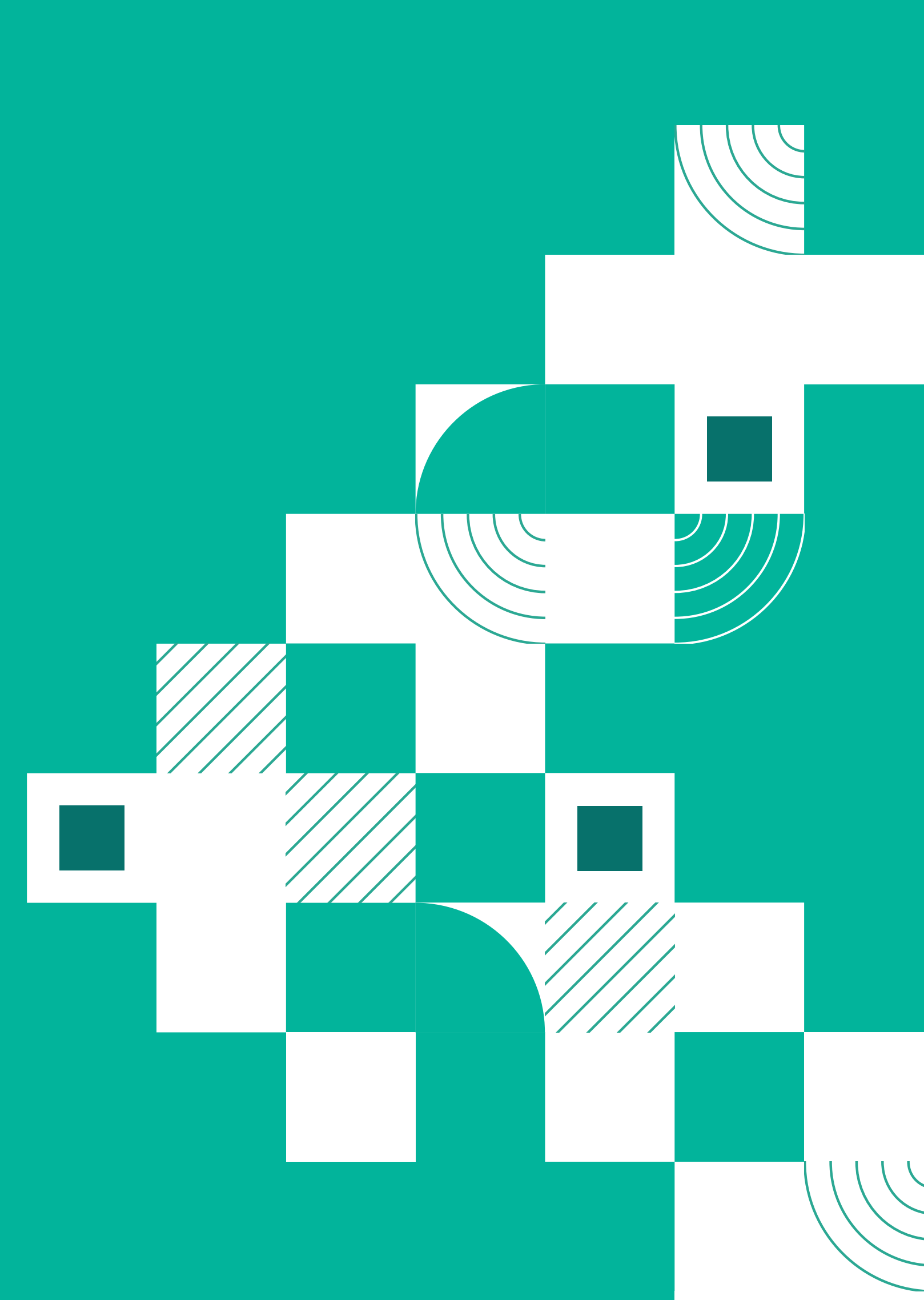
| PBF's Information Security Policy                            | Specific Management Programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Implementation Status in 2024                                                                                                                                                                                                                          |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. Advocacy, education, and training on information security | <p>(1) Conduct regularly information security advocacy for employees and hold education and training on topics including information security policy, information security laws and regulations, and information security operation procedures. This enables employees to learn about the importance of information security and the various possible security risks, thereby raising their information security awareness and complying with information security regulations.</p> <p>(2) Information security case sharing: Share information security cases and related information occasionally.</p> | <p>(1) Completed annual self-inspection of information security.</p> <p>(2) Completed quarterly information security awareness-raising campaigns.</p> <p>(3) Conducted two social engineering exercises.</p> <p>(4) Participated in CYBERSEC 2023.</p> |

| PBF's Information Security Policy                            | Specific Management Programs                                                                                                                                                                                                                                    | Implementation Status in 2024                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. Advocacy, education, and training on information security | (3) Join the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to get access to a consultation channel for information security incidents and collect information on information security for internal dissemination of relevant ideas. | <ul style="list-style-type: none"> <li>(1) Completed annual self-inspection of information security.</li> <li>(2) Completed quarterly information security awareness-raising campaigns.</li> <li>(3) Conducted two social engineering exercises.</li> <li>(4) Participated in CYBERSEC 2023.</li> </ul> |

# 02

## Product Innovation and Customer Security

|                                            |     |
|--------------------------------------------|-----|
| 2.1 Innovative R&D and Access to Medicines | 83  |
| 2.2 Supply Chain Management                | 93  |
| 2.3 Product Quality and Responsibility     | 99  |
| 2.4 Customer Health and Safety             | 102 |



## 02 Product Innovation and Customer Security

| Material Topic                                                                          | Product Quality and Safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                       |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                                                         | PBF's products comply with all government laws and regulations, and the Company has passed PIC/S GMP Standards for pharmaceuticals, ISO 13485 Verification for test reagents, and TQF Verification for food products. Through rigorous quality management, the Company ensures consistent product quality for customers.                                                                                                                                                                     |                                                                                                       |
| Management Assessment Mechanisms                                                        | Internationally recognized as the most stringent pharmaceutical standard, the PIC/S GMP Standards are backed by a complete GMP quality management system that covers management starting from the initial stage of product development. Additionally, the system strictly requires detailed information such as laboratory records of drugs. Comprehensive periodic environmental monitoring and risk assessment are also conducted, with an aim to ensure the efficacy and safety of drugs. |                                                                                                       |
| Sustainability Indicator                                                                | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Medium- and Long-term Goals                                                                           |
| PIC/S GMP Standards of the Food and Drug Administration, Ministry of Health and Welfare | Maintain the PIC/S GMP Standards of the Food and Drug Administration, Ministry of Health and Welfare.<br>In 2024, PBF transitioned from the ISO 22716 Standard for cosmetics verification to the more stringent TFDA GMP Standards.                                                                                                                                                                                                                                                          | Maintain the PIC/S GMP Standards of the Food and Drug Administration, Ministry of Health and Welfare. |

| Material Topic                                  | R&D Technology & Product Innovation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                             |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                 | <p>Competition among domestic and international pharmaceutical companies has grown increasingly intense in recent years; therefore, continuous improvement in pharmaceutical quality, innovative R&amp;D capabilities, and expansion into niche markets are vital for pharmaceutical companies to gain a foothold in the domestic market. The new drug Neproxil® has successively obtained new drug marketing authorizations in various countries. In addition to actively expanding clinical indications, the Company actively seeks opportunities in the upstream API business with an aim to maintain its competitive advantages in terms of costs and supply chain control in response to competition from generic drug makers. Looking ahead, changes in population structure will have a profound impact on the medical, health management, and related sectors. PBF will actively expand into markets related to anti-aging, disease treatment and prevention, etc. based on its primary businesses in pharmaceuticals, precision diagnostics, cosmeceuticals, and health and wellness.</p> |                                                                                                                             |
| Management Assessment Mechanisms                | <p>PBF has built a comprehensive product development platform, comprising a core R&amp;D management team, an external professional consulting team, and an outsourcing team. The platform can be applied to the development of potential technologies and products in the future, which has significantly enhanced the development effectiveness and shortened the development time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                             |
| Sustainability Indicator                        | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Medium- and Long-term Goals                                                                                                 |
| Neproxil, an iconic new drug for kidney disease | <p>Neproxil officially exported to the Thai market.</p> <p>Applications for new drug marketing authorization of Neproxil were successively submitted in various Southeast Asian countries.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Successively obtain new drug marketing authorizations in various countries and actively expand clinical indications.</p> |

## 02 Product Innovation and Customer Security

| Material Topic                                                                                                                  | Raw Material Procurement (including supply chain management)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                                                                                                 | In 2024, the Company maintained positive, cooperative relationships with suppliers. PBF currently sources its major raw materials from at least two suppliers and actively searches for new sources of supply; therefore, no major supply disruption has been reported. In terms of transport, the increased variability of transportation modes, costs, and timing have led to a global mismatch in the supply and demand of APIs, along with continued price increases. The Company has taken immediate action to seek alternative sources of supply and increase the safety stock inventory levels to maintain a normal supply of materials. |                                                                                                                                    |
| Management Assessment Mechanisms                                                                                                | The Supplier Evaluation and Audit Procedures has been formulated to serve as the procedures and operation standards for suppliers and outsourced service providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                    |
| Sustainability Indicator                                                                                                        | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Medium- and Long-term Goals                                                                                                        |
| Local sourcing (Domestic procurement)                                                                                           | The amount of local sourcing (domestic procurement) accounted for 91.42% of the total purchase amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The amount of local sourcing (domestic procurement) accounts for more than 95% of the total purchase amount.                       |
| Inclusion of environmental management and corporate social responsibility requirements in the evaluation and audit of suppliers | In 2024, a total of 21 new suppliers were evaluated; 100% of them passed the evaluation and became qualified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Include environmental management and corporate social responsibility requirements in the evaluation and audit of all new suppliers |

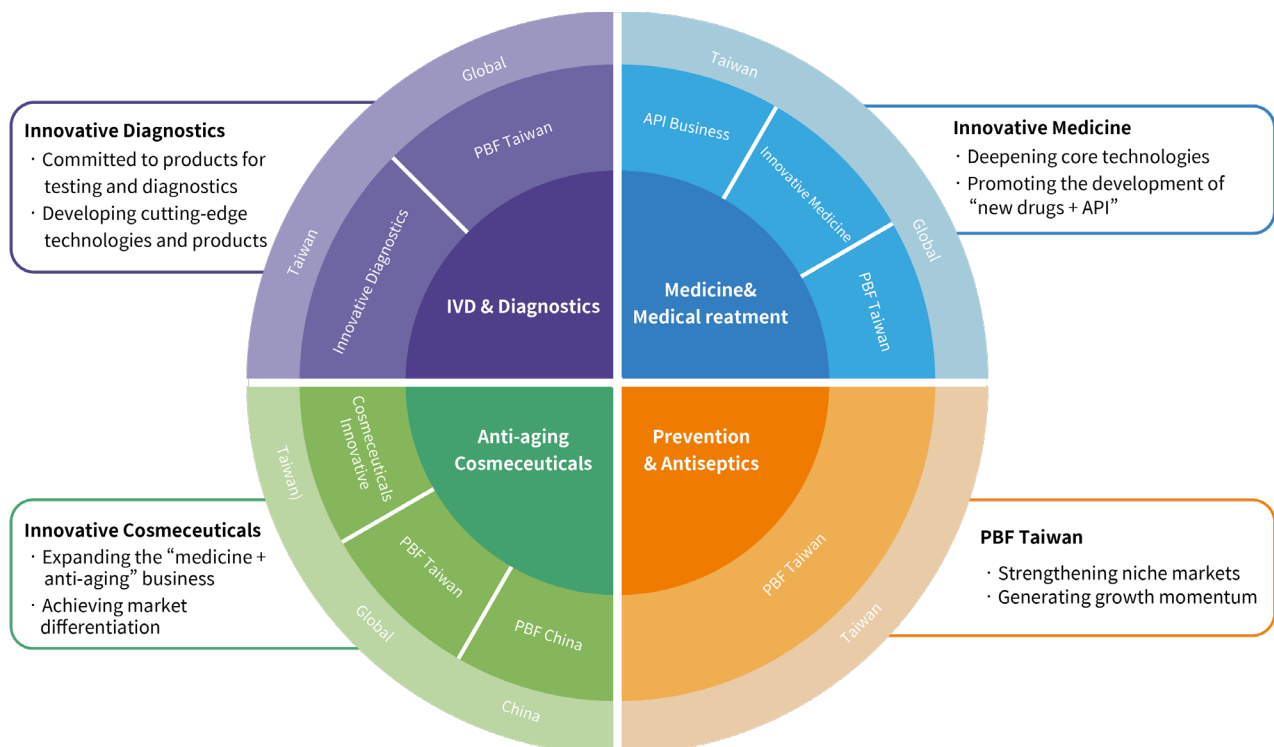
## 2.1 Innovative R&D and Access to Medicines

PBF is committed to incorporating the spirit of professional pharmaceutical manufacturing, innovation, and advancement into everyone's lives. Through excellent product R&D capabilities and international PIC/SGMP manufacturing quality standards, PBF strives to achieve the corporate vision of "Enjoying a Beautiful Life to the Fullest for Everyone".

Looking ahead, in addition to continuing to establish firm footholds in niche markets for stable growth, the Company will focus on the R&D of new dosage forms and new indications for new drug development. Technological innovation and expansion into new markets will enhance the value and competitiveness of PBF's products and contribute to achieving steady growth in operating revenue.

### PBF Corporate Vision

#### "Enjoying a Beautiful Life to the Fullest for Everyone"



## 02 Product Innovation and Customer Security

### Innovative Diagnostics

Committed to products for testing and diagnostics Developing cutting-edge technologies and products

In 2014, the Company established the Testing and Diagnostics Department. Backed by an internal core team and R&D platform, and utilizing an ISO and GMP compliant design control system, PBF emerged as Taiwan's leading developer of immunodiagnostic reagents. The Company exports its products globally, including to Southeast Asia, the Middle East, Latin America, and South Asia, and other regions with high incidence of infectious diseases. In response to market trends such as the increasing incidence of infectious diseases, cancer, and chronic diseases among younger populations, the Company is moving toward the development of testing products.

In terms of product development, the Company completed final testing and verification of the 3-in-1 (Flu A, Flu B, and COVID-19) Antigen Rapid Test Kit and the Pneumococcal Antigen Rapid Test Kit, which passed verification by the Taiwan Food and Drug Administration (TFDA) in 2025. Additionally, the Dengue NS1 Antigen Rapid Test Kit and the Immunological Fecal Occult Blood Test Kit successfully passed TFDA verification in 2024. These test kits not only demonstrate excellent sensitivity and specificity but also contribute to the Company's impressive product portfolio.

Through the application and integration of technology, the Company is optimistic about achieving significant improvements in the efficiency and accuracy of testing as well as streamlining testing procedures. The Company designs products intended for use by healthcare professionals as well as home-use versions to meet the needs of the general public, aiming to provide more accessible and convenient solutions.

### Innovative Medicine

Deepening core technologies Promoting the development of "new drugs + API"

To go beyond the limits of traditional generic drug manufacturers, the Company actively explores new growth opportunities. Since 2001, PBF has invested in global patent applications for the development of new drugs. The Company's first iconic

new drug, Nexophyl®, is a novel aluminum-free and calcium-free phosphate binder designed to treat hyperphosphatemia, a common complication in patients with chronic kidney disease. Thus far, the iconic new drug has successfully obtained new drug permit licenses and marketing authorizations in Taiwan, the United States, Japan, the European Union, South Korea, and Thailand. Since its launch by authorized partners in 2015, sales have continued to grow remarkably, achieving over US\$1 billion in total sales.

The Company also actively seeks opportunities in the API business to maintain its competitive advantages in terms of costs and supply chain control, eventually strengthening its foothold in the market. To achieve the goals of stable API supply, optimized processes, reduced manufacturing costs, and expansion into Asian and global markets, PBF integrates the upstream, midstream, and downstream segments of the biopharmaceutical industry. In 2020, the Company purchased Cheng Fong Chemical Co., Ltd. as a wholly-owned subsidiary. A GMP-certified API manufacturer, Cheng Fong Chemical also manufactures ferric citrate—the API for Nexophyl®. The other products manufactured by Cheng Fong Chemical have also passed verification by the FDA in Taiwan, the FDA in the United States, the CEP in the European Union, and Japan. In the future, Cheng Fong Chemical will focus on process improvement and optimization for existing niche products, such as pseudoephedrine hcl, to achieve yield enhancement and reduce production costs. This will strengthen the Company's competitiveness in the international API market and expand revenue from key products for greater profitability.

Furthermore, the Company's stable cash flows and advancements in clinical research allow it to be involved in the development of new drugs. PBF plans to reach several goals in regulatory compliance, clinical trials, and commercialization between 2025 and 2030. The Company is committed to offering more diverse and efficient treatment options for patients through the development of innovative medicine and an exceptional supply chain while continuously investing efforts across the healthcare market for steady growth and breakthrough progress.

## 02 Product Innovation and Customer Security

### Innovative Cosmeceuticals

#### Expanding the “medicine + anti-aging” business Enhancing the product set

With years of experience in the field of dermatology and the leading R&D technology, PBF has successfully leveraged its advantages as a pharmaceutical manufacturer to successfully establish a range of cosmeceutical brands. The Company has achieved market differentiate by specializing in the development of medical-grade active ingredients and dosage forms, with an emphasis on the validation mechanism, as well as pre- and post-operative care and supportive treatments for cosmetic minimally invasive procedures and hair transplant surgery.

The Company will continue the R&D of cosmeceutical devices and products, focusing on the development of anti-aging and rejuvenating functional products in different categories of non-invasive, semi-invasive, and invasive cosmeceuticals. These include invasive anti-aging products such as PLLA injectable filler for contouring, thread lift, and micro-cannula; semi-invasive rejuvenating microneedle patches; and non-invasive rejuvenating skin care sets that integrate PRP growth factors, dual-effect exosome technology, and multi-molecular hyaluronic acid.

The Company’s innovative business model, based on the core goals of “R&D, raw materials, and OEM”, has successfully attracted collaborations with partners from Taiwan and abroad. By introducing and applying exosome technologies for multiple solutions, the Company has committed to redefining the value of regenerative medicine and enhancing product efficacy. Professional cosmeceutical products help PBF to rapidly increase its market share in both Taiwan and overseas markets while creating an additional income source and seizing new market opportunities in the highly competitive cosmeceutical industry.

## PBF Taiwan

### Strengthening niche markets Generating growth momentum

Since PBF's establishment in 1976, the Company has obtained over 200 licenses for Western pharmaceutical preparations, with an industry specialization in pain management, dermatology, nutritional supplements, nephrology, and urology. The Company aims to create more niche products for the market through core R&D technology focused on controlled-release dosage forms and regulatory science, paired with rapid release technology, oral dissolving film technology, and liquid-filled hard capsule technology.

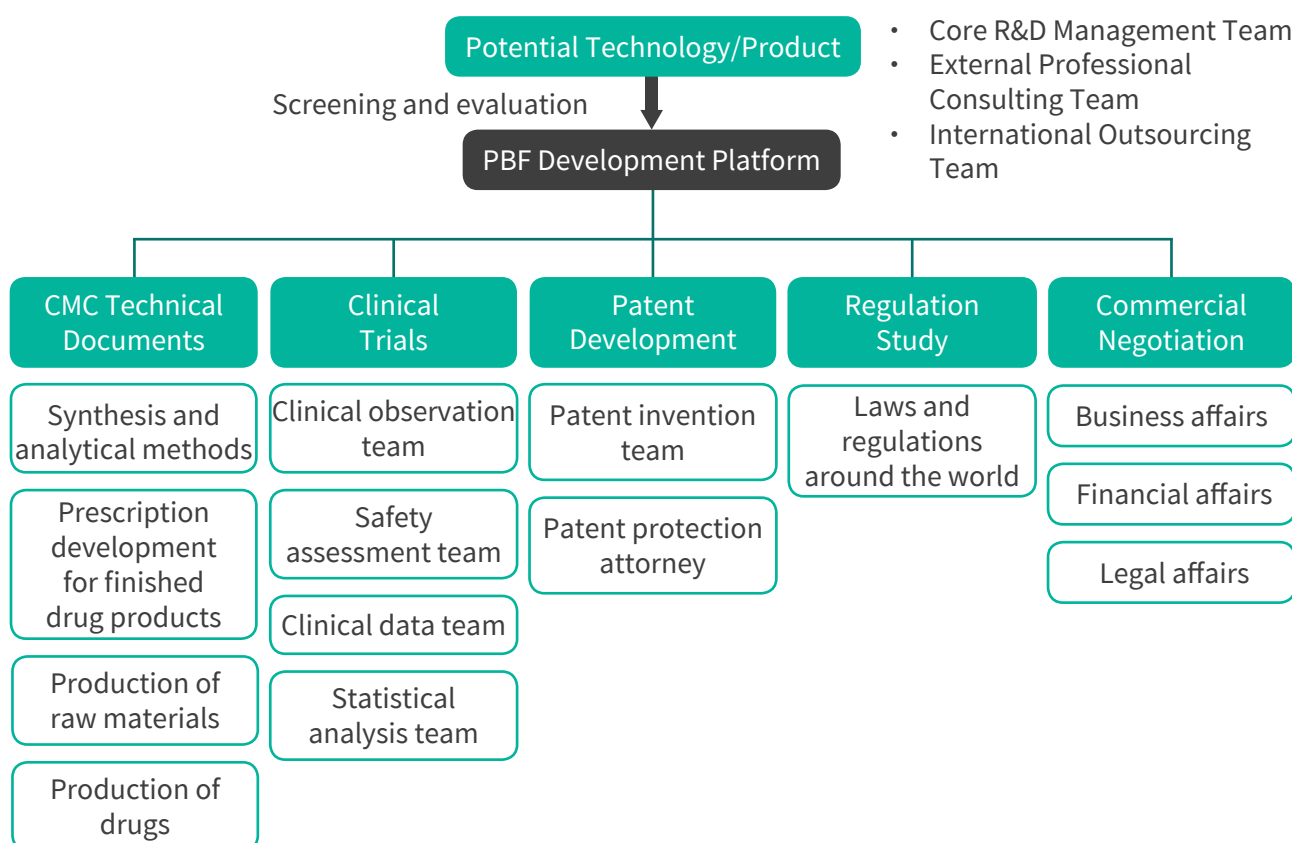
Taiwan's aging population has led to rising demand for long-term care and hygiene supplies for bed-ridden older adults, making them a key market focus. The National Development Council estimated that, by 2025, Taiwan will become a super-aged society, with the proportion of the population aged 65 and older exceeding 20%; furthermore, the older adult population will continue to rise. Leveraging its high market share and expertise in infection control, PBF has advanced the new dosage form of its new drug (skin disinfection kit) developed over the past 5 into clinical trial phase. Once approved, the product will not only satisfy the needs of the long-term care market but also serve as a hygiene and disinfection product for bed-ridden patients in hospitals and patients after aesthetic surgery. This will create a new revenue stream for the Company.

The Company will keep abreast of the trends in infectious disease-related products and promote relevant R&D work, focusing on market opportunities in senior medicine and long-term care medicine and developments in infection control for living environments. While fortifying PBF's successful foundation in Taiwan, the Company will actively gain footholds in foreign markets.

## 02 Product Innovation and Customer Security

With sustainable development as its guiding principle, PBF is dedicated to health, sharing, and care. The Company is committed to the development of health businesses, constant innovation and R&D, and expansion of sales channels, aiming to enhance health and quality of life. PBF offers innovative solutions that address the diverse health needs of people at every stage of their lives. The Company's R&D efforts are invested in four core areas: disease treatment, disease prevention, disease diagnosis, and anti-aging.

PBF has built a comprehensive product development platform, comprising a core R&D management team, an external professional consulting team, and an outsourcing team. The platform can be applied to the development of potential technologies and products in the future, which has significantly enhanced the development effectiveness and shortened the development time.



