



3.2 Commitment to Human Rights Material Topic

0 Complaint GRI 3-3



Internal Policies

- Human Rights Policy
- Code of Ethics
- Practical Guidelines for Sustainable Development of Corporate
- Work Rules
- Measures to Prevent Workplace Misconduct
- Measures for Preventing and Punishing Workplace Sexual Harassment
- Information Security Control Measures
- PEC US Employee Handbook

External Guidelines

- United Nations Global Compact
- Universal Declaration of Human Rights
- International Labour Organization Declaration on Fundamental Principles and Rights at Work



Short-term Targets for 2023

- The HR department will conduct internal activities or education and training on human rights policies and friendly workplace practices.
- The procurement department continues to promote the Supplier Code of conduct to suppliers and contractors.
- The IT department will continue to implement information security policies, conduct education and training on ERP, cybersecurity health checks or social engineering, and strengthen data security measures.

Medium-term Targets for 2024-2026

- The IT department has implemented ISO 27001: Information Security Management System.
- The IT department has completed the management of important equipment replacement, and expanded the scope of annual system disaster drills and private cloud virtual architecture.
- The HR department regularly conducts internal activities or education and training on human rights policies and friendly workplace practices.
- The procurement department plans to formulate the Supplier Code of conduct to enhance the implementation of the protection of human rights by suppliers and contractors.
- Plan and establish a human rights risk management plan to systematically identify, evaluate, mitigate and manage the risks of human rights violations.

Long-term Targets (2026 and beyond)

- Ensure that the working environment of the supply chain is safe, protect the rights and dignity of employees, and ensure that business operations are environmentally friendly, honest, and ethical.
- Safeguard the company's trade secrets and competitive advantages in new drug research and development, and continue to improve the density of confidential information Management Policy.
- The company complies with relevant policies and legal regulations, ensures the privacy and personal data security of patients and employees, and protects the rights and interests of relevant stakeholders.



- Committed to protecting the basic human rights of all employees of PharmaEssentia, creating an environment that fully guarantees human rights and privacy, recognizing and supporting various international human rights conventions, and requiring cooperation from suppliers to eliminate any behavior that violates human rights in their operations, so that all members within and outside the company can be treated fairly and with dignity
- Implement measures to protect the privacy of human rights data, and adopt various strict information security maintenance and control measures



- PharmaEssentia's board of directors, senior executives, regulatory unit, legal compliance unit, human resources unit, and various functional departments, as well as senior management functional Teams and legal compliance Functional Taskforces of various subsidiaries
- ECCS - Employee Care Taskforce; Legal Compliance and IT Department of the Corporate Governance Taskforce; Procurement Department of the Product Ethics and Safety Taskforce



- Continuously recruit professional IT talents to form an information operation task force with a department size of about 5-8 people
- Complete the information security management regulations, and report to the board of directors on a regular basis every year
- Commission qualified information vendors to assist in risk control for information security; the amount of investment in internal hardware and software equipment upgrades is tens of millions of dollars
- The procurement department promotes our Supplier Code of conduct externally to implement the human rights initiative of the supply chain
- Implement human rights-related education and training



Management Evaluation Mechanism

- Signing a "Statement for the Prevention of Workplace Violence of PharmaEssentia"
- The IT department reports on its execution of information security measures to the Board of Directors annually.
- Establishing internal and external complaint channels.
- Management of personal data protection.
- Internal audit and feedback.
- Implementing a system efficacy project and aiming to pass FDA certification.

2022 Evaluation Results

- **No complaints of customer privacy or human rights violations.**
- Conducted 1 online education and training session on legal risks of workplace human rights violations with a total of 216 participants and 363.6 hours of training.
- The Board of Directors had the Information Security Control Measures implemented, and commissioned the IT security promotion task force.
- Conducted 2 online education and training sessions on social engineering information security, with a total of 185 participants and 555 hours of training.

Human Rights Policy and Management

GRI 406-1

PharmaEssentia adheres to regulations regarding in all of its global operating locations in order to protect the rights and interests of its employees, as well as to the spirit and principles of human rights protection enshrined in various international human rights conventions, such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. PharmaEssentia requires its partners to prohibit any behavior that violates human rights, such as the employment of child labor or the coercion of employees, to ensure that all internal and external members of our company treated justly and with dignity. PharmaEssentia has established a Human Rights Policy to uphold the protection of basic [human rights](#) of all employees.

PharmaEssentia's Human Rights Practices

Human Rights Issues

⊘ Prohibition of any form of discrimination, and respect for workplace diversity, inclusion and equality

⊘ Prohibition of forced labor and child labor

⊘ Freedom of association for employees

✓ Fair and reasonable salary, benefits, and working conditions

✓ Employee safety, health, and hygiene in the work environment, promoting employee physical and mental well-being

✓ Keeping employees' personal information private and secure

Specific management measures

- Compliance with labor laws and the company's [Human Rights Policy](#) to eliminate discrimination
- Establishment of rules and regulations such as Work Rules, Practical Guidelines for Sustainable Development of Corporate, and Measures for Preventing and Punishing Workplace Sexual Harassment
- Implementation of the Complaints and Feedback Mechanism to establish internal and external complaint channels to protect the rights and interests of employees, customers, suppliers, and stakeholders

- Compliance with labor laws and the company's [Human Rights Policy](#), and not forcing unwilling employees to work.
- Prohibition of child labor.

- Implementation of the [Human Rights Policy](#), and encouraging employees to form clubs and participate in club activities.

