

# 1 Sustainability Performance

1.1 Financial Performance

1.2 Management and Sustainability Performance



1.1 Financial Performance

» Consolidated Financial Statements

Currency: NTD thousand

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

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



» Tax governance

• Tax Governance Policy

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

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

• Tax Risk Control

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

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

# 1.2 Management and Sustainability Performance

## » ESG Highlights

Environment  
(E)

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

Social  
(S)

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



Governance  
(G)

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

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

》 Ranked among Top 5% in the Corporate Governance Evaluation

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

• Management System Certificate

Microbio	<p>2002 - Present</p>	<p>2009 - Present</p>	<p>2011 - Present</p>	<p>2011 - Present</p>	<p>2016 - Present</p>	<p>2016 - Present</p>
	2022 - Present ISO 9001:2015 Certificate No. TW02/01322 (period of validity: Dec. 2023 - Dec. 2026)	2009 - Present ISO/IEC 17025 TAF lab certification Certificate No. 2140 (period of validity: Mar. 2022 - Mar. 2025)	2011 - Present ISO 22000:2018 Certificate No. TW11/10537 (period of validity: Aug. 2023 - Aug. 2026)	2011 - Present HACCP Certificate No. TW11/10538 (period of validity: Aug. 2023 - Aug. 2026)	2016 - Present ISO 14001:2015 Certificate No. TW16/01121 (period of validity: Dec. 2022 - Dec. 2025)	2016 - Present ISO 45001:2018 Certificate No. TW16/01272 (period of validity: Jan. 2024 - Jan. 2027)
Microbio (Shanghai) Co.	<p>2019 - Present</p>		<p>2020 - Present</p>		<p>2020 - Present</p>	
	2019 - Present ISO 9001:2015 Certificate No. CN19/21047.00 (period of validity: Aug. 2022 - Aug. 2025)		2020 - Present ISO 22000:2018 Certificate No. 261FSMS2000010 (period of validity: Dec. 2023 - Dec. 2026)		2020 - Present HACCP Certificate No. 261HACCP2000025 (period of validity: Dec. 2023 - Dec. 2026)	

Preface

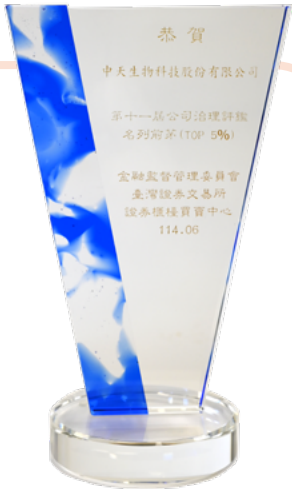
- 1. Sustainability Performance
- 2. ESG Overview
- 3. Health Care
- 4. Corporate Governance
- 5. Safe Workplace
- 6. Social Inclusion
- 7. Environmental Protection

Appendix

Honors & Awards

Corporate Governance  
Evaluation Top 5%

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



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

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