The R&D expenses invested over the past 4 years are shown in the table below:

Unit: NT\$1000

|                                                 | 2021      | 2022      | 2023      | 2024      |
|-------------------------------------------------|-----------|-----------|-----------|-----------|
| R&D Expenses                                    | 157,711   | 248,496   | 217,041   | 236,881   |
| Operating Revenue                               | 1,901,211 | 2,398,648 | 1,881,875 | 2,029,645 |
| Percentage of R&D expenses to operating revenue | 8.30%     | 10.36%    | 11.53%    | 11.67%    |

In 2024, R&D expenses accounted for approximately 12% of operating revenue, and were primarily allocated to three key development areas: innovative medicine, innovative diagnostics, and innovative cosmeceuticals. The major R&D achievements in 2024 are summarized in the table below:

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024 | <b>New Drugs + API</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|      | <ul style="list-style-type: none"> <li>Submitted the Ferric Citrate DMF (Drug Master File) to the U.S. Food and Drug Administration (FDA).</li> <li>Nephoxil officially exported to the Thai market.</li> <li>Applications for new drug marketing authorization of Nephoxil were successively submitted in various countries in Southeast Asia .</li> <li>AmazLine® Polydioxanone Absorbable Thread obtained the medical device license in Taiwan.</li> <li>PLLA Microsphere (Dermal Filler) completed the pilot study, and conducted interim analysis and reporting for medical device inspection.</li> <li>Vstrip Rapid Test Kit obtained medical device licenses in Taiwan for 3-in-1 (Flu A, Flu B, and COVID-19) Antigen Rapid Test Kit (healthcare professional use), Pneumococcal Antigen Rapid Test Kit, Immunological Fecal Occult Blood Test Kit, and Dengue NS1 Antigen Rapid Test Kit.</li> <li>Vstrip Rapid Test Kit for Flu A and Flu B obtained medical device</li> </ul> |

## 02 Product Innovation and Customer Security

2024

licenses in both Guatemala and Canada.

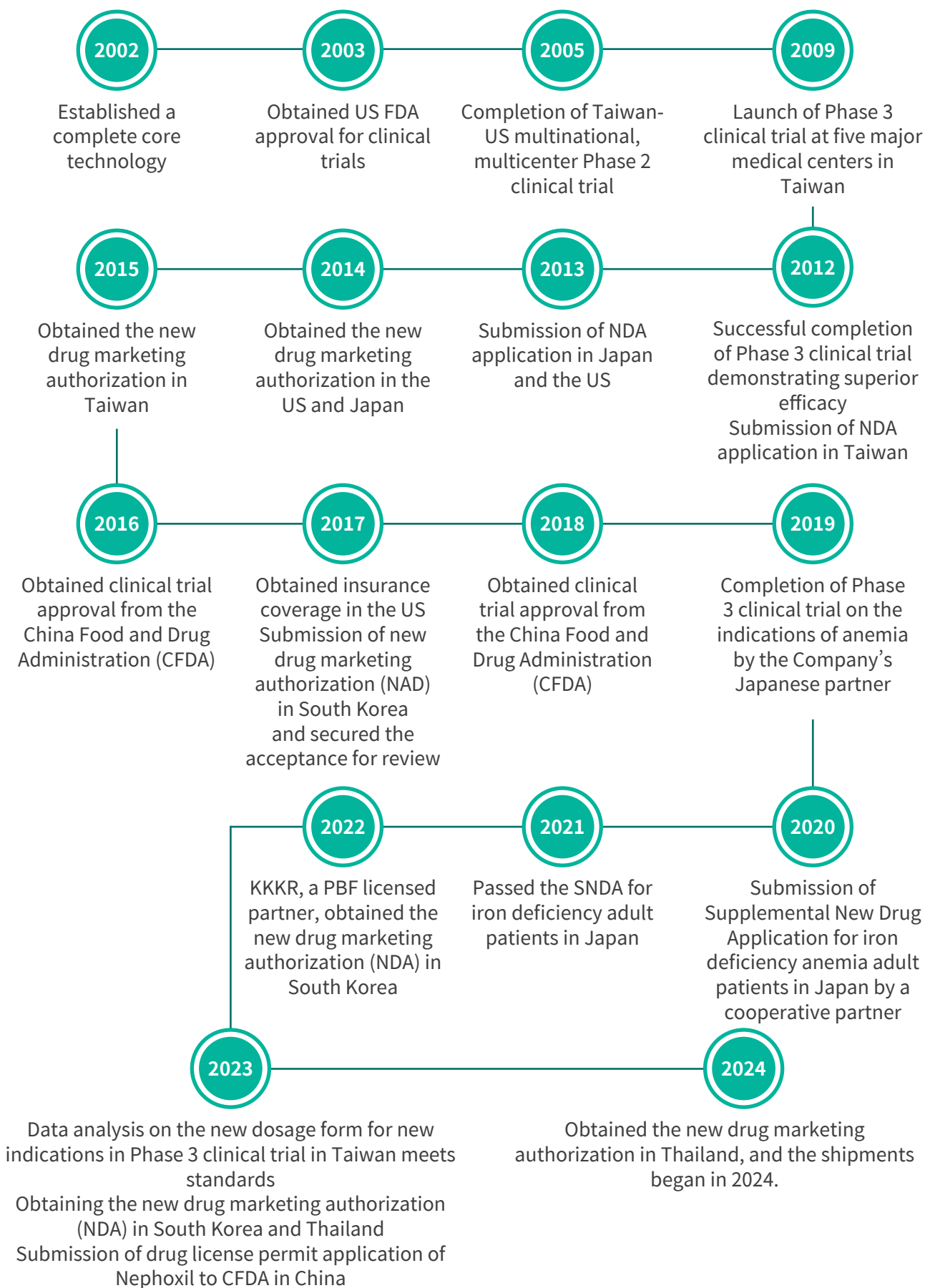
- SureRapid™ 4-in-1 Rapid Antigen Test for COVID-19, Flu A, Flu B, and RSV advanced into a pivotal study in the United States.
- Vstrip 3-in-1 (Flu A, Flu B, and COVID-19) Antigen Rapid Test Kit (home use) advanced into a pivotal study.

### **Other**

- PanRiva Oral Solution (for dementia prevention) obtained the drug permit license in Taiwan.
- Chlorhexidine Gluconate 2% ICU Bathing Kit entered phase I clinical trial.

### **About Neproxil®: A new drug for treating kidney disease**

The Company has been involved in global patent application for the development of new drugs since 2000. With more than 10 years of continuous efforts in developing Neproxil (the Company's first iconic new drug for kidney disease), PBF has granted authorization to the major international markets of Europe, the United States, and Japan. At present, the new drug is marketed in the United States (as Auryxia), Japan (as Riona), Taiwan (as Neproxil) etc. As for the EU market, Akebia completed the authorization work for Aver SAS in December 2022. South Korea and Thailand have passed the NDA application for the approval of new drug importation and marketing in the regions, and China's Neproxil (Neproxil Ferric Citrate 500mg capsule; a pharmaceutical preparation for the treatment of hyperphosphatemia in patients undergoing dialysis for chronic kidney disease) has filed an application for a drug permit license with CFDA. PBF also successfully unblinded the Phase III clinical trial of Neproxil for new dosage forms and new indications in March 2023. Furthermore, PBF plans to apply to the competent authority in Taiwan for the relevant drug permit license and National Health Insurance coverage. PBF also obtained the new drug marketing authorization in Thailand in 2023, and shipments began in 2024. The aforementioned R&D achievements reveal that the Company has made progressive development in planning both the profitability and the life cycle of the main product Neproxil as well as deployment for the global market. Looking ahead, the Company will focus on the integration of API – ferric citrate to achieve the goal of revenue diversification.



## 02 Product Innovation and Customer Security

### About hyperphosphatemia :

Due to impaired kidney function or even kidney failure, patients with end-stage kidney disease fail to excrete the phosphorus absorbed from daily food intake via their kidneys, and cannot fully excrete it even with dialysis. Consequently, more than 80% of patients undergoing dialysis suffer from hyperphosphatemia, resulting in several conditions such as renal osteodystrophy and cardiovascular and soft tissue calcification, which in turn lead to cardiovascular diseases. Existing research has pointed out that patients with kidney disease who have higher levels of phosphorus in their blood have relatively high rates of disease contraction and mortality. According to statistics, the rate of mortality due to cardiovascular diseases among the dialysis population is as high as 50%, therefore dialysis patients must rely on the use of phosphorus binders to stabilize and control phosphorus levels in their blood, and they must closely monitor their bodies' calcium–phosphorus balance. Additionally, anemia is also a risk factor for death in patients with non-dialysis dependent chronic kidney disease (NDD-CKD), with most of them requiring injections of intravenous iron (IV iron) and erythropoiesis stimulating agent (ESA).

### Market Opportunity

Nephoxil is a patented new drug successfully invented by PBF through more than 10 years of clinical experience. The main active ingredient is pharmaceutical-grade ferric citrate coordination complex, which is the latest generation of iron-based phosphate binders free from calcium, aluminum, and heavy metals. It can reduce the absorption of phosphorus in the intestine to lower blood phosphorus levels, and is used to treat not only the hyperphosphatemia commonly found among patients undergoing dialysis for chronic kidney disease.

Phosphorus binders are a fast-growing emerging pharmaceutical market. According to Fortune Business Insights, the global market of hyperphosphatemia treatment reached approximately US\$1.23 billion in 2022 and is expected to grow from US\$1.31 billion in 2023 to US\$2.28 billion in 2030. The market is forecast to grow at a compound annual growth rate (CAGR) of 8.2% between 2023 and 2030. Data from the International Society of Nephrology (ISN) reveal that chronic kidney disease affects more than 10% of the global population, particularly older adults and those with hypertension and diabetes. Although the quality of dialysis has improved significantly

in recent years, hyperphosphatemia remains a major challenge in the treatment of chronic kidney disease. Nexophil, one of PBF's drugs under development, is expected to be a safe and effective method of controlling serum phosphorus levels, offering a new treatment option for hyperphosphatemia in kidney disease and enhancing comprehensive care for patients with kidney disease.

Additionally, a Health Education Service for Chronic Kidney Disease Patients Suffering from Hyperphosphatemia Hotline (0800-066-789) has been set up for Nexophil®, which is staffed by specialists to provide patients with necessary health knowledge.

## 2.2 Supply Chain Management

### 2.2.1 Industrial Chain Value GRI 2-6

Reviewing PBF's position in the pharmaceutical manufacturing industry supply chain, the upstream and midstream supply chain partners are engaged in the preparation of raw materials (APIs), whereas the downstream is involved in the manufacturing of pharmaceuticals and sales distribution. The pharmaceutical industry in Taiwan is generally located in the downstream supply chain, mostly in the manufacturing and sales of non-BE generics.

#### ■ Pharmaceutical Industry Value Chain



#### Upstream

The upstream supply chain of the pharmaceutical industry is engaged in the manufacturing of pharmaceutical raw materials and the development of new drugs in the upstream of the industrial chain. Raw materials for Western pharmaceuticals include general chemicals, natural plant and animal extracts, microbial strains, fermentation, and tissues and cells of genetically engineered or cell fusion proteins, with general chemicals accounting for the majority of the raw materials. In recent years, due to advancements in biotechnology, biologists have demonstrated many

## 02 Product Innovation and Customer Security

successful examples of gene transfer through tissue culture technology or the genetic engineering of plants or animals to produce drugs. With the maturity of this technology and related applications, gene transfer may become a major breakthrough for pharmaceutical manufacturing technology in the upstream supply chain.

### Midstream

The midstream supply chain of the pharmaceutical manufacturing industry includes the API industry and the Chinese herbal medicine processing industry. The API industry consists of organic chemical synthesis, natural substance extraction and purification, and microbial fermentation or post-fermentation semi-synthesis, with the main process technologies of recycling, extraction, separation, purification, and formulation of pharmaceutical preparations. For the preparation of general chemical products, the main process technologies are complex organic synthesis and separation and purification. Due to the impact of the drug safety incidents, the Food and Drug Administration (FDA) has been actively monitoring the use of APIs by domestic pharmaceutical companies and requires all pharmaceutical preparations to use GMP-certified APIs and complete source registration to ensure the food-grade quality of pharmaceutical raw materials.

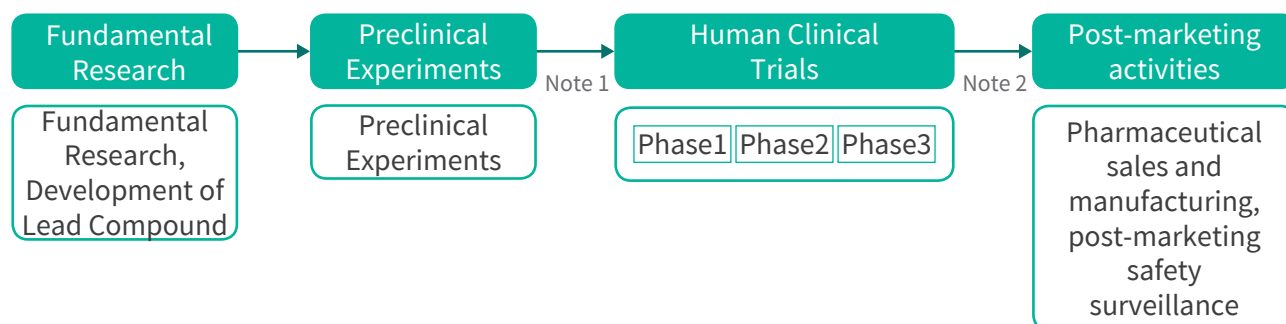
### Downstream

The downstream supply chain of the pharmaceutical manufacturing industry is engaged in the production of Chinese and Western pharmaceutical preparations and the operation of pharmaceutical sales channels. Among the world's top ten pharmaceutical companies, nine of them are located in the U.S. and one is in the U.K. The annual production of the world's largest pharmaceutical company is valued over US\$36 billion. There are nearly 200 pharmaceutical companies in Taiwan, which mainly produce well-known generic drugs and are relatively small-scale compared to the international pharmaceutical companies. In terms of sales and market share, except for a small number of OEM orders from international pharmaceutical companies, Taiwan's pharmaceutical companies mainly generate revenue from domestic sales.

Note : There were no significant changes in the supply chain during the 2024 reporting period.

## ■ New Drug R&D Industry Value Chain for PBF

PBF is the few companies in Taiwan to provide integrated services from front-end R&D to manufacturing to endpoint sales; it is also a leading biotech pharmaceutical company specializing in the development of special dosage forms and new drugs.



Note 1: Obtaining the IND approval to enter clinical trial

Note 2: Obtaining the NDA new drug license permit

## Value Chain of the New Drug R&D Industry

To enhance long-term international competitiveness, PBF has invested in the R&D of new patented drugs. The industrial chain for the development of a new drug can be summarized as follows: the academic research institutes in the upstream first engage in fundamental research for the development of lead compounds before conducting the preclinical experiments, including animal experiments and toxicity tests. Once a new drug with potential therapeutic effects is discovered, researchers will then develop the new drugs on their own or transfer the technology to a biotech or pharmaceutical company in the midstream. The company is only allowed to conduct Phase 1, Phase 2, and Phase 3 human clinical trials with the approval of the Investigational New Drug (IND) application, and may apply the New Drug Application (NDA) from the health authorities to the successfully developed new drugs. After obtaining the NDA drug permit license, the company may market the new drug for sales and hand it to the manufacturers, pharmaceutical distribution companies, and international pharmaceutical companies in the downstream for manufacturing, marketing, and licensing in order to complete the process.

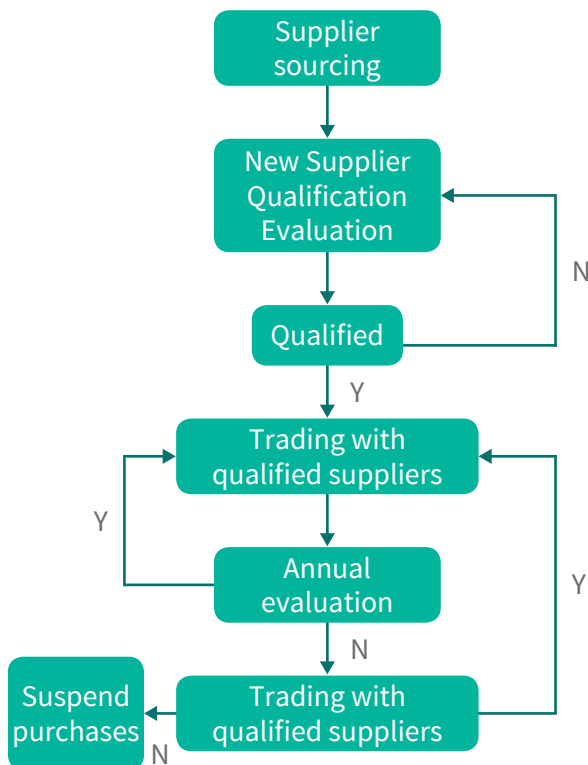
## 02 Product Innovation and Customer Security

### 2.2.2 Screening and Management of Suppliers GRI 308-1 、 GRI 204-1

Since passing the PIC/S GMP Standards in 2012, PBF's pharmaceutical standards have been brought into alignment with international standards through compliance with international safety standards for raw materials, suppliers, management, and manufacturing. Various operational procedures were also strictly implemented to ensure the quality and safety of drugs from the time they leave the plant until patients consume them, thereby safeguarding the safety of medication for every patient.

To ensure that the raw materials and equipment provided by suppliers are in compliance with PBF's principles of appropriate quality control, reasonable price, on-time delivery, and sufficient quantity, the Company has formulated the Supplier Evaluation and Audit Procedures, which also serves as the procedures and operation standards for suppliers and outsourced service providers. Additionally, the Company conducts regular and occasional on-site inspections or written evaluations of suppliers in accordance with the Procedures every year and completes an annual evaluation report on each supplier. If any deficiencies are found during the period, the Company may request suppliers to make improvements in a timely manner or terminate the transaction, depending on the severity of the case.

## Supplier Management Process



Evaluation items include

1. Basic information
2. Organization and personnel
3. Environment and plant facilities
4. Manufacturing
5. Documentation management
6. Storage
7. Laboratory
8. Quality system

A qualified supplier of important finished drug products (including imported finished drug products), APIs, or primary packaging materials is required to sign the Quality Assurance Agreement during the initial purchase.

In 2024, a total of 21 new suppliers were evaluated; 100% of them passed the evaluation and became qualified.

Furthermore, the conditions in the cooperation agreement signed between PBF and its suppliers stipulate that PBF may terminate the cooperation at any time if the supplier violates the corporate social responsibility policy of integrity and ethical obligations. To protect the public welfare, the agreement also states that PBF may terminate the contract at any time and claim damages if the supplier is found to be engaging in any dishonest behavior.

PBF aims to establish a supply chain that emphasizes environmental protection, social responsibility, labor and human rights, safety and health, and sustainable development. The Company is committed to fulfill its corporate social responsibility

## 02 Product Innovation and Customer Security

and opts for suppliers who uphold the same commitment. As for the periodic evaluations of suppliers, in addition to the existing evaluation items, PBF also added a Supplier ESG Self-Assessment Questionnaire (including questions regarding compliance with environmental requirements, e.g., whether a supplier has passed ISO 14001 environmental management system verification, has established green procurement and resource recycling mechanisms or plans, and has conducted greenhouse gas inventory and relevant verification for its company). In 2023, a total of 21 new suppliers were evaluated; 100% of them passed the evaluation and became qualified.

### Statistics on New Suppliers Evaluation for 2024

|                                      | Statistics on the number of suppliers evaluated by each plant |                         |                |             |            |
|--------------------------------------|---------------------------------------------------------------|-------------------------|----------------|-------------|------------|
|                                      | PBF HQ                                                        | Cheng Fong Dayuan Plant | Pingzhen Plant | Xizhi Plant | Xike Plant |
| Number of suppliers to be evaluated  | 3                                                             | 0                       | 14             | 4           | 0          |
| Actual number of suppliers evaluated | 3                                                             | 0                       | 14             | 4           | 0          |
| Number of unqualified suppliers      | 0                                                             | 0                       | 0              | 0           | 0          |

The sources of supply of raw materials for PBF are categorized into domestic and foreign purchases. Domestic purchases are mainly made through agents or distributors in Taiwan who import raw materials from abroad, whereas foreign purchases are mainly made through foreign traders who import raw materials from abroad. PBF HQ shares the same suppliers with all plants. In 2024, the purchases of imports from foreign suppliers accounted for 91.42% of the total procurement amount.

### Proportion of local suppliers for each plant (calculated based on the purchase amount)

PBF HQ, Pingzhen Plant, Xizhi Test Reagent Plant, and Xizhi Microneedle Plant all belong to Panion & BF Biotech Inc. (PBF), and all plants share the same suppliers. The statistics of the group's purchase amount are as follows:

In 2024, the total purchase amount (in stock) was NT\$454,161,000, and the amount of imported materials procured from foreign suppliers was NT\$38,977,000 (in stock), representing a ratio of 8.58%, whereas local purchases (domestic purchases) accounted for 91.42%.

In 2024, the Company maintained positive, cooperative relationships with suppliers. The major raw materials are currently sourced at least two suppliers, and PBF also actively searches for new sources of supply; therefore, no major supply disruption has been reported. Instead of centralizing the purchase of materials on a single supplier, PBF adopts decentralized purchasing according to the material supply situation.

As a result of geopolitical uncertainty, the Russo-Ukrainian War, and energy supply issues, various raw material manufacturing plants have reduced production or shut down. Additionally, the impact has increased the variability of transportation modes, costs, and timing. All of these factors have led to a mismatch between the supply and demand of APIs and resulted in continuous price increases globally. In response, the Company has taken immediate action to seek alternative sources of supply and increase the safety stock inventory levels, thus maintaining a normal supply of materials.

## 2.3 Product Quality and Responsibility

Internationally recognized as the most stringent pharmaceutical standard, the PIC/S GMP Verification is backed by a complete GMP quality management system that covers even the initial stage of product development. Additionally, the system strictly requires detailed information such as laboratory records of drugs. In addition to the requirements on quality and specifications for raw materials from the

## 02 Product Innovation and Customer Security

source, the competent authority also conducts site inspections and quality control of pharmaceutical plants, as well as comprehensive and periodic environmental monitoring and risk assessment, with an aim to ensure the efficacy and safety of drugs. Due to the government's policy of demanding that pharmaceutical companies pass PIC/S GMP Verification, the entry threshold for pharmaceutical companies has been increasing each year. This will accelerate the consolidation of domestic pharmaceutical companies and in turn foster the development of professionalism in the pharmaceutical industry. Since PBF passed PIC/S GMP Verification in 2012, the Company's pharmaceutical standards have been brought into line with international standards and comply with international safety standards for raw materials, suppliers, management, and manufacturing while demonstrating the pursuit and guarantee of quality.

### 1. Cheng Fong Chemical Co., Ltd., Dayuan Plant

Dayuan Plant obtained GMP Certification in 2007 and has continued to implement PIC/S GMP in the field of APIs. In June 2023, Dayuan Plant passed PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare.

| Audit/Certification History of Dayuan Plant |                                                                                                                                               |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| December 2007                               | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes GMP Standards from the Department of Health, Executive Yuan.                               |
| November 2009                               | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes GMP Standards from the Department of Health, Executive Yuan.                               |
| May 2011                                    | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes GMP Standards from the Department of Health, Executive Yuan.                               |
| February 2014                               | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |

| Audit/Certification History of Dayuan Plant |                                                                                                                                               |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| January<br>2015                             | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |
| October<br>2016                             | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |
| September<br>2017                           | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |
| June<br>2020                                | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |
| June<br>2023                                | Cheng Fong Chemical Co., Ltd., Dayuan Plant passes PIC/S GMP Standards from the Food and Drug Administration, Ministry of Health and Welfare. |

## 2. PBF Pingzhen Plant

Pingzhen Plant has been inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards since September 2022, and is expected to be inspected and certified again in 2025.