- Annual adjustment of salary and benefits based on the achievement of annual goals, individual annual performance evaluations, and external salary and benefits surveys.
- Implementation of Education and Training Management Measures and Talent Recommendation and Incentive Measures to train and develop talents in order to retain them.

- Implementation of the Occupational Safety and Health Policy, Safety and Health Work Guidelines, Maternal Health Protection Management Measures, and other measures to strengthen the management of employee health, maternity care, and health promotion.

- Implementation of the company's [Human Rights Policy](#), added the Information Security Control Measures, and set up a dedicated unit responsible for promoting, coordinating, supervising, and reviewing information security management matters.

2022 Implementation Status

- No incidents of discrimination occurred
- Balanced distribution of gender in the workplace
- Multiple communication channels established such as the Employees' Mailbox and meetings organized by the Welfare Committee between the management and the employees
- Regular quarterly meetings held by the Welfare Committee, and the Labor-Management Meeting.

- No incidents of forced labor have occurred.
- No incidents of child labor have occurred.

- There are clubs formed by employees, such as the Badminton Club and the Walking Club to promote healthy activities.

- The company's salary and benefits policies are [more favorable than the industry](#) average based on external surveys conducted by consulting companies.
- Our average employee retention rate in Taiwan is **90%**.
- Our employee growth rate in Taiwan is **30%**.

- Achieved a **100%** implementation rate for the PharmaEssentia maternal health protection program.
- Achieved a **100%** retention rate for employees taking maternity leave.
- Obtained the Healthy Workplace Certification in 2021.
- Conducted health checks and health lectures.

- No complaints received regarding harm to customer privacy.
- Adherence to the European Union's General Data Protection Regulation (GDPR) to protect the personal data of clinical trial patients.
- Established an information security promotion task force to strengthen risk control of information security.
- Conducted employee information security education and training.

0 Complaint



Human Rights Issues

Prohibition of workplace illegal infringement and sexual harassment

Specific management measures

- Compliance with labor laws and implementation of the company's Code of Ethics, Measures to Prevent Workplace Misconduct and Measures for Preventing and Punishing Workplace Sexual Harassment, and other regulations to prohibit workplace violence.
- Setting up a hotline for reporting sexual harassment and an email address for reporting workplace infringement of laws and regulations (hr@pharmaessentia.com) to protect the personal information of the complainants and safeguard the rights of the complainant employees.

2022 Implementation Status

- No incidents of workplace violence or sexual harassment have occurred.
- The GM signed the PharmaEssentia Written Statement on Preventing Workplace Violence.
- Conducted online legal risk education on workplace infringement of the law.
- Conducted surveys on infringements of the law, with a 70% response rate in 2022 for PharmaEssentia and Panco Healthcare.

GRI407-1/408-1/409-1/410-1/411-1

All of our major suppliers adhere to the Universal Declaration of Human Rights and value human rights. In terms of security management, we have tasked a professional security company to take full responsibility in keeping our systems secure. We also promote diversity and equality, and look forward to providing employment opportunities for colleagues of indigenous heritage in the future. We plan to require our partners to commit to ensuring the rights of all workers, including their freedom of association and bargaining rights. Our US subsidiary not only follows the group's Human Rights Policy, but also developed an employee handbook tailored to local needs. It clearly sets out regulations related to anti-discrimination, anti-harassment, complaints, employee behavior correction and disciplinary action, and complies with relevant federal and Massachusetts state laws to ensure fairness in opportunity as well as security for employees. In case of any incidents, employees can directly file complaints through online channels or a compliance hotline. No such incidents occurred this year, and further information can be found in section 3.1 of the US talent column.

Transparent Internal Communication and Complaint Channels

GRI 402-1

To create a harmonious workplace environment, PharmaEssentia actively builds diversified two-way communication channels for employees, and holds regular labor-management meetings to get their feedback. The issues and results of all complaint cases are stored and checked by the Group Internal Auditing Office to ensure compliance with regulations and fairness. In 2022, there were no complaints filed in any communication or complaint channels.

Labor-management meetings

- PharmaEssentia holds regular labor-management meetings to explain to employee representatives various matters related to employee health, environmental safety, welfare, etc., and the meeting minutes are posted for employees to be informed.
- In 2022, PharmaEssentia Taipei headquarters and Taichung branch each held 4 meetings.

Regular employee meetings and department meetings

- Our company does not have a labor union, so we use internal meetings to communicate regularly and bi-directionally with our colleagues. In addition to announcing important company matters and operational goals, we also allow top management to directly discuss company vision and culture, build consensus and goals with supervisors and employees. All employees can use this channel to provide feedback or suggestions.
- Employees can also directly express their grievances or demands to their immediate supervisors.

Internal Announcements

- Notices of significant changes in operations will be announced in accordance with the labor laws and regulations governing the termination of labor contracts.
- Internal policies or important information will be classified and announced according to their respective contents, so that employees can immediately grasp the information and achieve zero information errors.
- In addition, employee feedback will be collected through activity satisfaction surveys to improve subsequent event planning.

Complaint channels

- We have multiple communication channels such as employee suggestion box, labor-management meetings, welfare committee meetings, etc., to provide employees with a platform to raise concerns
- We have set up a "Complaint Channel for Stakeholders and Employees Violating Professional Ethics" on our official website to provide external parties a platform to report or file complaints.
- Employee Suggestion Box: voice@pharmaessentia.com
Workplace Misconduct: hr@pharmaessentia.com