## 02 Product Innovation and Customer Security

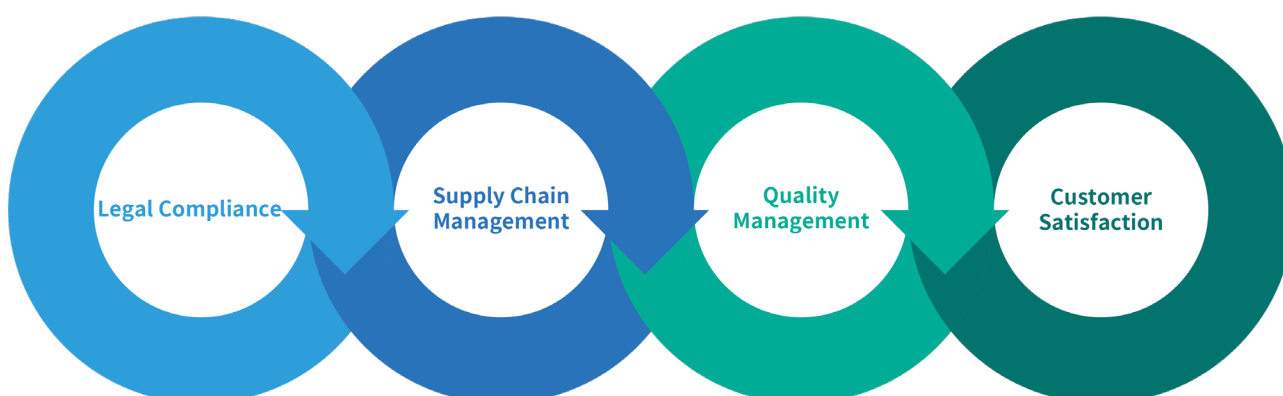
### Passing the PIC/GMP Standards and Drug License Permit – An Internationally Leading Company

|                |                                                                                                                    |
|----------------|--------------------------------------------------------------------------------------------------------------------|
| April 2012     | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |
| June 2014      | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |
| January 2015   | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |
| June 2016      | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |
| June 2019      | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |
| September 2022 | PBF Pingzhen Plant is inspected and certified by the Department of Health, Executive Yuan for PIC/S GMP Standards. |

### 2.4 Customer Health and Safety

PBF's products comply with all government laws and regulations, and the Company has passed PIC/S GMP Standards for pharmaceuticals, ISO 13485 Verification, and TQF Verification for food products. Through rigorous quality management, the Company ensures consistent product quality for customers while assuring that service quality enhances customer satisfaction. 100% of PBF's major products were audited in 2024 in accordance with health and safety regulations, and no violation of customer health and safety regulations or voluntary agreements occurred.

#### Safeguarding Health and Safety of Customers



### 1. Strict Adherence to Governmental Laws and Regulations for Products

PBF is committed to product safety and quality and strictly follows the health and safety regulations set by the government. The Company's products range from pharmaceuticals, cosmetics, and test reagents to food products, which have all passed the corresponding verification criterion at home and abroad. Passing relevant verifications ascertain the safety and efficacy of PBF's products and demonstrate the Company's stringent attitude towards legal compliance.

### 2. Supply Chain Management

Finding the right suppliers is the first and foremost task to ensure the effective execution of purchasing that meets the Company's requirements. Qualified suppliers must meet the requirements of proper quality control, reasonable price, on-time delivery, emphasis on environmental protection, safe and enthusiastic service, etc. PBF has established management policies for suppliers of finished products (including imported products), raw materials and processed materials, outsourced manufacturing plants supplying raw materials and processed materials, and outsourced logistics warehouses.

### 3. Rigorous Management on Quality

PBF adopts a rigorous quality management system to monitor and improve product quality. From the procurement of raw materials to control of the manufacturing process, to the shipment of the final products, each step undergoes stringent quality control and examination to ensure the highest quality standards for each batch of products. PBF's quality control team employs cutting-edge technology and equipment for regular product testing and quality assessments, aiming to ensure product stability and reliability.

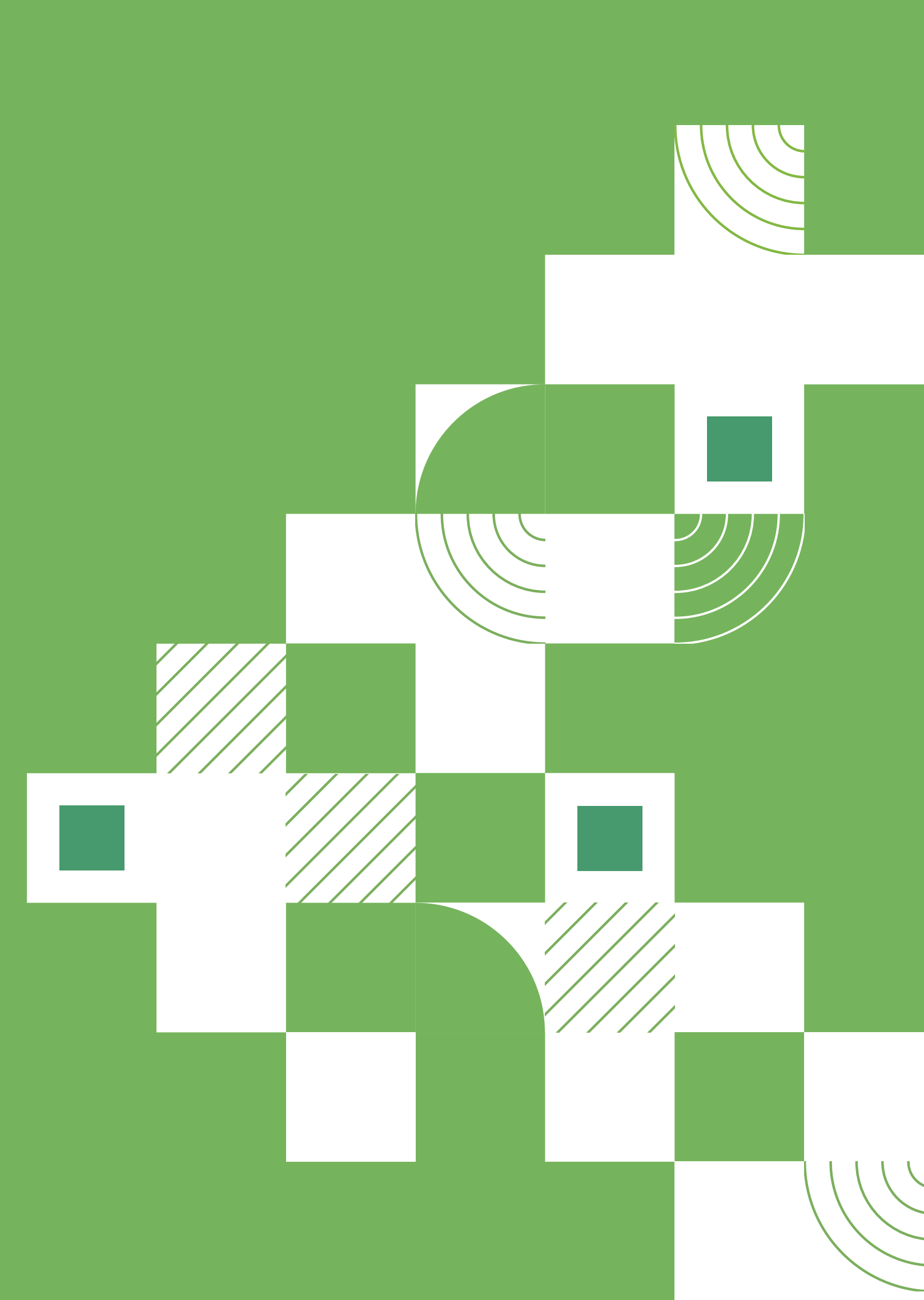
### 4. Customer Service and Satisfaction Enhancement

In addition to focusing on product quality and safety, PBF is also committed to providing excellent customer service by providing professional health advice and product support through customer service specialists. PBF has never stopped listening to customers' opinions and suggestions and improving products and services based on their needs and feedback. In addition, the Company provides transparent product information and user guides to ensure safe and effective product use.

# 03

## Sustainable Environmental Protection

|                                                  |     |
|--------------------------------------------------|-----|
| 3.1 Green Product Design                         | 110 |
| 3.2 Climate Change and Greenhouse Gas Management | 114 |
| 3.3 Environmental Management                     | 123 |



## 03 Sustainable Environmental Protection

| Material Topic                                                                                                                          | Packaging Materials and Waste                                                                                                                                                                                                                                        |                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                                                                                                         | Introduce green design concepts at all stages of the product lifecycle to reduce environmental impact and realize product responsibility and the concept of sustainable development.                                                                                 |                                                                                                                                                                                                          |
| Management Assessment Mechanisms                                                                                                        | Infuse the concepts of plastic reduction, waste reduction, and environmental protection into all stages of the product lifecycle, including product design, R&D, ingredient selection, production processes, packaging, and recycling.                               |                                                                                                                                                                                                          |
| Sustainability Indicator                                                                                                                | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                            | Medium- and Long-term Goals                                                                                                                                                                              |
| Plastic reduction and waste reduction design.<br>Environmentally friendly design.<br>The amount of PCR plastic packaging materials used | Rapid test products adopted designs aimed at plastic and waste reduction.<br>The Company appointed printing companies that use environmentally friendly inks, and increased the use of shared white bottles to improve resource efficiency and inventory management. | Introduce green design concepts at all stages of the product lifecycle.<br>Make plans to switch to PCR plastic packaging and improve product formulas to eliminate controversial environmental hormones. |

| Material Topic                                        | Greenhouse Gas Emissions and Pressure due to Water and Electricity Shortages                                                                                                                                                                                                                                                                             |                                                                                                   |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Policy/Strategy                                       | Greenhouse gas emissions reduction is a global trend for environmental protection. The greenhouse gas inventory results are quantified through a supervision report to promote the control and reduction of greenhouse gas emissions.                                                                                                                    |                                                                                                   |
| Management Assessment Mechanisms                      | Use the ISO 14064-1:2018 standards for greenhouse gas inventory and the quantification of results, then develop a greenhouse gas reduction plan.                                                                                                                                                                                                         |                                                                                                   |
| Sustainability Indicator                              | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                | Medium- and Long-term Goals                                                                       |
| Greenhouse gas intensity from Category 1 + Category 2 | When expressed as greenhouse gas intensity, the total greenhouse gas emissions from Category 1 + Category 2 in 2024 increased by 6.73% compared to 2023. This was primarily due to continued expansion of manufacturing plants (Pingzhen Plant and Cheng Feng Chemical Co., Ltd., Dayuan Plant) in 2024, which led to a rise in electricity consumption. | Reduce greenhouse gas intensity from Category 1 + Category 2 emissions by at least 1.5% per year. |
| Total energy use intensity (EUI)emissions             | In 2024, total EUI decreased by 1.55% compared to 2023.                                                                                                                                                                                                                                                                                                  | Reduce total EUI by at least 0.5% per year.                                                       |

## 03 Sustainable Environmental Protection

| Material Topic                                                                                                                                                    | Risk Identification and Response Actions                                                                                                                                                                            |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                                                                                                                                   | In terms of risk management procedures, the Company adopted the Risk Management Policy and Procedures at the Board meeting on November 12, 2024, to strengthen risk management mechanisms.                          |                                                                                                                                                         |
| Management Assessment Mechanisms                                                                                                                                  | The Company strengthens its risk management mechanisms through major risk identification, risk analysis, risk monitoring and response, risk reporting, and risk disclosure.                                         |                                                                                                                                                         |
| Sustainability Indicator                                                                                                                                          | 2024 Evaluation Mechanism and Performance                                                                                                                                                                           | Medium- and Long-term Goals                                                                                                                             |
| Each functional unit of the Company conducts annual risk assessments and compiles relevant reports. Based on the risks they face, appropriate measures are taken. | The Company established a risk management mechanism to assess and respond to climate change and other risks. Each functional unit assessed, summarized, and then took appropriate measures for the risks they face. | Continuously review the Company's exposure to climate threats, plan response measures in advance, and ultimately achieve the goal of carbon neutrality. |

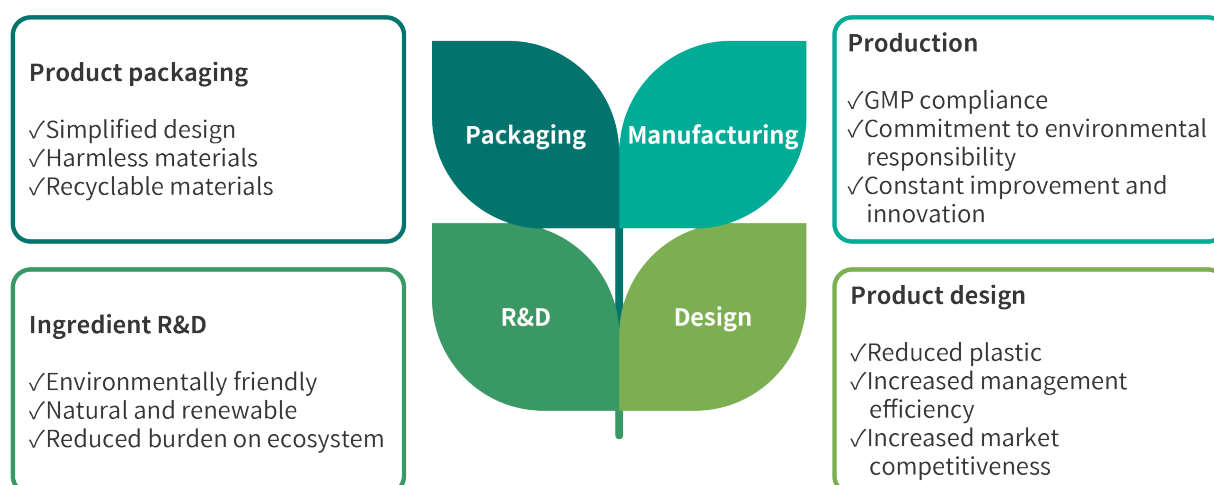
| Material Topic                                                                             | Toxic Chemicals, Wastewater Discharge, and Waste                                                                                                                                                                                                                                                                                                                                                                                                                |                                                 |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Policy/Strategy                                                                            | The implementation of the environmental management system in business operations requires the Company to reduce waste, pollution, and greenhouse gas emissions; conserve resources; and promote other environmental protection practices. This will enable the organization to achieve proactive environmental management while accomplishing its business goals.                                                                                               |                                                 |
| Management Assessment Mechanisms                                                           | Through the statistical management of wastewater and waste reports, the Company is committed to thorough and proper disposal of industrial waste, and it aims to achieve (1) compliance with environmental requirements, (2) efficient resource use, and (3) waste reduction and pollution minimization.                                                                                                                                                        |                                                 |
| Sustainability Indicator                                                                   | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                                                                                                                       | Medium- and Long-term Goals                     |
| Thorough and proper disposal of industrial waste<br>Weight of waste and revenue percentage | <p>There were no violations of laws or contracts for waste clearance and disposal in 2024, nor was there any leakage of chemicals, oils, or fuels.</p> <p>In 2024, the total weight of waste increased by 91% compared to 2023. This was primarily due to the inclusion of domestic waste from plants in this year's statistics and the increase in the amount of waste sludge and waste liquid from the wastewater treatment facilities within the plants.</p> | Reduce waste intensity by at least 5% per year. |

## 03 Sustainable Environmental Protection

### 3.1 Green Product Design

Adhering to the concept of sustainable development, PBF firmly believes in focusing on environmental impact, social responsibility, and efficient governance structure while maintaining business operations. The Company practically infuses the concept of “perpetual beauty” into its product at all stages of the product lifecycle, including product design, R&D, ingredient selection, production processes, packaging, and recycling.

#### Green Design - Perpetual Beauty



#### Product Packaging and Waste Stage

##### ✓ Simplified Design ✓ Harmless Materials ✓ Recyclable Materials

- **Simplified design:** For large-volume items such as shampoo, PBF reduces outer packaging and ships the product in bottles or buckets. Simple, lightweight designs are also adopted to reduce packaging materials, thereby lowering the Company’s carbon footprint and conserving resources.
- **Harmless materials:** PBF has switched to FSC-certified printing for the outer packaging of one of its star products. Materials harmful to the environment are avoided to prevent packaging from adversely affecting ecosystems.

- Use of recyclable materials: In addition to displaying a recyclable label on the product packaging, PBF also opts for recyclable materials or simpler packaging designs to reduce the environmental impact of packaging, which in turn makes recycling easier. By gradually increasing the use of PCR packaging materials each year, PBF aims to increase the usage rate of recycled materials.

### **R&D and Selection of Ingredient Stage**

✓ Environmentally friendly ✓ Natural and renewable ✓ Reduced burden on ecosystem

- ProClin (environmentally friendly dosage form) has been widely applied in over 1,000 FDA-approved in vitro diagnostic (IVD) test kits for its effective inhibition of Gram-positive bacteria, yeast, fungi, and mold. In medical diagnostic applications, ProClin does not pose health risks at recommended concentrations, nor does it generate wastewater or resulting treatment costs. Additionally, it does not interfere with antigen–antibody reactions. Over the next 1–2 years, the department plans to replace all sodium azide in current products with ProClin to develop environmentally friendly products.
- Plant extracts: Extracted from various plants, including flowers, leaves, roots, and fruits. Current product ingredients include aloe vera gel and green tea extract. Other plant extracts will be included as ingredients in the future.
- Biodegradable ingredients: The Company will use ingredients that are easily decomposed, such as biodegradable emulsifiers and surfactants. This will help reduce product residues in the environment as well as the burden on the ecosystem.

## 03 Sustainable Environmental Protection

### Production Stage

✓ GMP Compliance ✓ Commitment to Environmental Responsibility ✓ Constant Improvement and Innovation

- Resource efficiency: While adhering to GMP requirements in the manufacturing process, PBF optimizes relevant processes to ensure efficient resource use. This reduces excessive resource use and negative environmental impacts.
- Waste management: GMP requirements set rules for waste treatment, which is an important step to ensure compliance and reduce the environmental burden. The Company emphasizes the importance of waste reduction and has implemented a stringent waste management system into the manufacturing process. Through practices such as recycling, reuse, and safe disposal of waste, PBF ensures that the environmental impact of waste is minimized.
- The Company appoints printing companies that use environmentally friendly inks for every possible application and increases the use of shared white bottles to improve resource efficiency and inventory management.

### Product Design Stage

✓ Reduced plastic ✓ Increased management efficiency ✓ Increased market competitiveness

- The department conducted a comprehensive review of the entire production process to ensure the implementation of plastic reduction and environmental protection. The review found that rapid test products can be divided into two categories: test strips and card tests. To achieve a reduction in plastic use, test strips were set as the standard for the department, thus reducing the usage of card tests.
- Furthermore, test strip specifications allow for a smaller product package and a more compact reagent kit product. This further facilitates a more flexible use of warehouse space.
- The production process for the test strips has been fully automated to achieve efficiency and cost-effectiveness for such a product specification. This specification has been set as the department's standard to enhance the product's competitiveness.
- When selecting packaging materials, the department first references photos to discuss the options, then requests one to two samples of the selected materials from the supplier for confirmation. Subsequently, upon confirmation of the preferred color, MOQ, and quotation, the department requests a small quantity of samples for testing. This seeks to reduce waste.

## 03 Sustainable Environmental Protection

Based on environmentally friendly raw ingredients, PBF is committed to incorporating the concept of green design into all stages of the product lifecycle to minimize the burden of manufacturing processes on the ecosystem. The Company plans to use these environmentally friendly ingredients in the future to not only make products more natural and purer but also reduce the environmental impact at the source, the reliance on non-renewable resources, and the impact of the Company's products on the environment. This will better promote sustainable development and is also an important goal of PBF's ESG practices.

Post-consumer recycled (PCR) plastic refers to recycled plastics that go through several steps of sorting, gravity sorting, washing, melting, and pelletizing and are eventually turned back into usable plastic materials.

The Resource Circulation Administration of the Ministry of Environment amended the Operation Guidelines for Promoting Recycled Plastic Products for Non-Food Packaging on March 14, 2024, to govern cosmetics, animal cleaning and maintenance products, detergents, and other relevant products, with the expectation to reach 25% recycled material usage by 2025 and 30% by 2030.

PBF will introduce green design concepts at all stages of the product lifecycle, and plans to switch to PCR plastic packaging and improve product formulas to eliminate controversial environmental hormones.

### 3.2 Climate Change and Greenhouse Gas Management

#### 3.2.1 Task Force on Climate-Related Financial Disclosures (TCFD)

##### Recommendations GRI 201-2

PBF has assessed the current and future potential risks and opportunities of climate change to the business and developed measures to cope with the climate-related issues, which are described in the table below. The Company will keep abreast of various climate-related risks and opportunities and subsequently assess and quantify their financial impacts and the costs of response actions.

| Potential Risks |                                                                          | Potential Opportunities                                                                                                                                             | Countermeasures Taken by PBF                                                                                                                                                                                                                                                                                                             |
|-----------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical aspect | Rising temperature (increases in electricity costs and carbon emissions) | Promote low-carbon, green manufacturing and the use of renewable energy to conserve electricity and save costs.                                                     | <ol style="list-style-type: none"> <li>1. Replace energy-consuming equipment such as air conditioners, air compressors, and refrigeration equipment with inverter and energy-saving models.</li> <li>2. Install solar power generation systems on the plant roofs to develop green energy, thereby reducing carbon emissions.</li> </ol> |
|                 | Water resource scarcity                                                  | Enhance the efficiency of water resource utilization (save water and the cost of wastewater treatment)                                                              | <ol style="list-style-type: none"> <li>1. Adjust water consumption habits in the manufacturing process to save water.</li> <li>2. Recycle wastewater for use in sanitation and watering.</li> </ol>                                                                                                                                      |
| Legal aspect    | Increased price of greenhouse gas emissions (increase in carbon costs)   | Transition to low-carbon, green manufacturing to replace high emission technologies used in products and services, thereby enhancing the Company's competitiveness. | <ol style="list-style-type: none"> <li>3. Adopt energy-saving manufacturing and utility equipment.</li> <li>4. Improve excessive packaging design and use raw materials produced from green manufacturing.</li> </ol>                                                                                                                    |

## 03 Sustainable Environmental Protection

The Intergovernmental Panel on Climate Change (IPCC) has cited substantial scientific evidence in its published assessment reports to prove that climate change is an irreversible fact. The most significant proof is that global average temperatures have been rising in the recent 150 years (from the 1860s to the 2000s) at an increasingly faster rate. Additionally, it has also been observed that the global average sea level is on the rise due to melting glaciers. Climate change, global warming, and greenhouse gas emissions have been of great concern to the world in recent years; therefore, United Nations SDG 13 was established targeting Climate Action. PBF plans to introduce education and training on the core elements of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations: Governance, Strategy, Risk Management, and Metrics and Targets, to proactively and directly address this global issue.

| Core Elements | Countermeasures Taken by PBF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance    | The Company has established a Sustainable Development Committee to take charge of the decision making on sustainable development issues and the supervision and execution of relevant duties. The Committee consists of three taskforces: the Environmental Sustainability Team, the Social Responsibility Team, and the Corporate Governance Team.                                                                                                                                                                                                                                                                                                                                                                                           |
| Strategy      | <p>PBF sees climate change as the primary sustainable development issue and has established the following short-, medium-, and long-term goals:</p> <ol style="list-style-type: none"> <li>Short-term goal: <ol style="list-style-type: none"> <li>Keep abreast of the latest regulations on greenhouse gas emissions, energy management, and climate change.</li> <li>Identify the greenhouse gas type and quantify the results in accordance with ISO 14064-1:2018; pass third-party ISO 14064-1:2018 verification.</li> </ol> </li> <li>Risk analysis and assessment: Based on the potential risk factors identified, each functional unit establishes appropriate measurement methods to serve as a basis for risk management.</li> </ol> |

| Core Elements | Countermeasures Taken by PBF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy      | <p>(1) Risk measurement includes risk analysis and assessment. It analyzes the likelihood of risk occurrence and the level of negative impact once occurred. The analysis helps assess the impact of risks on the Company and serves as a reference for determining the priority of risk control measures and selecting response actions. Based on the results of the risk assessment, an event-based analysis is conducted, and the results are recorded in the Risk Identification and Assessment Form.</p> <p>(2) For quantifiable risks, statistical analysis methods and techniques are employed for analysis and management. Relevant departments complete the Risk Response Plan and Action Plan Form for subsequent tracking and management.</p> <p>(3) For other risks that are not easily quantifiable currently, qualitative methods shall be adopted. Qualitative risk assessment involves describing the likelihood of risk occurrence and the level of impact through written descriptions.</p> <ol style="list-style-type: none"> <li>1. Risk response: Each functional unit conducts annual risk assessment and compiles relevant reports. Appropriate measures are taken in accordance with the risks they face.</li> <li>2. Supervision and Review Mechanism: Each functional unit is responsible for monitoring the risks associated with its business operations and proposing countermeasures. The risks and countermeasures are submitted to the Risk Management Team, which compiles and reports the information at regular meetings. The Risk Management Team compiles the risk information provided by each unit and reports the risk status to the Risk Review Committee and the Board of Directors once a year, providing a reference for strengthening management and future improvements.</li> </ol> |

## 03 Sustainable Environmental Protection

| Core Elements       | Countermeasures Taken by PBF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Metrics and Targets | <ol style="list-style-type: none"> <li>1. We aim to meet international standards, improve energy use, and achieve carbon neutrality. The following targets have been set:</li> <li>2. Short-term: Identify the greenhouse gas type and quantify the results in accordance with ISO 14064-1:2018; pass third-party ISO 14064-1:2018 certification.</li> <li>3. Medium-term: Set reduction targets based on the greenhouse gas inventory results.</li> <li>4. Long-term: Continuously review the Company's exposure to climate threats and make early plans, and ultimately achieve the goal of carbon neutrality.</li> </ol> |

### 3.2.2 Greenhouse Gas Management GRI 305-01 、 GRI 305-02 、 GRI 305-03 、 GRI 305-04

PBF has conducted greenhouse gas inventories since 2022 in accordance with ISO 14064-1:2018. The greenhouse gas inventory process and results allow PBF to gain an overall grasp of the greenhouse gas emissions of the HQ and each plant. Through the greenhouse gas inventory, PBF is able to fully understand the greenhouse gas emission status and put forth feasible solutions for greenhouse gas reduction. In order to increase credibility and quality, the information and reports on the greenhouse gas inventory are verified externally by a third-party verification organization after the internal verification work is completed. This results in a complete inventory procedure and improved data quality. The year 2023 is currently set as the base year for greenhouse gas inventory and quantification. However, the base year will be adjusted in the future in accordance with the addition/revision of plant boundaries.

In 2024, PBF continued to calculate greenhouse gas emissions by applying the operational control approach and using the GWP value of the IPCC Sixth Assessment Report (2021). The carbon emission factors were calculated based on the factor standards announced by the Ministry of Environment on February 5, 2024, and the heating value standards announced by the Energy Administration of the Ministry

of Economic Affairs. The greenhouse gas emission intensity (metric tons of CO<sub>2</sub>e/ total consolidated revenue [NT\$1000]) was used as the greenhouse gas emission management indicator to effectively grasp the amount of greenhouse gas emissions. When expressed as greenhouse gas intensity, the total greenhouse gas emissions from Category 1 + Category 2 in 2024 increased by 6.73% compared to 2023. This was primarily due to the continued expansion of manufacturing plants (Pingzhen Plant and Cheng Feng Chemical Co., Ltd., Dayuan Plant) in 2024, which led to increased electricity consumption.

### 1. Category 1 and Category 2 Greenhouse Gas Emissions:

unit: (metric tons of CO<sub>2</sub>e/year)

| Year                                                                                                         | 2022       | 2023       | 2024      |
|--------------------------------------------------------------------------------------------------------------|------------|------------|-----------|
| Category 1 (metric tons of CO <sub>2</sub> e/year)                                                           | 278.5443   | 304.044    | 242.1063  |
| CO <sub>2</sub> (metric tons of CO <sub>2</sub> e/year)                                                      | 166.6330   | 178.2809   | 134.5291  |
| CH <sub>4</sub> (metric tons of CO <sub>2</sub> e/year)                                                      | 24.8172    | 28.1631    | 14.4999   |
| N <sub>2</sub> O (metric tons of CO <sub>2</sub> e/year)                                                     | 0.546      | 0.546      | 0.6006    |
| HFCs (metric tons of CO <sub>2</sub> e/year)                                                                 | 86.5481    | 97.054     | 92.4767   |
| PFCs (metric tons of CO <sub>2</sub> e/year)                                                                 | 0          | 0          | 0         |
| SF <sub>6</sub> (metric tons of CO <sub>2</sub> e/year)                                                      | 0          | 0          | 0         |
| NF <sub>3</sub> (metric tons of CO <sub>2</sub> e/year)                                                      | 0          | 0          | 0         |
| Category 2 (metric tons of CO <sub>2</sub> e/year)                                                           | 5,157.7324 | 4,971.5752 | 5830.5297 |
| Category 1 + Category 2<br>(metric tons of CO <sub>2</sub> e/year)                                           | 5,433.2943 | 5,275.6193 | 6072.6360 |
| Total consolidated revenue<br>(unit: NT\$1000)                                                               | 2,398,648  | 1,881,875  | 2,029,645 |
| Category 1 + Category 2 greenhouse<br>gas emission intensity (metric tons of<br>CO <sub>2</sub> e/ NT\$1000) | 0.0023     | 0.0028     | 0.0030    |
| Percentage increase or decrease<br>compared to the previous year                                             | ---        | 23.76%*    | 6.73%     |

## 03 Sustainable Environmental Protection

Note 1: Category 2 greenhouse gas emissions primarily consist of electricity and purchased steam. The power emission factor for Taiwan Power Company (Taipower) is based on the electricity carbon emission factor of 0.474 metric tons of CO<sub>2</sub>e/kWh as announced by the Energy Administration of the Ministry of Economic Affairs; the emission factor from purchased combined heat and power at Dayuan Plant is based on the Company's self-developed factor of 0.8241 metric tons of CO<sub>2</sub>e/kWh; and the emission factor for purchased steam is based on the Company's self-developed factor of 0.2578 metric tons of CO<sub>2</sub>e/kWh.

Note 2: \*The scope of the 2023 statistics included the Longtan R&D Center as compared to 2022.

### 2. Category 3 and Category 4 Other indirect greenhouse gas emissions

(Unit: metric tons of CO<sub>2</sub>e/year)

| Year                                                                      | 2022     | 2023      | 2024      |
|---------------------------------------------------------------------------|----------|-----------|-----------|
| Category 3: Indirect GHG emissions from transportation                    | 186.1853 | 265.5618  | 189.3543  |
| 3.3 Emissions from employee commuting                                     | 186.1853 | 265.5618  | 189.3543  |
| Category 4: Indirect GHG emissions from products used by the organization | 425.2291 | 1047.6231 | 1025.7557 |
| 4.1 Emissions from purchased goods (including energy and fuel)            | 305.9274 | 948.9815  | 875.7428  |
| 4.3 Emissions from the disposal of solid and liquid waste                 | 119.3017 | 98.6416   | 150.0129  |

Note 1: Typographical errors in the 2023 data have been corrected.

### 3.2.3 Energy Management GRI 302-1 、GRI 302-3

#### PBF Energy Conservation Policy

1. Replacement of power and process equipment with energy-saving or inverter models year by year.
2. Complete replacement of air-conditioner controllers in controlled working areas to maintain the operation temperature at a precise  $23^{\circ}\text{C} \pm 4^{\circ}\text{C}$  .
3. Temperature adjustment for general working areas from  $24^{\circ}\text{C}$  to  $25^{\circ}\text{C}$  .
4. Replacement of lighting equipment; upgrade street lights and walkways for all plants to motion-sensor T5 or LED flat panel lights and fixtures.
5. Actively promote electricity-saving good habits to all employees, such as turning off lights and air conditioners when not in use and shutting the door when leaving.

The energy consumed by PBF HQ and each plant is mainly purchased electricity, whereas gasoline and diesel are used for the generators in each plant and company vehicles. The energy consumption of electrical and mechanical equipment is controlled by adopting electricity and water conservation policies to avoid squandering resources; additionally, old equipment and energy-consuming lighting fixtures are replaced to enhance energy consumption efficiency. The total energy use intensity in 2024 decreased by 1.55% compared to 2023.

## 03 Sustainable Environmental Protection

Statistical overview of total energy use intensity for PBF HQ, Longtan R&D Center, Xizhi Plant, Xike Plant, Pingzhen Plant, and Cheng Fong Chemical Co., Ltd., Dayuan Plant:

| Year                                                                              | 2022        | 2023        | 2024        |
|-----------------------------------------------------------------------------------|-------------|-------------|-------------|
| Purchased Electricity (1000 kWh/year)                                             | 7,080.6604  | 7,446.4934  | 8,469.0171  |
| Purchased Electricity (GJ/year)                                                   | 25,496.1836 | 26,813.4824 | 30,495.4062 |
| Purchased Steam (metric ton/year)                                                 | 1,965.0000  | 883.0000    | 492.2000    |
| Purchased Steam (GJ/year)                                                         | 5,495.6108  | 2,469.5289  | 1,376.5596  |
| Gasoline (kL/year)                                                                | 3.5964      | 3.9600      | 4.0230      |
| Gasoline (GJ/year)                                                                | 117.4534    | 129.3281    | 131.3855    |
| Diesel (kL/year)                                                                  | 5.1618      | 5.2455      | 5.5522      |
| Diesel (GJ/year)                                                                  | 181.5446    | 184.4884    | 195.2753    |
| Heavy Fuel Oil (kL/year)                                                          | 3.0000      | 6.0000      | 15.0000     |
| Heavy Fuel Oil (GJ/year)                                                          | 120.5856    | 241.1712    | 602.9280    |
| Liquified Petroleum Gas (kL/year)                                                 | 72.9649     | 77.1079     | 41.5861     |
| Liquified Petroleum Gas (GJ/year)                                                 | 2,027.0193  | 2,142.1149  | 1,155.2928  |
| Total Non-Renewable Fuel Consumption (GJ/year)                                    | 2,446.6029  | 2,697.1026  | 2,084.8817  |
| Total Energy Consumption (GJ/year)                                                | 33,438.3973 | 31,980.1139 | 33,956.8475 |
| Total Consolidated Revenue (Unit: NT\$1000)                                       | 2,398,648   | 1,881,875   | 2,029,645   |
| Total Energy Use Intensity (EUI) (GJ/Total consolidated revenue [Unit: NT\$1000]) | 0.0139      | 0.0170      | 0.0167      |
| Percentage Increase or Decrease Compared to the Previous Year                     | ---         | 21.90%*     | -1.55%      |

Note 1: Based on the “Heat Content of Energy Product Table (2023)” announced by the Energy Administration of the Ministry of Economic Affairs: Electricity - 860 kcal/ kWh, Motor Gasoline - 7,800 kcal/

L, Diesel - 8,400 kcal/L, Liquified Petroleum Gas – 6,635 kcal/kWh, Heavy Fuel Oil 9,600 kcal/L, Heat (steam) - 667.96 kcal/kg, 1 kcal = 4,187 GJ

Note 2: Typographical errors in the 2022 and 2023 data have been corrected. \*The scope of the 2023 energy statistics included the Longtan R&D Center as compared to 2022.

## 2025 Energy Conservation Plan for PBF Plants

**Blower Replacement Benefit Assessment:** The replacement of existing blowers will reduce electricity consumption by approximately 25% and save up to 10 tons of water per day.

**Solar Panel Assessment:** The installation of solar panels on roofs that are currently in use, totaling approximately 1,370 m<sup>2</sup>, will have a power output of over 500 KWP.

## 3.3 Environmental Management

PBF hopes to foster a culture of sustainability among employees for proactive environmental management while accomplishing its business goals. Through the environment management system for waste reduction, pollution reduction, greenhouse gas inventory, and energy conservation, the Company will achieve its business objectives as follows: (1) compliance with environmental requirements, (2) efficient resource use, and (3) waste reduction and pollution minimization.

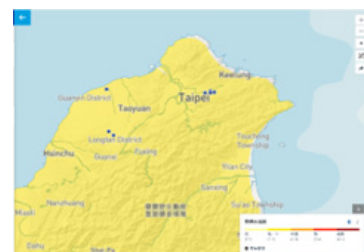
### 3.3.1 Water Resource Management GRI 303-3 、GRI 303-4 、GRI 303-5

In recent years, the risks of water shortages and floods have been rising due to global climate change. To assess the pressure on water resources, the Company adopted the publicly available and reliable Aqueduct Water Risk Atlas released by the World Resources Institute to understand the overall water risk of each plant.

The overall water risk of all plant areas is classified as low to medium (level 1–2).

The measurement of overall water risk is carried out by compiling all selected indicators for an assessment of all water-related risks. Higher values indicate higher water risk. The indicators reflect current conditions and future projections such as water supply, demand, and stress.

Data source: Aqueduct Water Risk Atlas. World Resources Institute.

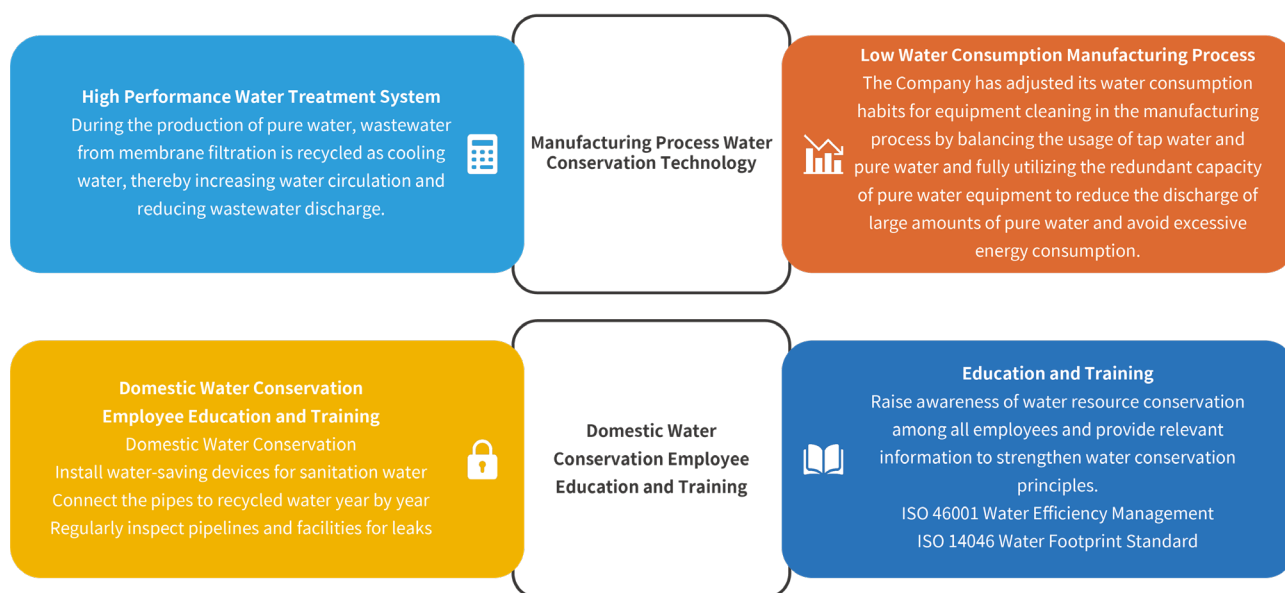


## 03 Sustainable Environmental Protection

| Name                                        | Address                                                                             | Small Basin        | Aquifer | Country         | Overall Water Risk |
|---------------------------------------------|-------------------------------------------------------------------------------------|--------------------|---------|-----------------|--------------------|
| PBF Xike Plant                              | 6 F., No. 53, Nanxing Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)            | Tamsui River       | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |
| PBF Xizhi Plant                             | 8F., No. 308-6, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)   | Tamsui River       | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |
| PBF HQ                                      | 16 F., No. 3, Yuanqu St., Nangang Dist., Taipei City, Taiwan (R.O.C.)               | Tamsui River       | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |
| Cheng Fong Chemical Co., Ltd., Dayuan Plant | No. 19, Gong 4th Rd., Dayuan Dist., Taoyuan City, Taiwan (R.O.C.)                   | Tamsui River       | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |
| PBF Pingzhen Plant                          | No. 266, Xinglong Rd., Pingzhen Dist., Taoyuan City, Taiwan (R.O.C.)                | Taan/ Tachia River | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |
| Longtan R&D Center                          | 9 F., No. 176, Ln. 461, Zhongfeng Rd., Longtan Dist., Taoyuan City, Taiwan (R.O.C.) | Taan/ Tachia River | -       | Taiwan (R.O.C.) | Low – Medium (1–2) |

The stable supply and good quality of water resources has become an important issue for companies. As a biotech and pharmaceutical manufacturer, PBF attaches great importance to the management of water quality, wastewater discharge control and reuse, and water conservation. The Company's water resource policy is as follows:

### Effective Management of Water Resources



## 03 Sustainable Environmental Protection

Statistics on water withdrawal and consumption of PBF HQ and each plant

| Unit:<br>ML/year                                           | PBF HQ<br>(Xizhi Plant not included)                        | Longtan R&D Center | Xike Plant |
|------------------------------------------------------------|-------------------------------------------------------------|--------------------|------------|
|                                                            | 2024                                                        | 2024               | 2024       |
| Municipal water withdrawal                                 | 3.473                                                       | 0.328              | 0.412      |
| Groundwater withdrawal                                     | 0                                                           | 0                  | 0          |
| Other water withdrawal                                     | 0                                                           | 0                  | 0          |
| Total water withdrawal                                     | 3.473                                                       | 0.328              | 0.412      |
| Domestic wastewater discharge                              | 2.778                                                       | 0.262              | 0.330      |
| Manufacturing wastewater discharge                         | No wastewater is produced during the manufacturing process. |                    |            |
| Total water discharge                                      | 2.778                                                       | 0.262              | 0.330      |
| Water consumption<br>Water withdrawal<br>- Water discharge | 0.695                                                       | 0.066              | 0.082      |

| Unit:<br>ML/year                                           | Pingzhen Plant |        |        | Cheng Fong Chemical Co., Ltd.,<br>Dayuan Plant |         |         |
|------------------------------------------------------------|----------------|--------|--------|------------------------------------------------|---------|---------|
|                                                            | 2022           | 2023   | 2024   | 2022                                           | 2023    | 2024    |
| Municipal water withdrawal                                 | 24.187         | 23.301 | 28.401 | 23.418                                         | 30.897  | 32.805  |
| Groundwater withdrawal                                     | 0              | 0      | 0      | 62.457                                         | 69.878  | 89.403  |
| Other water withdrawal                                     | 0              | 0      | 0      | 0                                              | 0       | 0       |
| Total water withdrawal                                     | 24.187         | 23.301 | 28.401 | 85.875                                         | 100.775 | 122.207 |
| Domestic wastewater discharge                              | 18.349         | 17.695 | 20.790 | 76.124                                         | 82.742  | 111.301 |
| Manufacturing wastewater discharge                         |                |        |        |                                                |         |         |
| Total water discharge                                      | 18.349         | 17.695 | 20.790 | 76.124                                         | 82.742  | 111.301 |
| Water consumption<br>Water withdrawal<br>- Water discharge | 5.838          | 5.606  | 7.611  | 9.751                                          | 18.033  | 10.906  |

Data recompilation: The 2022 and 2023 water discharge statistics were revised (based on data from the Water Pollution Source Control Data Management System)

## 03 Sustainable Environmental Protection

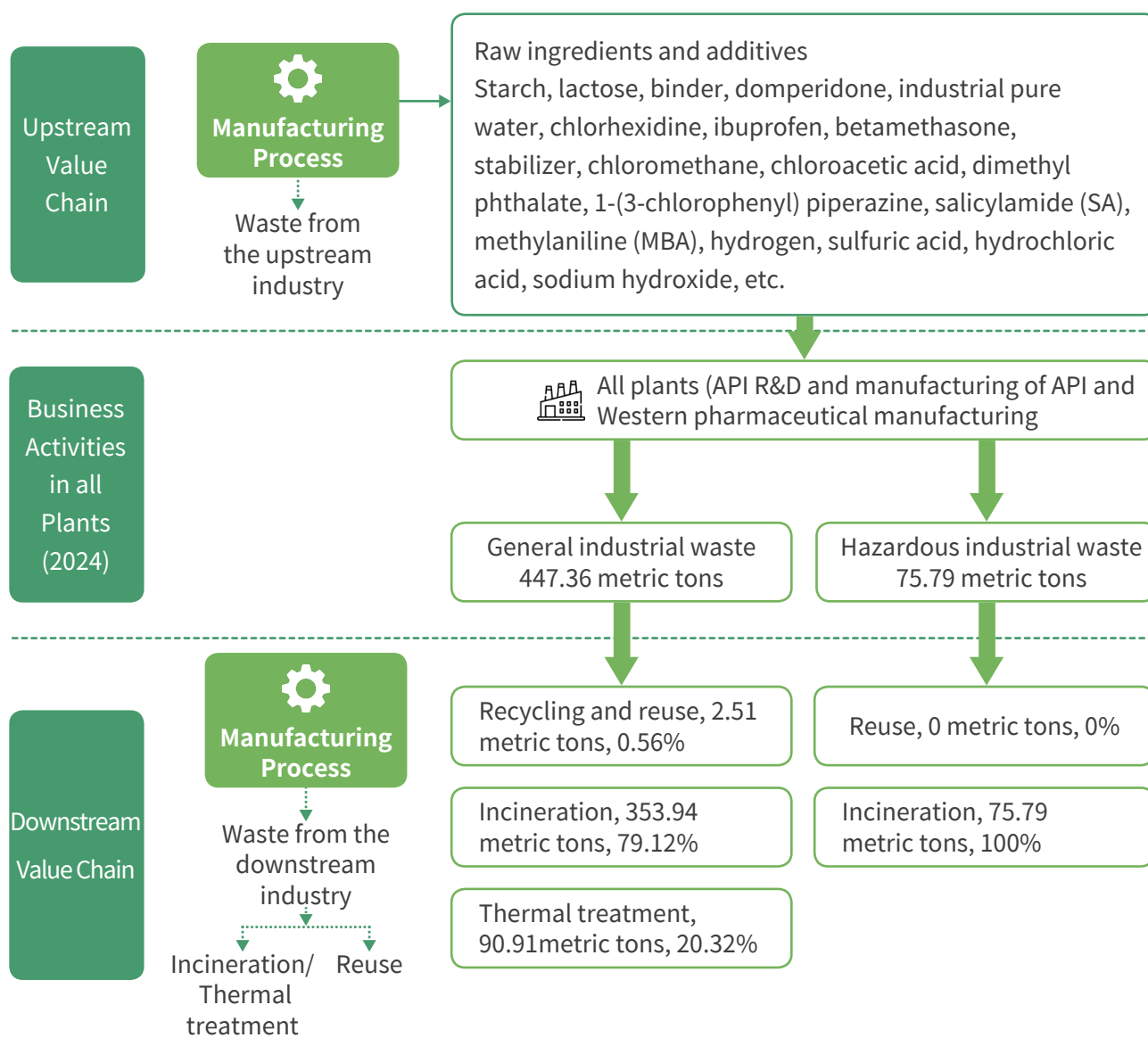
### 3.3.2 Waste and Toxic Chemical Substance Management GRI 306-1 、GRI 306-2 、GRI 306-3 、GRI 306-4 、GRI 306-5

To promote environmental protection, PBF is committed to thorough and proper disposal of industrial waste. The entire process of waste generation, collection, storage, transportation, utilization, and treatment is thoroughly monitored. The waste generated by PBF is categorized into general industrial waste, recycled waste, and hazardous industrial waste. Hazardous waste is stored by category in designated containers, with clear labeling of information such as the name, classification number, storage date, quantity, and components. Hazardous industrial waste is further distinguished with a mark. Storage containers are kept clean and intact, with no airborne, fugitive, or seeping waste emitted or polluting the ground.



Public and private clearance and disposal organizations approved by the competent authority are commissioned to remove and dispose of all PBF waste. The Company's waste clearance service providers and waste treatment organizations are all legally registered and qualified by the competent authority. The production, clearance, temporary storage, and reporting of industrial waste adhere to the relevant provisions of the Waste Disposal Act. There were no violations of laws or contracts by waste clearance and disposal contractors in 2024, nor was there any leakage of chemicals, oils, or fuels.

PBF Pingzhen Plant and Cheng Fong Chemical Co., Ltd., Dayuan Plant Value Chain Waste Flow-chart :



## 03 Sustainable Environmental Protection

### Waste Treatment in the Plants

PBF HQ, Longtan R&D Center, and Xike Plant mainly produce paper waste and employees' domestic waste, whereas Xizhi Plant produces some infectious waste in addition to paper waste and employees' domestic waste. As for Cheng Feng Chemical Co., Ltd., Dayuan Plant and Pingzhen Plant, the waste produced from API R&D and manufacturing processes and Western pharmaceuticals manufacturing processes are handled in accordance with the Waste Disposal Act, with an Industrial Waste Disposal Plan submitted for review and approval. The statistics on waste weight from 2022 to 2024, retrieved from the Industrial Waste Reporting and Management System of the Resource Circulation Administration, are shown in the table below:

|                                                                                              | 2022      | 2023      | 2024      |
|----------------------------------------------------------------------------------------------|-----------|-----------|-----------|
| 1. General industrial waste (metric tons)                                                    | 286.38    | 262.35    | 447.36    |
| 2. Hazardous industrial waste (metric tons)                                                  | 9.75      | 11.66     | 75.785    |
| Total waste weight (metric tons)                                                             | 296.13    | 274.01    | 523.15    |
| Total consolidated revenue (Unit: NT\$1000)                                                  | 2,398,648 | 1,881,875 | 2,029,645 |
| Waste intensity<br>Total weight (metric tons)/Total<br>consolidated revenue (Unit: NT\$1000) | 0.000123  | 0.000146  | 0.00021   |

The total weight of waste in 2024 increased by 91% compared to 2023. This was primarily due to the inclusion of domestic waste from PBF plants in the statistics this year, and the increase in the amount of waste sludge and waste liquid from the wastewater treatment facilities within the plants.

## 1.General industrial waste weight statistics

Unit: metric tons

| Classification of Waste                               | Treatment Method                | 2022                                                            | 2023                                                              | 2024                                             |        |
|-------------------------------------------------------|---------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------|--------|
| Waste paper mixtures/<br>plastic waste                | Recycling<br>for reuse          | (No statistics<br>kept)                                         | 2.73                                                              | Recycling and<br>Reuse                           | 2.51   |
| Domestic waste                                        | Incineration                    | 16<br>(some PBF<br>plants not<br>included in<br>the statistics) | 33.5<br>(some PBF<br>plants not<br>included in the<br>statistics) | Incineration<br>including energy<br>recovery     | 38.18  |
|                                                       |                                 |                                                                 |                                                                   | Incineration not<br>including energy<br>recovery | 71.86  |
|                                                       |                                 |                                                                 |                                                                   | Physical treatment                               | 4.56   |
| Waste<br>pharmaceuticals                              | Incineration                    | 15.07                                                           | 13.99                                                             | Incineration<br>including energy<br>recovery     | 24.28  |
| Non-toxic organic<br>waste liquid or waste<br>solvent | Incineration                    | 169.06                                                          | 138.69                                                            | Incineration<br>including energy<br>recovery     | 84.93  |
|                                                       |                                 |                                                                 |                                                                   | Incineration not<br>including energy<br>recovery | 119.64 |
| Mixtures of general<br>waste chemicals                | Incineration                    | 0                                                               | 0                                                                 | Incineration not<br>including energy<br>recovery | 0.43   |
| Organic sludge                                        | Other<br>(Thermal<br>treatment) | 86.25                                                           | 73.44                                                             | Thermal treatment                                | 90.91  |
|                                                       |                                 |                                                                 |                                                                   | Incineration<br>including energy<br>recovery     | 10.06  |
| Total                                                 |                                 | 286.38                                                          | 262.35                                                            |                                                  | 447.36 |

# 03 Sustainable Environmental Protection

## 2. Hazardous industrial waste

Unit: metric tons

| Classification of Waste                                                                                                                         | Treatment Method | 2022  | 2023  | 2024                                       |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------|-------|--------------------------------------------|--------|
| Infectious waste (contaminated items or appliances)                                                                                             | Incineration     | 0.524 | 0.484 | Incineration not including energy recovery | 0.715  |
| Waste liquid with a flash point at or below 60°C (excluding alcoholic beverage waste in which ethanol concentration is less than 24% by volume) | Incineration     | 3.31  | 3.66  | Incineration including energy recovery     | 3.55   |
|                                                                                                                                                 |                  |       |       | Physical treatment                         | 66.22  |
| Other mixtures of the chemicals mentioned above or waste containers                                                                             | Incineration     | 5.92  | 7.52  | Incineration including energy recovery     | 2.68   |
|                                                                                                                                                 |                  |       |       | Incineration not including energy recovery | 2.62   |
| Total                                                                                                                                           |                  | 9.754 | 11.66 |                                            | 75.785 |

Note 1: Both the transfer and direct disposal of waste were handled off-site.

## 3. Toxic Chemical Substance Management

PBF complies with the Toxic and Concerned Chemical Substances Control Act in the management of toxic chemical substances. All departments that handle toxic chemical substances appoint a toxic chemical management personnel, who records the handling quantity in accordance with regulations. Additionally, the relevant storage and operation sites are clearly labeled and locked.

The management of toxic and concerned chemical substances at PBF HQ and each plant is handled in accordance with the Toxic Chemical Substance List announced in Annex I of the Toxic and Concerned Chemical Substances Control Act and described in the table below.

| Plant              | Current Status and Control Method                                                                                                                                                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PBF HQ, Xike Plant | These plants do not use any toxic and concerned chemical substances that are regulated by the competent authority; therefore, the company is exempted from registration on the Toxic and Concerned Chemical Substances Registration System.                                                                                     |
| Xizhi Plant        | <ol style="list-style-type: none"> <li>1. The operation site handles 1 toxic and concerned chemical substance.</li> <li>2. Substance handling records and release records of operation sites are reported in accordance with the provisions of the Toxic and Concerned Chemical Substances Control Act.</li> </ol>              |
| Longtan R&D Center | <ol style="list-style-type: none"> <li>1. The operation site handles a total of 12 toxic and concerned chemical substances.</li> <li>2. Substance handling records and release records of operation sites are reported in accordance with the provisions of the Toxic and Concerned Chemical Substances Control Act.</li> </ol> |

## 03 Sustainable Environmental Protection

| Plant                                       | Current Status and Control Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pingzhen Plant                              | <ol style="list-style-type: none"> <li>1. The operation site handles a total of 34 toxic and concerned chemical substances.</li> <li>2. Substance handling records and release records of operation sites are reported in accordance with the provisions of the Toxic and Concerned Chemical Substances Control Act.</li> <li>3. Raw materials and toxic chemical substances are strictly controlled, and laboratory safety measures are reinforced to prevent contamination.</li> <li>4. Prevention and control are achieved by controlling storage, blocking transmission, and isolating the point of exposure.</li> <li>5. Professional training is strengthened to develop the habits needed to prevent problems at source.</li> </ol>                                    |
| Cheng Fong Chemical Co., Ltd., Dayuan Plant | <ol style="list-style-type: none"> <li>1. The operation site handles a total of 26 toxic and concerned chemical substances, therefore specialized personnel and emergency response personnel are assigned in accordance with the law.</li> <li>2. Storage records are reported and kept in accordance with regulations.</li> <li>3. The toxic and concerned chemical substances in the warehouse and laboratory are controlled separately.</li> <li>4. Toxic and concerned chemical substances are controlled, and laboratory safety measures are reinforced to prevent leakage.</li> <li>5. Regular refresher training is conducted for specialized personnel and emergency response personnel to develop their professional knowledge and response capabilities.</li> </ol> |

### 3.3.3 Air Pollution Prevention and Control GRI 305-7

The air pollution prevention and control measures of PBF's main manufacturing plants comply with the relevant requirements of government laws and regulations. For pollution prevention and control, the Company has obtained a Stationary Pollution Source Operating Permit in accordance with the law and conducts regular inspection, maintenance, reporting, and testing as stipulated in the regulations.

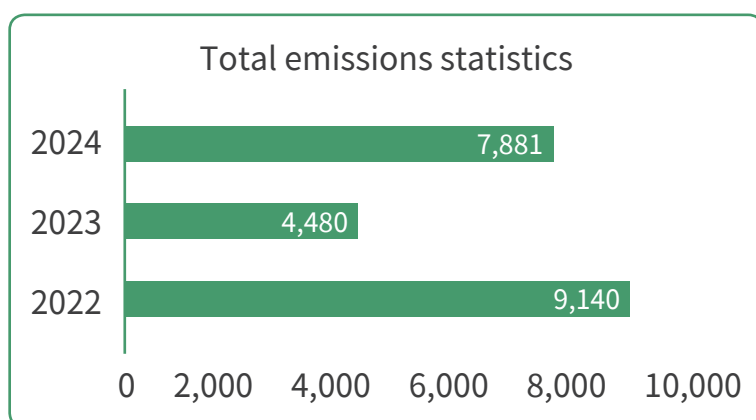
Pollution Emissions Unit (kg)

| Plant                             | PBF HQ (including Longtan R&D Center), Xizhi Plant, and Xike Plant                                                                                    | Pingzhen Plant |      |      | Cheng Fong Chemical Co., Ltd., Dayuan Plant |       |         |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------|------|---------------------------------------------|-------|---------|
| Year                              | This site does not emit air pollutants specified by the competent authority, and is therefore exempted from reporting its annual pollution emissions. | 2022           | 2023 | 2024 | 2022                                        | 2023  | 2024    |
| NOx (nitrogen oxides)             |                                                                                                                                                       | 165            | 175  | 172  | 13                                          | 43    | 60.81   |
| SOx (sulfur dioxide)              |                                                                                                                                                       | 13             | 13   | 13   | 20                                          | 62    | 87.69   |
| VOCs (volatile organic compounds) |                                                                                                                                                       | 5              | 4    | 5    | 8,917                                       | 4,172 | 7528.56 |
| PM (particulate matter)           |                                                                                                                                                       | 4              | 5    | 5    | 3                                           | 6     | 8.91    |
| Total (kg)                        |                                                                                                                                                       | 187            | 197  | 195  | 8,953                                       | 4,283 | 7,686   |

Data recompilation: The 2022 and 2023 pollution emissions statistics were revised (based on data from the Control Fees and Emissions Reporting Integrated Management System)

## 03 Sustainable Environmental Protection

| Year                                                          | 2022  | 2023  | 2024  |
|---------------------------------------------------------------|-------|-------|-------|
| Total from Pingzhen Plant and Dayuan Plant (metric tons/year) | 9,140 | 4,480 | 7,881 |



Data source: Stationary Source Air Pollution - Control Fees and Emissions Reporting Integrated Management System. Ministry of Environment

1. NO<sub>x</sub> (nitrogen oxides) calculation: Material usage\*Emission factor (as announced by the Ministry of Environment)
2. SO<sub>x</sub> (sulfur dioxide) calculation: Material usage\*Emission factor (as announced by the Ministry of Environment)\*Sulfur content in the material
3. SO<sub>x</sub> (volatile organic compounds) calculation:  $\Sigma$  Emissions released during manufacturing process (Material usage\*Emission factor [as announced by the Ministry of Environment])
4. PM (particulate matter) calculation:  $\Sigma$  Emissions released during manufacturing process (Material usage\*Emission factor [as announced by the Ministry of Environment])

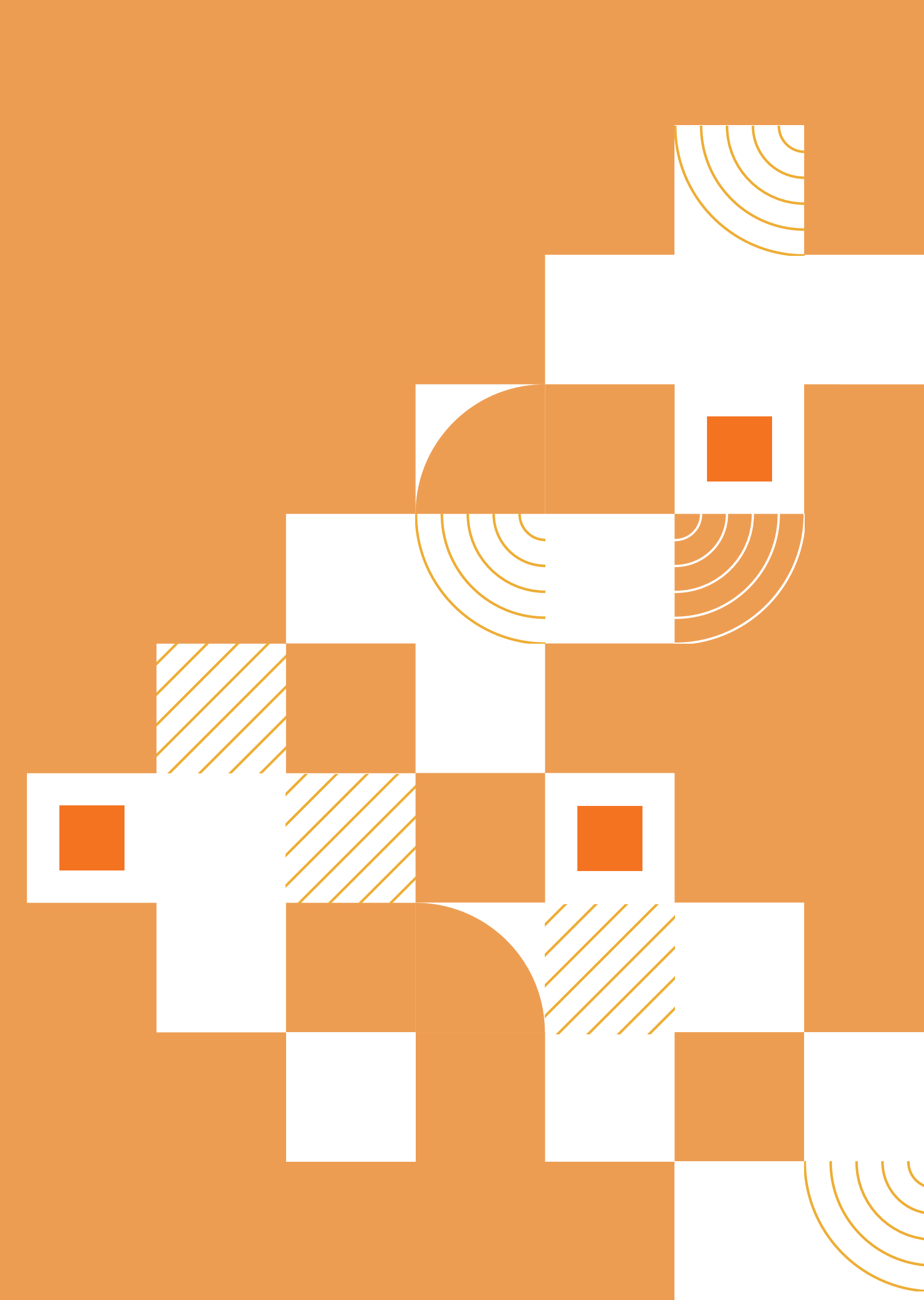
Current key strategies for carbon reduction include the reduction in fossil fuel use, improvement on energy efficiency, and adoption of low-carbon, low-sulfur fuels. PBF has adopted natural gas as a means of transitioning from high-carbon to low-carbon energy sources, aiming to gradually reduce the use of heavy fuel oil. At the Pingzhen Plant, the current use of heavy fuel oil as a heat source for thermal oil boilers will be replaced with natural gas in 2025 to reduce carbon emissions and air pollution.

In 2023, to implement more effective air pollution prevention and control measures, the Company spent NT\$7,200,000 on scrubber equipment replacement, dust collection system improvement, and greening projects. The increase in total emissions as reported in 2024 was primarily due to an increase in the use of organic liquid materials in the manufacturing process at Dayuan Plant, which led to higher emissions of VOCs (volatile organic compounds).

# 04

## Employee Relations and Care

|                                             |     |
|---------------------------------------------|-----|
| 4.1 Employment Status                       | 141 |
| 4.2 Nurturing and Developing Diverse Talent | 148 |
| 4.3 Employee Remuneration and Benefits      | 152 |
| 4.4 Employee Communication and Care         | 156 |
| 4.5 Occupational Safety and Health          | 159 |



## 04 Employee Relations and Care

| Material Topic                                      | Labor Management                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                 |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Policy/Strategy                                     | PBF sees employees as its most important partners, therefore great importance is attached to their working environment, development and employee care. The Company has set up a variety of internal communication channels in the hope of creating a better working environment for all employees.                                                                         |                                                                                                                                 |
| Management Assessment Mechanism                     | The Company has formulated internal working rules to clearly define the rights and obligations of employees and their employer, with complaint channels set up to protect the rights and interests of employees. A sound operation and management system has been established to facilitate the concerted efforts of employees and their employer on business development. |                                                                                                                                 |
| Sustainability Indicator                            | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                                                                                  | Medium- and Long-term Goals                                                                                                     |
| Turnover rate of personnel at the HQ and each plant | The turnover rate for personnel at the HQ and each plant was $\leq 20\%$ in 2024.                                                                                                                                                                                                                                                                                          | Turnover rate $\leq 15\%$                                                                                                       |
| Percentage of female management personnel           | Management personnel, all of whom were Taiwanese nationals, accounted for approximately 12.01% of the total number of employees. A total of 27 management personnel were female, accounting for 40.3% of the total number of management personnel at the Company.                                                                                                          | The number of female management personnel accounts for at least 40% of the total number of management personnel at the Company. |
| Occupational safety and health management           | Although the ISO 45001:2018 Occupational Safety and Health Management System was not adopted, the Company complied with the requirements of relevant laws and regulations to effectively manage employees' health and safety. No violation of occupational safety laws and regulations was reported.                                                                       | Adopt the ISO 45001:2018 Occupational Safety and Health Management System.                                                      |

| Material Topic                    | Human Resource Development                                                                                                                                                                                                                                                                                  |                                                 |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Policy/Strategy                   | PBF treats the long-term development of talent as its ultimate goal. Talent is trained from scratch and paired with comprehensive support mechanisms and talent cultivation planning, with an aim to accelerate the growth of their vision and ability.                                                     |                                                 |
| Management Assessment Mechanism   | A comprehensive education and training mechanism has been implemented, which provides education and training sessions on external environment, the Company's business policies, departmental performance goals, and employee career development, aiming to meet the training needs of all kinds of talents. |                                                 |
| Sustainability Indicator          | 2024 Evaluation Mechanism and Performance                                                                                                                                                                                                                                                                   | Medium- and Long-term Goals                     |
| Average training hours per person | In 2024, employee training averaged 19.87 hours per person, a 25.92% increase compared to 2023.                                                                                                                                                                                                             | Employee training averages 20 hours per person. |

## 4.1 Employment Status

### 4.1.1 Human Resource Structure GRI 2-7 、GRI 202-2 、GRI 405-1

PBF complies with relevant government laws and regulations in force such as the Labor Standards Act, the Employment Service Act, and the Gender Equality in Employment Act, as well as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the international covenants and standards recognized by the UN International Labor Organization (ILO). The Company has formulated internal working rules to clearly define the rights and obligations of employees and their employer, with complaint channels set up to protect the rights and interests of employees. A sound operation and management system has been established to facilitate the concerted efforts of employees and their employer on business development. Additionally, PBF explicitly prohibits the use of child labor and ensures that no labor under the legal working age is employed. The physical and psychological health and safety of underage employees is protected, and it is prohibited to assign them to dangerous work.

As of the end of 2024, PBF had 558 employees. The majority of employees were under the age of 50, accounting for more than 81.36% on average. Additionally, there were 337 female employees, accounting for 60.4% of the total number of employees at the Company.

# 04 Employee Relations and Care

## 1. 2024 Labor Composition of PBF HQ and Each Plant (statistics as of December 31, 2024)

| Plant                                                   |        | PBF HQ<br>(Longtan R&D<br>Center) |        | Pingzhen<br>Plant |        | Xizhi Plant |        | Xike Plant |        | Cheng<br>Fong<br>Chemical<br>Co., Ltd.<br>(Dayuan Plant) |        | Total |        |
|---------------------------------------------------------|--------|-----------------------------------|--------|-------------------|--------|-------------|--------|------------|--------|----------------------------------------------------------|--------|-------|--------|
| Number of employees for the year                        |        | 231                               |        | 177               |        | 45          |        | 4          |        | 101                                                      |        | 558   |        |
| All PBF employees                                       | Male   | 81                                | 35.06% | 47                | 26.55% | 19          | 42.22% | 3          | 75.00% | 71                                                       | 70.30% | 221   | 39.61% |
|                                                         | Female | 150                               | 64.94% | 130               | 73.45% | 26          | 57.78% | 1          | 25.00% | 30                                                       | 29.70% | 337   | 60.39% |
|                                                         | Others | 0                                 | 0%     | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 0     | 0%     |
| Non-fixed term contract personnel (permanent employees) | Male   | 80                                | 34.63% | 47                | 26.55% | 19          | 42.22% | 3          | 75.00% | 71                                                       | 70.30% | 220   | 39.43% |
|                                                         | Female | 150                               | 64.94% | 130               | 73.45% | 26          | 57.78% | 1          | 25.00% | 30                                                       | 29.70% | 337   | 60.39% |
| Fixed term contract personnel (temporary employees)     | Male   | 1                                 | 0.43%  | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 1     | 0.18%  |
|                                                         | Female | 0                                 | 0%     | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 0     | 0%     |
| Casual employees                                        | Male   | 0                                 | 0%     | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 0     | 0%     |
|                                                         | Female | 0                                 | 0%     | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 0     | 0%     |
| Full-time employees                                     | Male   | 80                                | 34.63% | 47                | 26.55% | 19          | 42.22% | 3          | 75.00% | 71                                                       | 70.30% | 220   | 39.43% |
|                                                         | Female | 150                               | 64.94% | 130               | 73.45% | 26          | 57.78% | 1          | 25.00% | 30                                                       | 29.70% | 337   | 60.39% |
| Part-time employees                                     | Male   | 1                                 | 0.43%  | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 1     | 0.18%  |
|                                                         | Female | 0                                 | 0%     | 0                 | 0%     | 0           | 0%     | 0          | 0%     | 0                                                        | 0%     | 0     | 0%     |
| Age structure (%)                                       | <30    | 28                                | 12.12% | 32                | 18.08% | 7           | 15.56% | 1          | 25.00% | 21                                                       | 20.79% | 89    | 15.95% |
|                                                         | 30-50  | 154                               | 66.67% | 103               | 58.19% | 38          | 84.44% | 3          | 75.00% | 67                                                       | 66.34% | 365   | 65.41% |
|                                                         | >50    | 49                                | 21.21% | 42                | 23.73% | 0           | 0%     | 0          | 0%     | 13                                                       | 12.87% | 104   | 18.64% |
| Minority or vulnerable groups                           |        | 4                                 |        | 0                 |        | 1           |        | 0          |        | 1                                                        |        | 6     | 1.08%  |

2. The human resource distribution at PBF HQ and each plant is listed by domain as follows, which shows only minor differences compared to 2023. Management personnel, all of whom are Taiwanese nationals, accounted for approximately 12.01% of the total number of employees. A total of 27 management personnel were female, accounting for 40.91% of the total number of management personnel at the Company. (“Management personnel” refers to executives with management functions at PBF.)

| Human resource structure | Career Domains                         | 2024 (558 employees in total) |            |        |            | 2023 (559 employees in total) |            |        |            |
|--------------------------|----------------------------------------|-------------------------------|------------|--------|------------|-------------------------------|------------|--------|------------|
|                          |                                        | Male                          | Percentage | Female | Percentage | Male                          | Percentage | Female | Percentage |
|                          | Management                             | 40                            | 7.17%      | 27     | 4.84%      | 40                            | 7.16%      | 21     | 3.76%      |
|                          | R&D                                    | 19                            | 3.41%      | 39     | 6.99%      | 24                            | 4.29%      | 42     | 7.51%      |
|                          | Business Operation                     | 36                            | 6.45%      | 41     | 7.35%      | 30                            | 5.37%      | 49     | 8.77%      |
|                          | Marketing and Art                      | 4                             | 0.72%      | 15     | 2.69%      | 6                             | 1.07%      | 19     | 3.40%      |
|                          | Product Management                     | 3                             | 0.54%      | 5      | 0.90%      | 2                             | 0.36%      | 6      | 1.07%      |
|                          | Production and Manufacturing           | 66                            | 11.83%     | 68     | 12.19%     | 61                            | 10.91%     | 60     | 10.73%     |
|                          | Administration and Back Office         | 35                            | 6.27%      | 78     | 13.98%     | 28                            | 5.00%      | 76     | 13.60%     |
|                          | Quality Control and Production Control | 18                            | 3.23%      | 61     | 11.47%     | 29                            | 5.19%      | 66     | 11.81%     |
|                          | Total                                  | 221                           |            | 337    |            | 220                           |            | 339    |            |

#### 4.1.2 New Employees and Employee Turnover Structure GRI 401-1、HC-BP-330a.2

1. New Employee Hiring Rate Statistics of PBF HQ and Each Plant for 2022 and 2024(The new employee hiring rate in 2024 decreased by 1.05% compared to 2023.)

## 04 Employee Relations and Care

|                                            |                            | 2022                |                     | 2023                |                     | 2024                |                     |
|--------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total number of employees for the year     |                            | 585                 |                     | 559                 |                     | 558                 |                     |
| Total number of new employees for the year |                            | 156                 |                     | 103                 |                     | 97                  |                     |
| New Employee Hiring Rate (Note 1)          |                            | 26.67%              |                     | 18.43%              |                     | 17.38%              |                     |
|                                            |                            | Number of employees | Percentage (Note 2) | Number of employees | Percentage (Note 2) | Number of employees | Percentage (Note 2) |
| Gender                                     | Male                       | 49                  | 22.27%              | 45                  | 20.45%              | 40                  | 18.10%              |
|                                            | Female                     | 107                 | 29.32%              | 58                  | 17.11%              | 57                  | 16.91%              |
| Age structure                              | <30                        | 40                  | 41.24%              | 27                  | 29.67%              | 28                  | 31.46%              |
|                                            | 30-50                      | 109                 | 27.11%              | 69                  | 18.06%              | 61                  | 16.71%              |
|                                            | >50                        | 7                   | 8.14%               | 7                   | 8.14%               | 8                   | 7.69%               |
| Region (Nationality)                       | Republic of China (Taiwan) | 144                 | 26.42%              | 96                  | 18.60%              | 88                  | 17.29%              |
|                                            | The Philippines            | 2                   | 11.11%              | 7                   | 29.17%              | 4                   | 15.38%              |
|                                            | Vietnam                    | 10                  | 52.63%              | 0                   | 0.00%               | 5                   | 25.00%              |
|                                            | Japan                      | 0                   | 0.00%               | 0                   | 0.00%               | 0                   | 0.00%               |
|                                            | China                      | 0                   | 0.00%               | 0                   | 0.00%               | 0                   | 0.00%               |

Note 1: New Employee Hiring Rate = Total number of new employees for the year ÷ Total number of employees for the year

Note 2: Percentage = Total number of new employees in the category ÷ Total number of employees in the category

2. Employee Turnover Rate Statistics of PBF HQ and Each Plant for 2022 and 2024 (The employee turnover rate in 2024 decreased by 1.04% compared to 2023)

|                                                 |                            | 2022                |                     | 2023                |                     | 2024                |                     |
|-------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total number of employees for the year          |                            | 585                 |                     | 559                 |                     | 558                 |                     |
| Total number of resigned employees for the year |                            | 129                 |                     | 96                  |                     | 90                  |                     |
| Employee Turnover Rate (Note 1)                 |                            | 22.05%              |                     | 17.17%              |                     | 16.13%              |                     |
|                                                 |                            | Number of employees | Percentage (Note 2) | Number of employees | Percentage (Note 2) | Number of employees | Percentage (Note 2) |
| Gender                                          | Male                       | 45                  | 20.45%              | 38                  | 17.27%              | 31                  | 14.03%              |
|                                                 | Female                     | 84                  | 23.01%              | 58                  | 17.11%              | 59                  | 17.51%              |
| Age structure                                   | <30                        | 21                  | 21.65%              | 16                  | 17.58%              | 21                  | 23.60%              |
|                                                 | 30-50                      | 96                  | 23.88%              | 68                  | 17.80%              | 60                  | 16.44%              |
|                                                 | >50                        | 12                  | 13.95%              | 12                  | 13.95%              | 9                   | 8.65%               |
| Region (Nationality)                            | Republic of China (Taiwan) | 125                 | 22.94%              | 93                  | 18.02%              | 86                  | 16.90%              |
|                                                 | The Philippines            | 1                   | 5.56%               | 2                   | 8.33%               | 1                   | 3.85%               |
|                                                 | Vietnam                    | 3                   | 15.79%              | 1                   | 6.25%               | 3                   | 15.00%              |
|                                                 | Japan                      | 0                   | 0.00%               | 0                   | 0.00%               | 0                   | 0.00%               |
|                                                 | China                      | 0                   | 0.00%               | 0                   | 0.00%               | 0                   | 0.00%               |

Note 1: Employee Turnover Rate = Total number of resigned employees for the year ÷ Total number of employees for the year

Note 2: Percentage = Number of resigned employees in the category ÷ Total number of employees in the category

## 04 Employee Relations and Care

The 2024 employee turnover rate statistics were further categorized by voluntary resignation and involuntary resignation as well as the position held. The results are shown as follows:

| Employee category    | Number of employees | Number of employees who voluntarily resigned and the Voluntary Resignation Rate |        | Number of employees who involuntarily resigned and the Involuntary Resignation Rate |       |
|----------------------|---------------------|---------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------|-------|
| Senior executives    | 10                  | 1                                                                               | 0.18%  | 0                                                                                   | 0.00% |
| Mid-level executives | 62                  | 4                                                                               | 0.72%  | 0                                                                                   | 0.00% |
| Professionals        | 165                 | 30                                                                              | 5.38%  | 2                                                                                   | 0.36% |
| General employees    | 321                 | 43                                                                              | 7.71%  | 10                                                                                  | 1.79% |
| Total                | 558                 | 78                                                                              | 13.99% | 12                                                                                  | 2.15% |

### 4.1.3 Recruitment and Retention of R&D Talents HC-BP-330a.1

PBF combines a core R&D management team, an external professional consulting team, and an outsourcing team to build a complete product development platform. The platform can be applied to the development of potential technologies and future products. To recruit and retain R&D talents, PBF not only increases its R&D expenditures each year, but also obtains talents by implementing the following practices:

1. Improving regulations and systems: The Company has established sound regulations to govern matters related to work, remuneration, employee welfare, attendance, employee reward and punishment, patent reward, unpaid parental leave, and Employee Welfare Committee measures, all of which are disclosed on the corporate intranet.
2. Creating a positive working environment: Provide adequate resources and equipment and promote an atmosphere of innovation and cooperation.

3. Offering competitive remuneration and benefits: Ensure that the remuneration and benefits offered are competitive in the market in order to attract top talent.
4. As stipulated in Article 26 of PBF's Articles of Incorporation, if the Company makes a profit for the year, no less than 2% of the Company's income (prior to the deduction of taxes and employee/director remuneration) will be allocated as employee remuneration, and no more than 5% of such income will be allocated as director remuneration. However, if the Company still has accumulated losses, an amount to make up for such losses must first be retained.
5. Career development opportunities: Provide continuous education and training as well as career development programs to help employees improve their skills and enhance their promotion opportunities.
6. Flexible work arrangements: Allow for remote work and flexible hours to balance work and personal life.
7. Regular performance evaluation: PBF conducts regular performance evaluations to acknowledge employees' work performance and achievements and identify their strengths and weaknesses. Additionally, the Company provides appropriate support, training, and development opportunities to help employees achieve their professional goals and attain personal satisfaction and fulfillment at work.
8. Employee recognition and rewards: Regularly evaluate employees and recognize their outstanding performance; motivate employees and promote their work passion through a reward system.

Employee incentive measures are linked to the Company's goals and KPIs. These measures are designed to motivate employees to achieve the goals set by the Company and ensure that employees' achievements are appropriately rewarded and reflected in their remuneration and benefits.
9. Establishing a good corporate culture: Create an open, inclusive, and meaningful working environment to enhance employees' sense of belonging.
10. Promoting R&D and innovation: To strengthen the corporate culture that emphasizes intellectual property rights, PBF has established incentive measures to encourage innovation and R&D work among employees to further improve the quantity and quality of intellectual property.

## 04 Employee Relations and Care

### 4.2 Nurturing and Developing Diverse Talent GRI 404-1 、GRI 404-3

#### 4.2.1 Diversified Education and Training

To align with international trends and fulfill the criteria for the social ethics and corporate governance aspects of ESG, a comprehensive education and training mechanism has been implemented, which provides education and training sessions on external environment, the Company's business policies, departmental performance goals, and the career development of employees, aiming to meet the training needs of all kinds of talents. The main programs PBF offers annually include new employee training, internal training, and external training. To encourage continuous learning among employees, PBF not only conducts education and training internally, but also offers subsidies for employees to attend external education and training courses to improve their personal capabilities. Employee training in 2024 averaged 19.87 hours per person, an increase of 25.92% compared to 2023.

| Employee category      | Course category                                                                                                                                                      | 2022<br>Total training hours |          |         |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------|---------|
|                        |                                                                                                                                                                      | Female                       | Male     | Total   |
| New employees          | General education courses on company regulations and systems, fire safety and environmental health and safety courses, and new employee orientation                  | 216.72                       | 202.21   | 418.93  |
| Internal training      | R&D related courses, product training, quality management, purchasing, and legal awareness raising courses.                                                          | 2,188.82                     | 2,023.69 | 4212.51 |
| External training      | Marketing courses, business management courses, finance and accounting courses, professional skills courses, fire safety and environmental health and safety courses | 937.50                       | 496.00   | 1433.50 |
| Average training hours |                                                                                                                                                                      | 9.16                         | 12.37    | 10.37   |

| Employee category      | Course category                                                                                                                                                      | 2023                 |          |         |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|---------|
|                        |                                                                                                                                                                      | Total training hours |          |         |
|                        |                                                                                                                                                                      | Female               | Male     | Total   |
| New employees          | General education courses on company regulations and systems, fire safety and environmental health and safety courses, and new employee orientation                  | 375.03               | 478.25   | 853.28  |
| Internal training      | R&D related courses, product training, quality management, purchasing, and legal awareness raising courses.                                                          | 3,508.28             | 3,257.90 | 6766.18 |
| External training      | Marketing courses, business management courses, finance and accounting courses, professional skills courses, fire safety and environmental health and safety courses | 610.50               | 592.00   | 1202.50 |
| Average training hours |                                                                                                                                                                      | 13.26                | 19.67    | 15.78   |
| Employee category      | Course category                                                                                                                                                      | 2024                 |          |         |
|                        |                                                                                                                                                                      | Total training hours |          |         |
|                        |                                                                                                                                                                      | Female               | Male     | Total   |
| New employees          | General education courses on company regulations and systems, fire safety and environmental health and safety courses, and new employee orientation                  | 624.32               | 506.85   | 1131.17 |
| Internal training      | R&D related courses, product training, quality management, purchasing, and legal awareness raising courses.                                                          | 4,737.50             | 4,317.72 | 9055.22 |
| External training      | Marketing courses, business management courses, finance and accounting courses, professional skills courses, fire safety and environmental health and safety courses | 598.84               | 302.50   | 901.34  |
| Average training hours |                                                                                                                                                                      | 17.69                | 23.20    | 19.87   |

The statistics were further categorized by management and non-management personnel, as shown below:

## 04 Employee Relations and Care

| Year                                                       | 2022  | 2023  | 2024  |
|------------------------------------------------------------|-------|-------|-------|
| Average training hours of management personnel (hours)     | 12.06 | 17.63 | 20.96 |
| Average training hours of non-management personnel (hours) | 10.18 | 15.55 | 20.30 |

### 4.2.2 Regular Performance Evaluation

PBF examines employees work performance and achievements primarily through regular performance evaluations, which also identify their weaknesses. Additionally, the Company offers appropriate support, training, and development opportunities to help employees achieve their professional goals and thereby gain personal satisfaction and fulfillment at work. The percentages of full-time male and female employees who underwent regular work performance evaluations in 2024 were 80.09% and 77.74%, respectively.

| Evaluation Items |                                                                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category 1       | Annual strategic goals and daily duty goals.                                                           | The annual goals are set according to the employee's job responsibilities, job descriptions, or project work assigned by the supervisor.                                                                                                                                                                                                                                                                                |
| Category 2       | Work capability and work attitude. Evaluation items differ by work category and functional attributes. | The evaluation items include vitality and motivation, taking initiative and responsibility for results, self-growth and learning ability, professional knowledge and skills, development and maintenance of interpersonal relationships, work output and quality, time and progress control, teamwork and interdepartmental collaboration, problem analysis and solving ability, and improvement or innovation ability. |

| Number of employees evaluated for work performance (2024) | Work Performance Evaluation  |                |                              |                |
|-----------------------------------------------------------|------------------------------|----------------|------------------------------|----------------|
|                                                           | Male                         |                | Male                         |                |
|                                                           | Number of employees (person) | Percentage (%) | Number of employees (person) | Percentage (%) |
| Management personnel                                      | 36                           | 90.00%         | 25                           | 92.59%         |
| R&D personnel                                             | 14                           | 73.68%         | 30                           | 76.92%         |
| Business operation personnel                              | 22                           | 61.11%         | 27                           | 65.85%         |
| Marketing and art personnel                               | 3                            | 75.00%         | 11                           | 73.33%         |
| Product management personnel                              | 3                            | 100.00%        | 2                            | 40.00%         |
| Production and manufacturing personnel                    | 60                           | 90.91%         | 59                           | 86.76%         |
| Administration and back-office personnel                  | 27                           | 77.14%         | 68                           | 87.18%         |
| Quality control and production control personnel          | 12                           | 66.67%         | 40                           | 62.50%         |

## 04 Employee Relations and Care

### 4.3 Employee Remuneration and Benefits

#### 4.3.1 Employee Benefits GRI 401-2

Since its inception, PBF has always emphasized the importance of caring for employees and giving back to society. The Company not only incorporates these principles into its cooperation, innovation, sustainability, ethical management, and performance, but also develops harmonious management–labor relations on the basis of that foundation.

PBF sees employees as its most important partners and attaches great importance to their working environment, development, and employee care. The Company has established a variety of internal communication channels in the hope of creating a better working environment for all employees.

The Company has formulated internal work rules to clearly define the rights and obligations of employees and their employer, and it has set up complaint channels to protect the rights and interests of employees. Furthermore, a sound management system has been established to facilitate cooperation between employees and their employer on business development.

The Company's Employee Welfare Committee was established with the approval of Taoyuan County in Official Letter No. She-Lao-Tzu-184545 dated November 24, 1987, and it was later relocated to Taipei on September 28, 2017, for comprehensive management by PBF HQ. The Human Resources Department promotes the following company welfare programs to uphold the spirit of mutual benefit for both labor and management:

| Item                                                | Description                                                                                                                                                                                                                                                             |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group insurance                                     | Fixed-term insurance coverage, accidental injury coverage, limited amount of injury medical reimbursement insurance for hospitalization, and limited subsidy for outpatient surgery                                                                                     |
| Overseas business travel insurance                  | Overseas emergency medical treatment for accidents/illnesses, disability/death/injury protection insurance, international comprehensive travel insurance, and compensation insurance                                                                                    |
| Holiday bonus                                       | NT\$1,000 cash for Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.                                                                                                                                                                                            |
| Birthday gift                                       | NT\$1,200 cash (voucher)                                                                                                                                                                                                                                                |
| Allowances                                          | Including marriage and bereavement allowance; maternity allowance; consolation payments for injury, disability, or death. The subsidy amount varies by seniority.                                                                                                       |
| Subsidy for external education and training courses | Employees are assigned to attend external education and training courses based on their work needs.                                                                                                                                                                     |
| Work during national holidays                       | Employees who work during national holidays are paid an additional 1.5 times their hourly salaries, exceeding the stipulations of the Labor Standards Act.                                                                                                              |
| Work during natural disasters or emergencies        | Employees who work during natural disasters or emergencies are paid salaries exceeding the stipulations of the Labor Standards Act, calculated based on the salary for working during a rest day; employees who are absent receive their regular salaries for that day. |
| Other welfare activities                            | Annual company trip, year-end party and lucky draw, half-day leave on Lunar New Year's Eve                                                                                                                                                                              |

## 04 Employee Relations and Care

### 4.3.2 Employee Remuneration GRI 202-1 、GRI 405-2 、GRI 2-21

As stipulated in Article 26 of PBF's Articles of Incorporation, if the Company makes a profit for the year, an amount not greater than 2% of the pre-tax income before deducting employees' and directors' compensation will be allocated as the employee remuneration. However, if the Company has accumulated losses, the amount must first be retained in order to make up for the losses. Employee incentive measures are linked to the Company's goals and KPIs. Such measures aim to motivate employees to achieve the goals set by the Company and appropriately reward employees with remuneration and benefits for their achievements.

| Minimum wage and remuneration                    | Male (person) | Female (person) | Ratio of compensation to remuneration (Female : Male) |
|--------------------------------------------------|---------------|-----------------|-------------------------------------------------------|
| Management personnel                             | 40            | 27              | 1:1.60                                                |
| R&D personnel                                    | 19            | 39              | 1:0.94                                                |
| Business operation personnel                     | 36            | 41              | 1:1.06                                                |
| Marketing and art personnel                      | 4             | 15              | 1:1.17                                                |
| Product management personnel                     | 3             | 5               | 1:1.13                                                |
| Production and manufacturing personnel           | 66            | 68              | 1:1.07                                                |
| Administration and back-office personnel         | 35            | 78              | 1:1.11                                                |
| Quality control and production control personnel | 18            | 64              | 1:1.01                                                |

The ratio of the annual total remuneration of PBF's highest-paid individual to the median annual total remuneration of the organization's other employees (excluding the highest-paid individual) in 2024 was 17.86:1.

The ratio of the percent increase in annual total remuneration for the highest-paid individual to the percent increase in median annual total remuneration for the organization's other employees (excluding the highest-paid individual) in 2024 was 16.76:1.

#### Ratio of entry-level employees' salaries to statutory salaries

| Entry-level employees                                            | Onsite operator or staff |      |
|------------------------------------------------------------------|--------------------------|------|
| Gender                                                           | Female                   | Male |
| Salary ratio by gender                                           | 1:1.03                   |      |
| Ratio of entry-level employees' salaries to the minimum wage (%) | 1.04                     | 1.07 |

Note: The ratio of entry-level employees' salaries to the minimum wage is calculated based on the comparison of the 2024 minimum wage of NT\$27,470 announced by the Ministry of Labor to the salary range of PBF's entry-level employees.

#### Average and Median Salary for Full-time Non-managerial Employees

| Item                                                  | 2023        | 2024        |
|-------------------------------------------------------|-------------|-------------|
| Average salary for full-time non-managerial employees | NT\$742,000 | NT\$785,000 |
| Percent increase compared to the previous year        | 5.80%       |             |
| Median salary for full-time non-managerial employees  | NT\$598,000 | NT\$645,000 |
| Percent increase compared to the previous year        | 7.86%       |             |

## 04 Employee Relations and Care

### 4.3.3 Retirement System

To ensure that employees can enjoy a stable life after retirement, PBF has formulated the Regulations Governing Employee Retirement in accordance with the law and established the Pension Supervisory Committee. To protect the rights and interests of employees, the Company contributes 2% of each employee's monthly pay to the pension fund in the dedicated account at the Bank of Taiwan (originally credited to the Central Trust of China) every month. Since July 1, 2005, the Company has adopted the new governmental retirement regulations by contributing 6% of an employee's total income from salaries to their individual pension account. For employees who opt for voluntary contribution, the contribution amount is deducted (according to the voluntary contribution rate) directly from their monthly pay and deposited into their respective individual pension account at the Bureau of Labor Insurance. As of December 2024, the Company has contributed NT\$52,734,000 to the Labor Retirement Reserve Fund (old regulations); and in 2024, the Company contributed NT\$15,523,000 for 2024 to the Individual Labor Pension Account (new regulations).

(1) Voluntary retirement:

- A. Attains the age of 55 and has a seniority of 15 years.
- B. Attains the age of 60 and has a seniority of 10 years.
- C. Has a seniority of 25 years.

(2) Forced retirement:

- A. Attains the age of 65. (As of December 2024, seven employees aged 65 and above remained working at the Company.)
- B. Unable to perform their duties due to mental or physical impairment.

### 4.4 Employee Communication and Care GRI 2-30

PBF has maintained harmonious management-labor relations. In addition to complying with the Labor Standards Act and other related laws and regulations, PBF has formulated welfare measures that are better than the statutory requirements. To enhance the efficiency of internal communication and encourage employees to voice their ideas, departmental meetings are held for internal communication on a regular

basis, and employee communication channels have also been set up. The following channels are available for employees to convey their messages and opinions when they see problems or have suggestions.

To fulfill the corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders, PBF complies with various international human rights conventions, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Global Compact of the United Nations, as well as the standards set by the International Labour Organization. The Company adheres to the internationally recognized policies on basic human rights for freedom of association, protection of vulnerable groups, prohibition of child labor, elimination of all forms of forced or compulsory labor, and elimination of employment and job discrimination; moreover, the Company strictly adheres to labor laws and regulations in the regions where its offices and plants are located.

In addition, the Company also follows the national laws and regulations in Taiwan, including the Labor Standards Act and the Gender Equality in Employment Act, with the intention to establish appropriate management methods and procedures to prevent any violations of human rights. This helps raise the awareness of human rights awareness among PBF employees and stakeholders, thereby fostering a harmonious and equitable society.

The Declaration of Human Rights includes various human rights issues including fostering an inclusive and diverse environment, ensuring equal employment opportunities, zero tolerance for discrimination and harassment, providing a safe workplace, valuing labor–management harmony, respecting freedom of association and assembly, and safeguarding privacy and cybersecurity.

To effectively implement human rights policies, the Company has established a human rights due diligence process for the identification of potential human rights risks and affected parties as well as risk assessments. Based on the assessment results, risk prevention, monitoring, and mitigation measures are formulated and executed to enhance risk management processes for human rights and ensure the continuous protection of workers' human rights.

## 04 Employee Relations and Care



1. Employee Communication Hotline: Reports and complaints can be made via phone at 02-26558218 ext.505
2. Employee Communication E-mail: Reports and complaints can be made via e-mail at [hr@pbf.com.tw](mailto:hr@pbf.com.tw)
3. Employee Communication Suggestion Box: Allows management to understand employee problems and avoid possible labor disputes.
4. Procedures for Prevention and Management of Unlawful Infringement in the Performance of Duties: The Human Resources Department is responsible for examining and handling such incidents. Throughout the year, no human rights complaints were filed and handled through external channels via the formal complaint mechanism.
5. Regulations for Prevention, Complaints and Disciplinary Measures of Sexual Harassment in the Workplace: The Human Resources Department is responsible for handling, investigating, and reviewing the complaints. In 2023, no complaints were filed via internal or external channels.
6. The Company conducts regular tracking of each department's working hours to ensure legal compliance, prohibits forced labor of all forms and the violation of basic labor rights, and specifies in its work regulations that working overtime is not permitted.
7. The Company convenes quarterly labor-management meetings to listen to the voices and opinions of different departments and achieve satisfactory communication, thereby meeting the needs of employees to the greatest extent possible and ensuring that employees have a good grasp of the various operational information.

Currently, PBF has not established a labor union and therefore has not signed a collective labor agreement. However, the Company complies with relevant labor laws and regulations in Taiwan to protect the rights and interests of employees regarding employment and working conditions.

Employee benefits and rights are stated in the company's management rules and regulations and resolved at quarterly labor-management meetings. The labor-management meeting consists of five representatives from both the labor side and the management side, which enables efficient communication between the two sides.

## 4.5 Occupational Safety and Health GRI 403-4

Emphasizing the importance of employees' occupational safety and health is a basic responsibility of PBF. The Company is also fully aware that in the pursuit of sustainable development, a healthy workplace, healthy workforce, and healthy employees are key. Therefore, PBF has created a safe and healthy working environment to not only comply with the requirements of laws and regulations, but also to establish a firm foundation for stable and successful development. Although the PBF has yet to adopt the ISO 45001:2018 Occupational Safety and Health Management System, the Company complies with relevant labor safety and health regulations and has established practical communication and participation mechanisms to effectively manage employee safety and health.

Throughout the establishment, implementation, and evaluation of the occupational safety and health system, the Company has adopted the following approaches to facilitate worker participation and encourage health consultation:

- Communication and recommendation:

The Company has formulated internal work rules to clearly define the rights and obligations of employees and their employer, and it has established complaint channels to protect the rights and interests of employees. A sound management system has been established to facilitate collaboration between employees and their employer on business development.

- Education, training, and awareness raising campaigns:

The Company conducts annual drills for toxic chemical substance emergencies and provides occupational safety and health education and training to enhance employees' emergency response and safety management capabilities. The Company strives to improve employees' mindsets, awareness, and abilities regarding safety and health through training and advocacy campaigns.

- Health management and consultation mechanisms:

The Company has appointed health professionals (physicians and nurses) to provide on-site health services, which help promote health management in the workplace, track employees with poor health indicators, and address employee health issues.

## 04 Employee Relations and Care

In the future, the Company will continue to promote employees' participation and evaluate the establishment of a more comprehensive occupational safety and health management system.

### 4.5.1 Health Promotion Program GRI 403-3 、 GRI 403-6

PBF regularly conducts health examinations and management for employees (once a year for employees working in production plants and once every 2 years for other employees), and the costs are borne by the Company. The intervals for current employees' health examinations are shorter than the statutory requirement, and the Company offers more comprehensive healthcare benefits than the evaluation items required by the law. Among the employees who qualified for health examinations, the completion rate exceeded 98%. PBF carries out graded health management on the basis of the health examination results, provides face-to-face consultations with resident physicians, and organizes educational seminars on common health problems. By providing employees with convenient and accessible medical resources, PBF aims to enhance their willingness to seek medical treatment and strives to promote proper health knowledge.

Other workers not employed by the Company include: contractors and property management personnel who maintain contractual relationships with PBF. The Company does not employ any dispatched labor.

For employees working at Pingzhen Plant and Cheng Fong Chemical Co., Ltd. (Dayuan Plant), special health examinations are conducted annually assessing items such as noise, dust, toluene, dimethylformamide, nickel and its compounds, and formaldehyde. The 2023 examination results revealed that one employee was classified as Level 3 in the noise assessment; this employee was reclassified as Level 4 during the follow-up examination. In the subsequent follow-up examination in 2024, the employee was reclassified as Level 1 and Level 2. Current improvement measures include providing all employees with protective gear, and some work tasks have been adjusted based on specific conditions.

To protect employees' rights and prevent occupational hazards from endangering their safety and health, the Company has formulated four major protection programs, namely the Abnormal Workload-triggered Disorder Prevention Program, the Unlawful Infringement in the Performance of Duty Prevention Program, the Ergonomic Hazard Prevention Program, and the Workplace Maternal Health Protection Program. Furthermore, professional physicians and nurse practitioners are employed to provide clinical health services. No deaths due to occupational disease or confirmed diagnoses of occupational diseases or work-related illnesses as determined by an occupational health physician were reported in the last 3 years.

## 04 Employee Relations and Care

1. Health seminars
2. A total of fifteen promotional materials on health issues were shared in 2024, in an effort to promote proper health knowledge.

| Promotional material content                                                                                         |
|----------------------------------------------------------------------------------------------------------------------|
| Health Seminar on Work-related Musculoskeletal Disorders - Spinal Care Tips for Office Workers                       |
| Health Seminar - What You Don't Know About Magnesium                                                                 |
| Online Fitness Classes for Corporations                                                                              |
| Work and Environmental Hazard Identification / Health Risk Assessment for the Middle-aged and Elderly / Job Redesign |
| Dietitian's Guides to Healthy Eating                                                                                 |
| Education, Training, and Awareness-raising Campaign on Gender Equality                                               |
| Staying Healthy During Chinese New Year / Migraines / Awareness Raising Campaign on Smoking Prevention               |
| What is Bongkreic Acid? / Liver Cancer Screening / Breast Cancer / Qingming Festival Health Promotion                |
| Unlawful Infringement for Employees / Getting to Know Colorectal Cancer / Sudan Red Health Promotion                 |
| Cirrhosis / Frequent Abdominal Pain + Getting to Know Peptic Ulcer Disease / Chronic Hepatitis                       |
| Sarcopenia Health Promotion / Self-defense Health Promotion / Scoliosis                                              |
| Precautions for Working Outdoors in Hot Weather / Ionizing Radiation / Hearing Protection at Work health promotion   |
| Mid-Autumn Festival Diet Tips / Barbecue Gathering Precautions / Mid-Autumn Festival Food and Drinks                 |
| Flu Season is Here! Get Your Flu Shot Done / Depression / Autism                                                     |
| Unlawful Infringement in the Workplace + Sexual Harassment Education and Training                                    |

#### 4.5.2 Occupational Safety and Health Education and Training GRI 403-5

In accordance with legal requirements, PBF ensures that every employee has a good grasp of occupational safety and health related laws and regulations as well as the Company's safety and health management mechanism. PBF introduces the Company's culture and concepts on safety and health to employees by conducting regular occupational safety and health related education and training programs (the training programs are Occupational Safety and Health Education and Training for New Hires, Occupational Safety Education and Training for Current Employees, Unlawful Infringement Education and Training, Fire Safety and Evacuation Drills for All Employees, and Toxic Chemical Substance Education and Training).

To effectively protect the safety and health of employees, PBF also introduced road safety and SOP at work based on important indicators such as work patterns and operating environment. Additionally, PBF increased the frequency of inspections by site supervisors and replaced old plant equipment to strengthen protective measures. The education, training, and information dissemination campaigns enhance employees' attitudes, awareness, and capability toward safety and health, with an aim of cultivating emergency response capabilities and self-management of safety among employees.

Other workers not employed by the Company include: contractors and property management personnel who maintain contractual relationships with PBF. The Company does not employ any dispatched labor.

## 04 Employee Relations and Care

| Education and Training Programs                                     | 2022<br>Number of<br>participants | 2023<br>Number of<br>participants | 2024<br>Number of<br>participants |
|---------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| General Occupational Safety and Health Education and Training       | 165                               | 344                               | 189                               |
| Unlawful Infringement Education and Training                        | 4                                 | 43                                | 455                               |
| Occupational Safety and Health Education and Training for New Hires | 75                                | 70                                | 84                                |
| Fire Safety and Evacuation Drills for All Employees                 | 337                               | 354                               | 206                               |
| Toxic Chemical Substance Education and Training                     | 54                                | 58                                | 19                                |

### 4.5.3 Occupational Accident Statistics GRI 403-9 、GRI 403-10 、GRI 2-8

Although the ISO 45001:2018 Occupational Safety and Health Management System has not been adopted, the Company keeps statistics on occupational injuries in accordance with the Occupational Safety and Health Act to ensure and achieve the sustainability goal of zero accidents. PBF HQ (including the Longtan R&D Center), Xizhi Plant, and Xike Plant are mostly engaged in office administrative activities, which are completely different from the work patterns at Pingzhen Plant and Cheng Fong Chemical Co., Ltd. (Dayuan Plant).

Statistics on occupational accidents and injuries at PBF HQ and each plant in 2022 and 2024 are shown in the table below:

| Year                                                                                                | 2022    | 2023    | 2024   |
|-----------------------------------------------------------------------------------------------------|---------|---------|--------|
| Disabling Injury Frequency Rate (FR)<br>(Total work-related injury cases per million working hours) | 2.5744  | 1.8033  | 0.8961 |
| Disabling Injury Severity Rate (SR)<br>(Total loss of work days per million working hours)          | 53.4188 | 12.1725 | 1.3441 |
| Frequency Severity Index (FSI)                                                                      | 0.3708  | 0.1482  | 0.0347 |
| Total loss of work days                                                                             | 2.5744  | 1.8033  | 0.8961 |
| Number of Fatalities from Occupational Injuries                                                     | 53.4188 | 12.1725 | 1.3441 |
| Fatal Rate of Occupational Injuries                                                                 | 0.3708  | 0.1482  | 0.0347 |
| Number of Recordable Severe Occupational Injuries                                                   | 62.3    | 13.5    | 1.5    |
| Rate of Recordable Severe Occupational Injuries                                                     | 0       | 0       | 0      |
| Number of Recordable Occupational Injuries                                                          | 0       | 0       | 0      |
| Rate of Recordable Occupational Injuries                                                            | 0       | 0       | 0      |
| Number of Fatalities from Occupational Diseases                                                     | 0       | 0       | 0      |
| Fatal Rate of Occupational Diseases                                                                 | 3       | 2       | 1      |
| Number of Recordable Occupational Diseases                                                          | 0.51    | 0.36    | 0.18   |

## 04 Employee Relations and Care

Among the occupational injury incidents that occurred in 2022, two were falling accidents in the plant and one was inhalation of hazardous substances. In 2023, there was one mechanical equipment injury and one falling accident in the plant. In 2024, there was one falling accident in the plant.

Other workers not employed by the Company include: contractors and property management personnel who have maintained contractual relationships with PBF; the Company does not utilize any dispatched labor.

| PBF HQ and Each Plant                                                                       | 2022     | 2023     | 2024     |
|---------------------------------------------------------------------------------------------|----------|----------|----------|
| Total number of non-company personnel                                                       | 146      | 91       | 129      |
| Total working hours of non-company personnel                                                | 67,790.5 | 47,423.5 | 61,979.5 |
| Disabling Injury Frequency Rate (FR)<br>(Total loss of work days per million working hours) | 0        | 0        | 0        |
| Disabling Injury Severity Rate (SR)<br>(Total loss of work days per million working hours)  | 0        | 0        | 0        |
| Frequency Severity Index (FSI)                                                              | 0        | 0        | 0        |
| Number of Fatalities from Occupational Injuries                                             | 0        | 0        | 0        |
| Fatal Rate of Occupational Injuries                                                         | 0        | 0        | 0        |
| Number of Severe Occupational Injuries                                                      | 0        | 0        | 0        |
| Rate of Severe Occupational Injuries                                                        | 0        | 0        | 0        |
| Number of Recordable Occupational Injuries                                                  | 0        | 0        | 0        |
| Rate of Recordable Occupational Injuries                                                    | 0        | 0        | 0        |
| Number of Fatalities from Occupational Diseases                                             | 0        | 0        | 0        |
| Fatal Rate of Occupational Diseases                                                         | 0        | 0        | 0        |
| Number of Recordable Occupational Diseases                                                  | 0        | 0        | 0        |

00

01

02

03

04

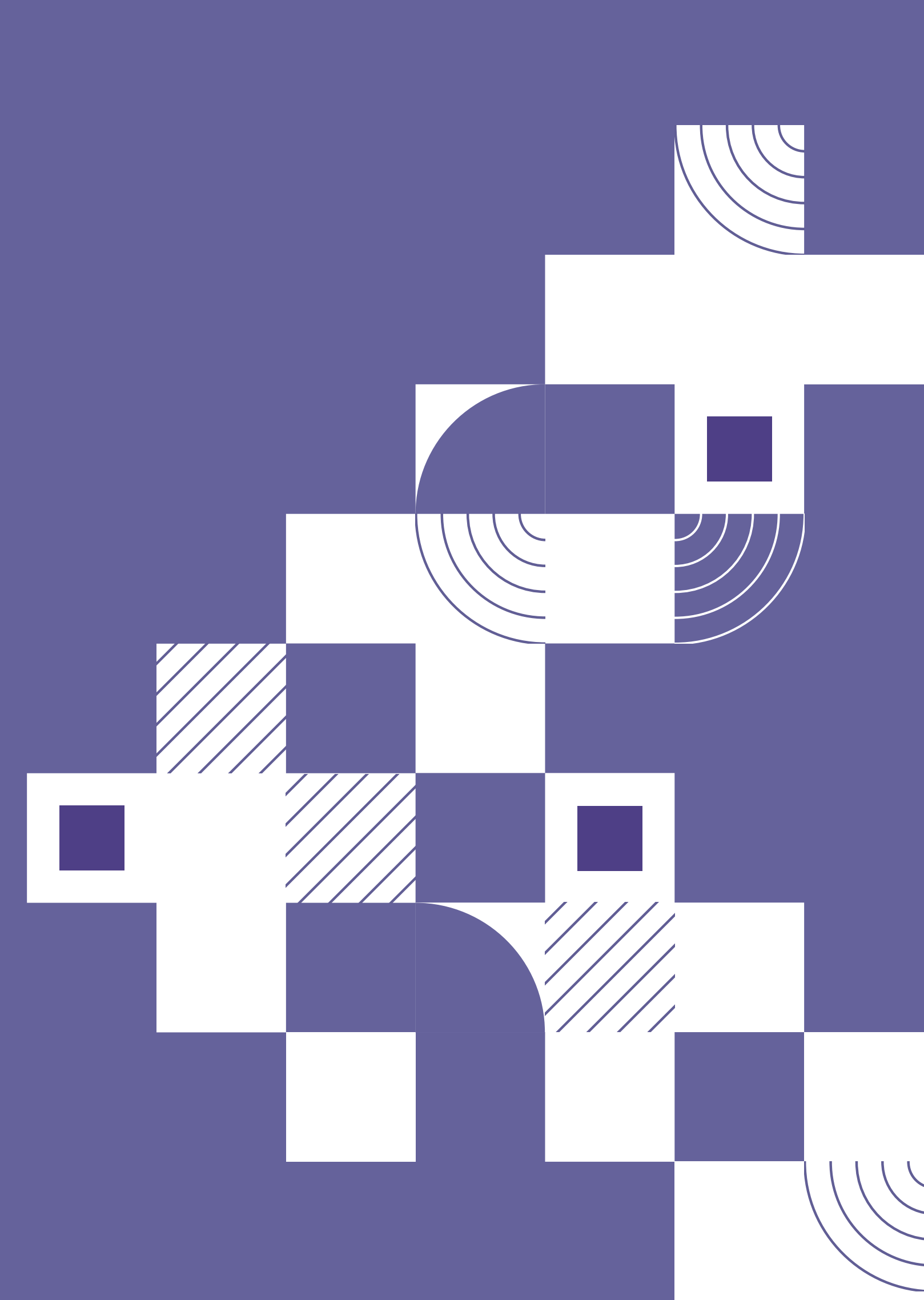
05

Appendix

# 05

## Giving Back to Society and Participation

|                                                                    |     |
|--------------------------------------------------------------------|-----|
| 5.1 Social Engagement                                              | 170 |
| 5.2 Tree Planting Activity                                         | 171 |
| 5.3 Ongoing Project Sponsorship for the Eurasian Chamber Orchestra | 172 |



## 05 Giving Back to Society and Participation

For over 40 years since its humble beginnings in 1976, PBF has embraced the spirit of doing as much as possible to give back to society and help the underprivileged while actively moving toward the ultimate goals of sustainable environment and social welfare. The Company upholds its commitments to stakeholders and hopes to gradually improve and implement sustainable management through a systematic management approach.

PBF adheres to the core sustainability concept of “dedication to building a better society.” This concept not only guides PBF’s leadership of the health supplements industry but also drives the Company’s continuous efforts to build a better society.

### 5.1 Social Care

To promote the corporate philosophy of Health, Caring and Sharing and fulfill the Company’s social responsibility, PBF leverages its corporate strength to help the underprivileged, thereby upholding the principle of “taking from society and giving back to society”.

| Recipient of donation                                                                  | Products/Amount Invested  |
|----------------------------------------------------------------------------------------|---------------------------|
| Taipei Medical University Social Medical Service First Group (mobile medical services) | 3,348<br>(Unit: NT\$1000) |
| Anti-Aging Aesthetics Development Association                                          |                           |
| Hualien County Government (earthquake relief)                                          |                           |
| Eurasia Chamber Orchestra                                                              |                           |
| Hang-An Social Welfare Charity Foundation                                              |                           |
| Eden Social Welfare Foundation (Keelung and Chiayi)                                    |                           |
| Black Butterfly Arts Performance by Pei-Ju Chien                                       |                           |
| Chaojing Park (Keelung)                                                                |                           |

| Recipient of donation                                                                                                                            | Products/Amount Invested  |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Charity foundations (Mennonite Social Welfare Foundation, Niuerh Cultural & Educational Foundation, and Taipei City Haoran Senior Citizens Home) | 3,348<br>(Unit: NT\$1000) |
| Classmates Charity Foundation                                                                                                                    |                           |
| TMU National Collegiate Rugby 2024                                                                                                               |                           |

## 5.2 Tree Planting Activity - Greening the Earth through PBF's Efforts

PBF hopes to exert a persistent influence on sustainability through various environmental care initiatives. In addition to inspiring employees, the Company extends the green trend to the outside world and urges the public to care for the earth. Active participation by the public is the best support for environmental sustainability in Taiwan.

On November 10, 2024, PBF employees and their families participated in a tree planting activity headed by Vice President Feng-Jen Wang, who is also the Executive Committee Member of the Company's Sustainable Development Committee. A total of 100 seedlings were planted at the beautiful seaside location of Chaojing Park in Keelung. Coastal area trees, such as beach naupaka and Sexton's bride, are characterized by their ability to withstand wind, salt, and drought. Therefore, these two native tree species were specially selected for the tree planting activity after considering the coastal characteristics of Chaojing Park.

The tree planting activity also served as PBF's Family Day. Employees brought along their families to jointly participate in ESG initiatives and contribute to energy conservation and carbon reduction in a more diverse manner. By organizing activities such as the 2023 Fulong beach cleanup and this year's tree planting activity at Keelung's Chaojing Park, PBF hopes that the seedlings planted will help make the Earth greener.

## 05 Giving Back to Society and Participation



### 5.3 Ongoing Project Sponsorship for the Eurasian Chamber Orchestra

When life and exchange activities regain vibrancy and vitality, the down-to-earth lifestyle becomes integrated with innovative thinking and reconnects with the pulse of nature to inspire new opportunities for humanities, music, and arts. PBF is committed to realizing its dream and preserving its original ideals; therefore, the Company supports the sustainable development of high-quality arts and cultural organizations

in Taiwan to raise the benchmarks for humanities, music, and arts.

The Eurasia Chamber Orchestra was founded in Vienna in 1991 by conductor Chih-Hui Huang, and the Eurasia Orchestra Taipei was founded in 1997; that same year, both orchestras performed together for the first time and toured Taiwan. Since 2007, the orchestra has been touring regularly in Europe with European musicians, and has performed in Vienna, Salzburg, Berlin, Munich, and Italy. In celebration of the centennial of the Republic of China (R.O.C.) in 2011, the orchestra made its debut at the world-famous Musikverein in Vienna, transforming it into an unprecedentedly grand and meaningful event. From 2012 onwards, a series of twelve Salon Concerts have been held each year.

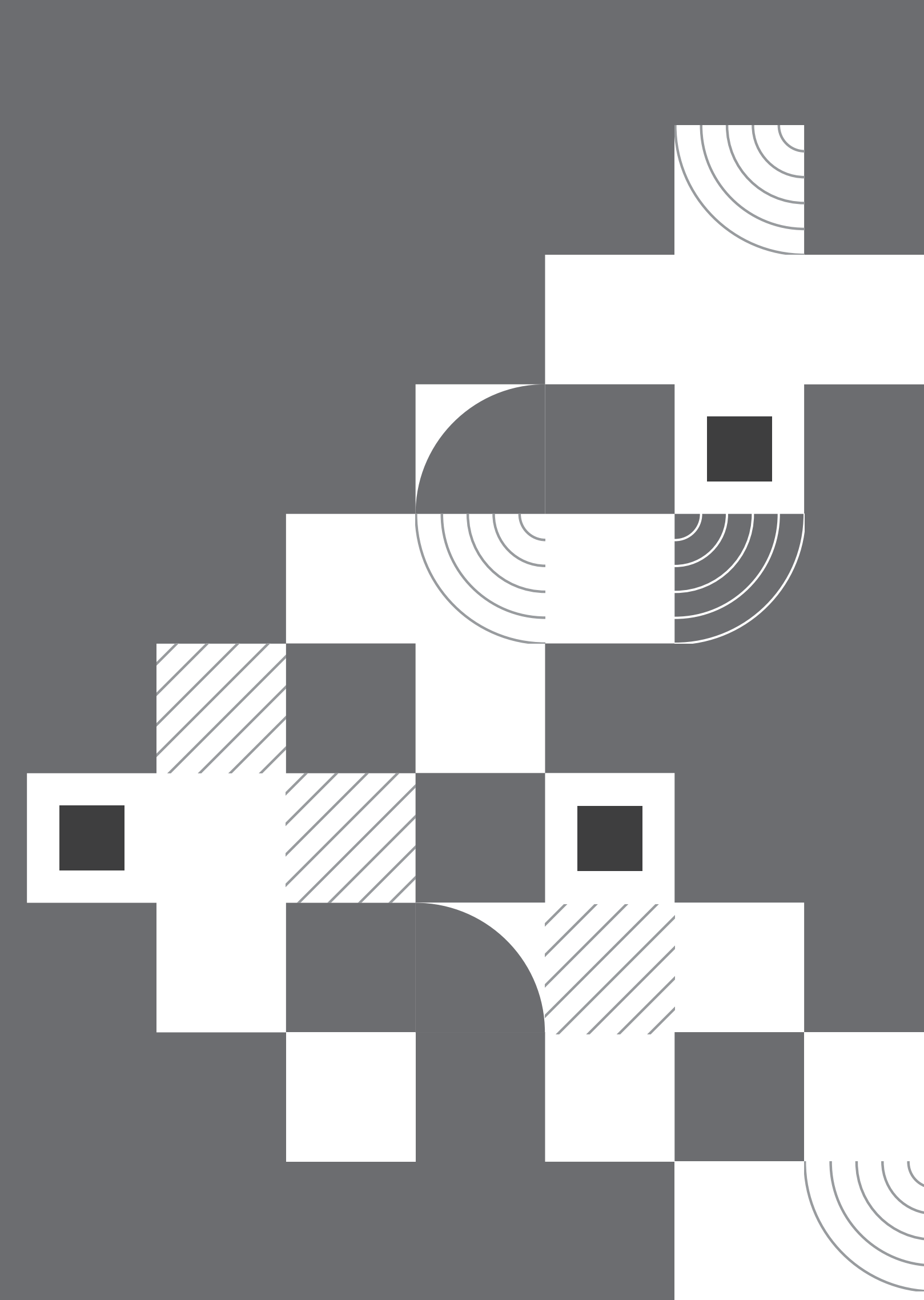
On September 9, 2024, the Eurasia Chamber Orchestra held a concert titled *Zugeflogene Melodien* at the National Concert Hall of Taiwan. To show support for the development of the arts and culture industry and to revitalize local culture, PBF sponsored the orchestra in 2024, donating a total of NT\$400,000.



# 06

## Appendix

|                                                     |     |
|-----------------------------------------------------|-----|
| Appendix 1 GRI Content Index                        | 176 |
| Appendix 2 SASB Index                               | 192 |
| Appendix 3 Verification Statement/Assurance Opinion | 200 |



# Appendix 1 GRI Content Index

|                                    |                                                                                                                           |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Statement of Use                   | PBF compiled the 2024 ESG Report in accordance with the GRI Standards for the period from January 1 to December 31, 2024. |
| GRI Version                        | GRI 1: Foundation 2021                                                                                                    |
| Applicable GRI Sector Standard (s) | Not applicable                                                                                                            |

| GRI 2: General Disclosures 2021 |                                                                  |                                                    |           |                   |
|---------------------------------|------------------------------------------------------------------|----------------------------------------------------|-----------|-------------------|
| Disclosure Items                |                                                                  | Corresponding Chapter in the Report or Description | Page      | Remarks/Omissions |
| Organization and reporting      |                                                                  |                                                    |           |                   |
| 2-1                             | Organizational details                                           | About Panion & BF Biotech Inc.                     | 08        |                   |
| 2-2                             | Entities included in the organization's sustainability reporting | About this Report                                  | 04        |                   |
| 2-3                             | Reporting period, frequency and contact point                    | About this Report                                  | 04        |                   |
| 2-4                             | Restatements of information                                      | About this Report                                  | 04        |                   |
| 2-5                             | External assurance                                               | About this Report/Appendix 3                       | 04<br>200 |                   |
| Activities and workers          |                                                                  |                                                    |           |                   |
| 2-6                             | Activities, value chain and other business relationships         | 2.2.1 Industrial Chain Value                       | 93        |                   |
| 2-7                             | Employees                                                        | 4.1.1 Human Resource Structure                     | 141       |                   |
| 2-8                             | Workers who are not employees                                    | 4.5.3 Occupational Accident Statistics             | 164       |                   |

| GRI 2: General Disclosures 2021 |                                                                             |                                                                              |      |                   |
|---------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|------|-------------------|
| Disclosure Items                |                                                                             | Corresponding Chapter in the Report or Description                           | Page | Remarks/Omissions |
| Governance                      |                                                                             |                                                                              |      |                   |
| 2-9                             | Governance structure and composition                                        | 1.1.1 PBF Organizational Structure                                           | 41   |                   |
| 2-10                            | Nomination and selection of the highest governance body                     | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions) | 43   |                   |
| 2-11                            | Chair of the highest governance body                                        | 1.1.1 PBF Organizational Structure                                           | 41   |                   |
| 2-12                            | Role of the highest governance body in overseeing the management of impacts | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions) | 43   |                   |
| 2-13                            | Delegation of responsibility for managing impacts                           | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions) | 43   |                   |
| 2-14                            | Role of the highest governance body in sustainability reporting             | 1.1.3 Sustainable Development Committee                                      | 58   |                   |
| 2-15                            | Conflicts of interest                                                       | 1.3 Implementation of Ethical Management and Legal Compliance                | 64   |                   |
| 2-16                            | Communication of critical concerns                                          | 1.3 Implementation of Ethical Management and Legal Compliance                | 64   |                   |
| 2-17                            | Collective knowledge of the highest governance body                         | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions) | 43   |                   |
| 2-18                            | Evaluation of the performance of the highest governance body                | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions) | 43   |                   |

# Appendix 1 GRI Content Index

| GRI 2: General Disclosures 2021  |                                                    |                                                                                                      |           |                   |
|----------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------|-----------|-------------------|
| Disclosure Items                 |                                                    | Corresponding Chapter in the Report or Description                                                   | Page      | Remarks/Omissions |
| Governance                       |                                                    |                                                                                                      |           |                   |
| 2-19                             | Remuneration policies                              | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions)                         | 43        |                   |
| 2-20                             | Process to determine remuneration                  | 1.1.2 Operations of Board of Directors (Enhancement of Directors' Functions)                         | 43        |                   |
| 2-21                             | Annual total compensation ratio                    | 4.3.2 Employee Remuneration                                                                          | 154       |                   |
| Strategy 、 policies and practice |                                                    |                                                                                                      |           |                   |
| 2-22                             | Statement on sustainable development strategy      | 1.1.3 Sustainable Development Committee<br>Message from the Chairman                                 | 58        |                   |
| 2-23                             | Policy commitments                                 | 1.1.3 Sustainable Development Committee<br>Message from the Chairman                                 | 58        |                   |
| 2-24                             | Embedding policy commitments                       | 1.1.3 Sustainable Development Committee<br>Message from the Chairman                                 | 58        |                   |
| 2-25                             | Processes to remediate negative impacts            | 1.3 Implementation of Ethical Management and Legal Compliance<br>4.4 Employee Communication and Care | 64<br>156 |                   |
| 2-26                             | Mechanisms for seeking advice and raising concerns | 1.3 Implementation of Ethical Management and Legal Compliance                                        | 64        |                   |
| 2-27                             | Compliance with laws and regulations               | 1.3 Implementation of Ethical Management and Legal Compliance                                        | 64        |                   |

| GRI 2: General Disclosures 2021  |                                    |                                                    |      |                   |
|----------------------------------|------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                 |                                    | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| Strategy 、 policies and practice |                                    |                                                    |      |                   |
| 2-28                             | Membership associations            | 1.1.4 Membership in External Associations          | 61   |                   |
| Stakeholder engagement           |                                    |                                                    |      |                   |
| 2-29                             | Approach to stakeholder engagement | Stakeholder Engagement and Material Topic Analysis | 14   |                   |
| 2-30                             | Collective bargaining agreements   | 4.4 Employee Communication and Care                | 156  |                   |

# Appendix 1 GRI Content Index

| GRI 3: Material Topics 2021 |                                      |                                                    |      |                   |
|-----------------------------|--------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items            |                                      | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-1                         | Process to determine material topics | Stakeholder Engagement and Material Topic Analysis | 14   |                   |
| 3-2                         | List of material topics              |                                                    | 14   |                   |

## Material Topics: Board Governance

| GRI 3 : Material Topics 2021       |                                                 |                                                    |      |                   |
|------------------------------------|-------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                   |                                                 | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                                | Management of material topics                   | 1. Corporate Operations and Governance             | 41   |                   |
| GRI 201: Economic Performance 2016 |                                                 |                                                    |      |                   |
| Disclosure Items                   |                                                 | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 201-1                              | Direct economic value generated and distributed | 1.2 Operational Performance                        | 62   |                   |

## Material Topics: Risk Identification and Response Actions

| GRI 3 : Material Topics 2021       |                                                                                |                                                                  |      |                    |
|------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------|------|--------------------|
| Disclosure Items                   |                                                                                | Corresponding Chapter in the Report or Description               | Page | Remarks/ Omissions |
| 3-3                                | Management of material topics                                                  | 3. Sustainable Environmental Protection                          | 106  |                    |
| GRI 201: Economic Performance 2016 |                                                                                |                                                                  |      |                    |
| Disclosure Items                   |                                                                                | Corresponding Chapter in the Report or Description               | Page | Remarks/ Omissions |
| 201-2                              | Financial implications and other risks and opportunities due to climate change | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD) | 114  |                    |

## Material Topics: Regulations and Internal Audit and Control

| GRI 3 : Material Topics 2021 |                               |                                                    |      |                    |
|------------------------------|-------------------------------|----------------------------------------------------|------|--------------------|
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/ Omissions |
| 3-3                          | Management of material topics | 1. Corporate Operations and Governance             | 38   |                    |

# Appendix 1 GRI Content Index

## Material Topics: R&D Technology and Product Innovation

| GRI 3 : Material Topics 2021 |                               |                                                    |      |                   |
|------------------------------|-------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                          | Management of material topics | 2. Product Innovation and Customer Security        | 80   |                   |
| Self-defined topic           |                               |                                                    |      |                   |
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| -                            | -                             | 2.1 Innovative R&D and Access to Medicines         | 83   |                   |

## Material Topics: Information Security

| GRI 3 : Material Topics 2021    |                                                                                              |                                                    |      |                   |
|---------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                |                                                                                              | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                             | Management of material topics                                                                | 1. Corporate Operations and Governance             | 41   |                   |
| GRI 418 : Customer Privacy 2016 |                                                                                              |                                                    |      |                   |
| Disclosure Items                |                                                                                              | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 418-1                           | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 1.4 Information Security Management                | 69   |                   |

## Material Topics: Raw Material Procurement

| GRI 3 : Material Topics 2021                    |                                                               |                                                    |      |                   |
|-------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                                |                                                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                                             | Management of material topics                                 | 2. Product Innovation and Customer Security        | 80   |                   |
| GRI 204: Procurement Practices 2016             |                                                               |                                                    |      |                   |
| Disclosure Items                                |                                                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 204-1                                           | Proportion of spending on local suppliers                     | 2.2.2 Screening and Management of Suppliers        | 96   |                   |
| GRI 308: Supplier Environmental Assessment 2016 |                                                               |                                                    |      |                   |
| Disclosure Items                                |                                                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 308-1                                           | New suppliers that were screened using environmental criteria | 2.2.2 Screening and Management of Suppliers        | 96   |                   |

# Appendix 1 GRI Content Index

## Material Topics: Greenhouse Gas Emissions

| GRI 3 : Material Topics 2021 |                                         |                                                    |      |                   |
|------------------------------|-----------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items             |                                         | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                          | Management of material topics           | 3. Sustainable Environmental Protection            | 106  |                   |
| GRI 305: Emissions 2016      |                                         |                                                    |      |                   |
| Disclosure Items             |                                         | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 305-1                        | Direct (Scope 1) GHG emissions          | 3.2.2 Greenhouse Gas Management                    | 118  |                   |
| 305-2                        | Energy indirect (Scope 2) GHG emissions | 3.2.2 Greenhouse Gas Management                    | 118  |                   |
| 305-3                        | Other indirect (Scope 3) GHG emissions  | 3.2.2 Greenhouse Gas Management                    | 118  |                   |
| 305-4                        | GHG emissions intensity                 | 3.2.2 Greenhouse Gas Management                    | 118  |                   |

## Material Topics: Pressure due to Water and Electricity Shortages

| GRI 3 : Material Topics 2021 |                                            |                                                    |      |                   |
|------------------------------|--------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items             |                                            | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                          | Management of material topics              | 3. Sustainable Environmental Protection            | 106  |                   |
| GRI 302 : Energy 2016        |                                            |                                                    |      |                   |
| Disclosure Items             |                                            | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 302-1                        | Energy consumption within the organization | 3.2.3 Energy Management                            | 121  |                   |
| 302-3                        | Energy intensity                           | 3.2.3 Energy Management                            | 121  |                   |

## Material Topics: Packaging Materials and Waste

| GRI 3 : Material Topics 2021 |                                                        |                                                     |      |                   |
|------------------------------|--------------------------------------------------------|-----------------------------------------------------|------|-------------------|
| Disclosure Items             |                                                        | Corresponding Chapter in the Report or Description  | Page | Remarks/Omissions |
| 3-3                          | Management of material topics                          | 3. Sustainable Environmental Protection             | 128  |                   |
| GRI 306 : Waste 2020         |                                                        |                                                     |      |                   |
| Disclosure Items             |                                                        | Corresponding Chapter in the Report or Description  | Page | Remarks/Omissions |
| 306-1                        | Waste generation and significant waste-related impacts | 3.3.2 Waste and Toxic Chemical Substance Management | 128  |                   |
| 306-2                        | Management of significant waste-related impacts        | 3.3.2 Waste and Toxic Chemical Substance Management | 128  |                   |
| 306-3                        | Waste generated                                        | 3.3.2 Waste and Toxic Chemical Substance Management | 128  |                   |
| 306-4                        | Waste diverted from disposal                           | 3.3.2 Waste and Toxic Chemical Substance Management | 128  |                   |
| 306-5                        | Waste directed to disposal                             | 3.3.2 Waste and Toxic Chemical Substance Management | 128  |                   |

# Appendix 1 GRI Content Index

## Material Topics: Toxic Chemicals, Wastewater Discharge, and Waste

| GRI 3 : Material Topics 2021 |                               |                                                    |      |                   |
|------------------------------|-------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                          | Management of material topics | 3. Sustainable Environmental Protection            | 106  |                   |
| GRI 306 : Waste 2020         |                               |                                                    |      |                   |
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 303-3                        | Water withdrawal              | 3.3.1 Water Resource Management                    | 123  |                   |
| 303-4                        | Water discharge               | 3.3.1 Water Resource Management                    | 123  |                   |
| 303-5                        | Water consumption             | 3.3.1 Water Resource Management                    | 123  |                   |

## Material Topics: Labor Management

| GRI 3 : Material Topics 2021   |                                                                              |                                                    |      |                   |
|--------------------------------|------------------------------------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items               |                                                                              | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                            | Management of material topics                                                | 4. Employee Relations and Care                     | 140  |                   |
| GRI 202 : Market Presence 2016 |                                                                              |                                                    |      |                   |
| Disclosure Items               |                                                                              | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 202-1                          | Ratios of standard entry level wage by gender compared to local minimum wage | 4.3.2 Employee Remuneration                        | 154  |                   |
| 202-2                          | Proportion of senior management hired from the local community               | 4.1.1 Human Resource Structure                     | 141  |                   |

| GRI 401 : Employment 2016                     |                                                                                                    |                                                             |      |                   |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------|-------------------|
| Disclosure Items                              |                                                                                                    | Corresponding Chapter in the Report or Description          | Page | Remarks/Omissions |
| 401-1                                         | New employee hires and employee turnover                                                           | 4.1.2 New Employees and Employee Turnover Structure         | 143  |                   |
| 401-2                                         | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 4.3.1 Employee Benefits                                     | 152  |                   |
| GRI 403 : Occupational Health and Safety 2018 |                                                                                                    |                                                             |      |                   |
| Disclosure Items                              |                                                                                                    | Corresponding Chapter in the Report or Description          | Page | Remarks/Omissions |
| 403-3                                         | Occupational health services                                                                       | 4.5.1 Health Promotion Program                              | 160  |                   |
| 403-4                                         | Worker participation, consultation, and communication on occupational health and safety            | 4.4 Employee Communication and Care                         | 156  |                   |
| 403-5                                         | Worker training on occupational health and safety                                                  | 4.5.2 Occupational Health and Safety Education and Training | 163  |                   |
| 403-6                                         | Promotion of worker health                                                                         | 4.5.1 Health Promotion Program                              | 160  |                   |
| 403-9                                         | Work-related injuries                                                                              | 4.5.3 Occupational Accident Statistics                      | 164  |                   |
| 403-10                                        | Work-related ill health                                                                            | 4.5.3 Occupational Accident Statistics                      | 164  |                   |

# Appendix 1 GRI Content Index

## Material Topics: Human Resource Development

| GRI 3 : Material Topics 2021                   |                                                                                      |                                                    |      |                   |
|------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                               |                                                                                      | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                                            | Management of material topics                                                        | 4. Employee Relations and Care                     | 140  |                   |
| GRI 404: Training and Education 2016           |                                                                                      |                                                    |      |                   |
| Disclosure Items                               |                                                                                      | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 404-1                                          | Average hours of training per year per employee                                      | 4.2 Nurturing and Developing Diverse Talent        | 148  |                   |
| 404-3                                          | Percentage of employees receiving regular performance and career development reviews | 4.2 Nurturing and Developing Diverse Talent        | 148  |                   |
| GRI 405 : Diversity and Equal Opportunity 2016 |                                                                                      |                                                    |      |                   |
| Disclosure Items                               |                                                                                      | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 405-1                                          | Diversity of governance bodies and employees                                         | 4.1.1 Human Resource Structure                     | 141  |                   |
| 405-2                                          | Ratio of basic salary and remuneration of women to men                               | 4.3.2 Employee Remuneration                        | 154  |                   |

### Material Topics: Product Quality and Safety

| GRI 3 : Material Topics 2021          |                                                                                               |                                                    |      |                   |
|---------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items                      |                                                                                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                                   | Management of material topics                                                                 | 2. Product Innovation and Customer Security        | 80   |                   |
| GRI 404 : Training and Education 2016 |                                                                                               |                                                    |      |                   |
| Disclosure Items                      |                                                                                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 416-2                                 | Incidents of non-compliance concerning the health and safety impacts of products and services | 2.3 Product Quality and Responsibility             | 99   |                   |
|                                       |                                                                                               | 2.4 Customer Health and Safety                     | 102  |                   |

### Material Topics: Corporate Social Responsibility/Sustainable Development

| GRI 3 : Material Topics 2021 |                               |                                                    |      |                   |
|------------------------------|-------------------------------|----------------------------------------------------|------|-------------------|
| Disclosure Items             |                               | Corresponding Chapter in the Report or Description | Page | Remarks/Omissions |
| 3-3                          | Management of material topics | 1. Corporate Operations and Governance             | 41   |                   |

Sustainable Development Zone and ESG Report Website: <https://www.pbf.com.tw/environment-social-governance/>

# Appendix 1 GRI Content Index

| Taiwan Stock Exchange Corporation - Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (May 25, 2025)           |                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Appendix 2 Climate-Related Information of TWSE/TPEX Listed Company                                                                                         |                                                                  |
| Item                                                                                                                                                       | Implementation Status                                            |
| 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.                                  | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD) |
| 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD) |
| 3. Describe the financial impact of extreme weather events and transformative actions.                                                                     | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD) |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.                  | 3.2.1 Task Force on Climate Related Financial Disclosures (TCFD) |

Taiwan Stock Exchange Corporation - Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (May 25, 2025)

Appendix 2 Climate-Related Information of TWSE/TPEX Listed Company

| Item                                                                                                                                                                                                                                                                                                                                                                           | Implementation Status                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.                                                                                                                                                                                  | Items 5 to 8 have not yet been formulated. |
| 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 risks and transition risks.                                                                                                                                                                         |                                            |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.                                                                                                                                                                                                                                                                    |                                            |
| 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. |                                            |
| 9. Greenhouse gas inventory and assurance status.                                                                                                                                                                                                                                                                                                                              | 3.2.2 Greenhouse Gas Management            |

## Appendix 2 SASB Index

| Code                                                    | Metrics                                                                                                                                                                                     | Corresponding Chapter and Page/Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Safety of Clinical Trial Participants |                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| HC-BP-210a.1                                            | Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials                                                                           | <p>PBF's exported pharmaceuticals are approved by local authorities. Regional partners conduct medical practices in accordance with the authorities' approval and local regulations to ensure quality of care.</p> <p>In terms of patient safety, PBF has signed drug safety information exchange agreements with all authorized regional partners, requiring them to carry out drug safety reporting in accordance with the agreement and GPvP (good pharmacovigilance practices). Additionally, a drug risk plan has been established between PBF and each authorized regional partner to manage drug safety risks.</p> |
| HC-BP-210a.2                                            | Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI) | In South Korea, two pharmacovigilance cases were carried out with the consent of the competent authority. In all other sales regions, the authorized partners only conduct autonomous surveillance activities.                                                                                                                                                                                                                                                                                                                                                                                                            |
| HC-BP-210a.3                                            | Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries                                                                    | 0 (Not reported)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Code                                      | Metrics                                                                                                                                                                                                  | Corresponding Chapter and Page/Description                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Access to Medicines     |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| HC-BP-240a.1                              | Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index                              | Nexophil® (ferric citrate) is a new medicine developed by PBF that has been marketed in Taiwan, the United States, Japan, South Korea, and Thailand, and provides a treatment option for hyperphosphatemia and iron deficiency anemia in patients with chronic kidney disease.<br>PBF's generics have been distributed through various sales channels of medical institutions and pharmacies at all levels in Taiwan to provide treatment options for patients in need. |
| HC-BP-240a.2                              | List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)                                                                         | PBF does not produce any of the listed pharmaceuticals.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Disclosure Topic: Affordability & Pricing |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| HC-BP-240b.1                              | Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period | 0 (Not reported)                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Appendix 2 SASB Index

| Code                                      | Metrics                                                                                                                        | Corresponding Chapter and Page/Description                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Affordability & Pricing |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                |
| HC-BP-240b.2                              | Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year | This drug is sold by authorized partners and classified as a self-pay item not covered by medical insurance; therefore, no related information is available.                                                                                                                                                                                                                                                                   |
| HC-BP-240b.3                              | Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year              | In Taiwan, drug prices are adjusted in accordance with the approved drug prices specified in the National Health Insurance Drug Dispensing Items and Fee Schedule of the National Health Insurance Administration. The 2024 annual drug price adjustment results show that a total of 65 drugs had downward adjustments in the National Health Insurance coverage price, whereas no upward adjustments were made for any drug. |
| Disclosure Topic: Drug Safety             |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                |
| HC-BP-250a.1                              | List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database | MedWatch is not available in Taiwan. Neither Taiwan nor any other country where PBF products are sold directly has received a safety alert from the competent authority.<br>PBF's authorized partners in the United States and Japan have developed ferric citrate products, and thus far no safety alerts have been received from the competent authority.                                                                    |

| Code                          | Metrics                                                                                                                   | Corresponding Chapter and Page/Description                                                                                                                                                      |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Drug Safety |                                                                                                                           |                                                                                                                                                                                                 |
| HC-BP-250a.2                  | Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System                       | Taiwan and other countries where PBF products are sold directly: As of Dec 31, 2024, no fatalities associated with products have been reported since the product was launched in these regions. |
| HC-BP-250a.3                  | Number of recalls issued, total units recalled                                                                            | 0 (Not reported)                                                                                                                                                                                |
| HC-BP-250a.4                  | Total amount of product accepted for takeback, reuse, or disposal                                                         | 0 (Not reported)                                                                                                                                                                                |
| HC-BP-250a.5                  | Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type | 0 (Not reported)                                                                                                                                                                                |

## Appendix 2 SASB Index

| Code                                | Metrics                                                                                                                                  | Corresponding Chapter and Page/Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Counterfeit Drugs |                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| HC-BP-260a.1                        | Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting | All of PBF's pharmaceutical products are handled in accordance with GMP/ GDP regulations by authorized storage service providers/distributors. This enables complete traceability of products to effectively prevent counterfeit and prohibited drugs from entering the supply chain.                                                                                                                                                                                                                                              |
| HC-BP-260a.2                        | Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products      | If there is any suspicion of counterfeit or prohibited drugs, consumers, sales channels, or business units will immediately notify the logistics companies, and PBF's quality assurance department will immediately launch an investigation. All relevant business units internally disseminate information about notification and handling procedures in addition to providing education and training, aiming to ensure that colleagues are aware of relevant procedures regarding the risks of counterfeit and prohibited drugs. |
| HC-BP-260a.3                        | Number of actions that led to raids, seizure, arrests, and/ or filing of criminal charges related to counterfeit products                | 0 (Not reported)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Code                                                            | Metrics                                                                                                                                           | Corresponding Chapter and Page/Description                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Ethical Marketing                             |                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                 |
| HC-BP-270a.1                                                    | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims                                           | 0 (Not reported)                                                                                                                                                                                                                                                                                                                                                                                |
| HC-BP-270a.2                                                    | Description of code of ethics governing promotion of off-label use of products                                                                    | PBF strictly adheres to the ethical standards of pharmaceutical marketing in various countries and conducts relevant education and training for employees as well as legal compliance awareness-raising campaigns. The Company works with well-established and reputable international partners and distributors to ensure the implementation of ethical standards in pharmaceutical marketing. |
| Disclosure Topic: Employee Recruitment, Development & Retention |                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                 |
| HC-BP-330a.1                                                    | Discussion of talent recruitment and retention efforts for scientists and research and development personnel                                      | Please see 4.1.3 Recruitment and Retention of R&D Personnel for details.                                                                                                                                                                                                                                                                                                                        |
| HC-BP-330a.2                                                    | (1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others | Please see 4.1.2 New Employees and Employee Turnover Structure for details.                                                                                                                                                                                                                                                                                                                     |

## Appendix 2 SASB Index

| Code                                      | Metrics                                                                                                                                                                                                                                                          | Corresponding Chapter and Page/Description                                                                                                                                                                                                          |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclosure Topic: Supply Chain Management |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                     |
| HC-BP-430a.1                              | Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients | 0 (Not reported)                                                                                                                                                                                                                                    |
| Disclosure Topic: Business Ethics         |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                     |
| HC-BP-510a.1                              | Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery                                                                                                                                                          | 0 (Not reported)                                                                                                                                                                                                                                    |
| HC-BP-510a.2                              | Description of code of ethics governing interactions with health care professionals                                                                                                                                                                              | PBF carries out marketing and sales activities in full compliance with applicable industry standards and regulations. The Company ensures that all relevant personnel receive proper training and possess the ethical spirit to meet the standards. |

| Code            | Metrics                                                                           | Corresponding Chapter and Page/Description                                                                                                                                                                                                              |
|-----------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Activity Metric |                                                                                   |                                                                                                                                                                                                                                                         |
| HC-BP-000.A     | Number of patients treated                                                        | The new antibiotic Taigexyn® (nemonoxacin) developed by PBF has been licensed in 36 countries worldwide and is marketed in Taiwan, Mainland China and Russia, treating approximately 600,000 patients who suffer from community-acquired pneumonia.     |
| HC-BP-000.B     | Number of drugs (1) in portfolio and (2) in research and development (Phases 1–3) | According to the Western Pharmaceutical Permit License Inquiry System of the Taiwan Food and Drug Administration, Ministry of Health and Welfare, the Company holds 223 pharmaceutical permit licenses (based on the search results as of May 13, 2025) |

# Appendix 3 Verification Statement/Assurance Opinion



## INDEPENDENT ASSURANCE OPINION STATEMENT

### Panion & BF Biotech Inc. 2024 Sustainability Report

The British Standards Institution is independent to Panion & BF Biotech Inc. (hereafter referred to as PBF in this statement) and has no financial interest in the operation of PBF other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of PBF only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by PBF. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to PBF only.

#### Scope

The scope of engagement agreed upon with PBF includes the followings:

1. The assurance scope is consistent with the description of Panion & BF Biotech Inc. 2024 Sustainability Report.
2. The evaluation of the nature and extent of the PBF's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Panion & BF Biotech Inc. 2024 Sustainability Report provides a fair view of the PBF sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the PBF and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate PBF's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that PBF's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to PBF's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 6 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

## Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

### Inclusivity

This report has reflected a fact that PBF has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the PBF's inclusivity issues.

### Materiality

PBF publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of PBF and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the PBF's management and performance. In our professional opinion the report covers the PBF's material issues.

### Responsiveness

PBF has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for PBF is developed and continually provides the opportunity to further enhance PBF's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the PBF's responsiveness issues.

### Impact

PBF has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. PBF has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the PBF's impact issues.

### GRI Sustainability Reporting Standards (GRI Standards)

PBF provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the PBF's sustainability topics.

### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

### Responsibility

The sustainability report is the responsibility of the PBF's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

### Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



AA1000  
Licensed Report  
000-4/V3-Z8J3D

Statement No: SRA-TW-819155  
2025-07-04

...making excellence a habit.™

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

BSI Taiwan is a subsidiary of British Standards Institution.



