



3.3 Talent Development & Career Planning

Material Topic

84.85%
The retention rate of managers

GRI 3-3



Management Policy

Internal Policies

- Education and Training Management Measures
- Talent Recommendation and Incentive Measures
- Employee Incentives Mechanism
- Annual Compensation Appraisal and Performance-Related Mechanism

External Guidelines

- TPEX Company's Guidelines for Business Ethics
- TPEX Company's Practical Guidelines for Sustainable Development of Corporate



Targets

Short-term Targets for 2023

- Enhance training for new employees to strengthen their learning experience.
- Establish a talent development and growth mechanism, initially focusing on the immediate needs of each department, and promote it synchronously.
- Continuously improve the English proficiency of all employees to adapt to the company's global presence.
- Incorporate the company culture and core values into theme-based education and training, establish a learning organization for all employees, develop core competencies, and create a three-year training blueprint.

Medium-term Targets for 2024-2026

- Implement a job rotation system to improve talent mobility efficiency by 2-3%.
- Establish and implement an internal lecturer system, cultivate 5-7 internal lecturers to develop a knowledge management system, and pass on professional knowledge.
- Conduct the first employee satisfaction survey and work toward improvement on important issues.
- Implement leadership courses for supervisors that are complemented with a leadership assessment mechanism to cultivate future leaders and enhance talent retention rates.
- Establish a talent evaluation system for successors, as well as plan a 3-year development plan and leadership training for successors.
- Establish a 5-year long-term talent development plan and integrate it into the annual KPIs of department heads.
- Optimize organizational development based on the results of employee satisfaction surveys, and continuously improve employee retention rates and satisfaction.

Long-term Targets (2026 and beyond)

- Transform the company culture and core values into actionable employee core competencies (4-5 items), establish a learning organization, and enhance core competencies.
- Establish a talent management and development system, prioritize the development of key talents and successors, and provide talent evaluation reports to the management task force.
- Align with the company's sustainable development goals, identify key talents and positions, and provide continuous training and individual development evaluation mechanisms.



Management Commitment

- Talent cultivation is PharmaEssentia's responsibility and commitment to its employees. PharmaEssentia will continue to provide training and development to its employees in order to retain talent.



Accountable Units

- Talent development policy: HR and management executives
- Units responsible for talent development: Department managers
- ECCS - Employee Care Taskforce



Input Resource

- Conduct internal and external education and training, inviting top experts from the academia and research institutions to provide learning opportunities for employees.
- Continuously collaborate with academia and governmental research institutions for enhancements in professional fields and the integration of the capabilities of R&D talents for projects.
- Each department has an on-the-job mentorship system to assist in experience transfer and reduce new employee turnover. This system also trains senior colleagues to develop their talents.
- Hire expert consultants to optimize performance evaluation methods so that they can be incorporated into talent management and development mechanisms.
- Provide learning opportunities and reward measures for key talent, combining individual traits and career development goals, and implementing domestic and international rotation training programs.
- Invest millions of New Taiwan Dollars in talent training and development, strengthen the HR cloud management system, and promote digital learning platforms.



Evaluation of Management Policy

Management Evaluation Mechanism

- Performance evaluation and management policy
- Promotion rate of internal employees to managerial positions
- Retention rate of managers

2022 Evaluation Results

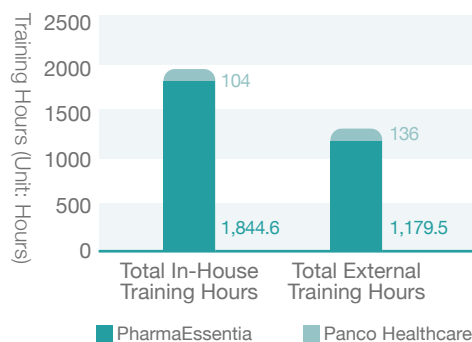
- The promotion rate of internal employees to managerial positions remained the same as last year at **29.01%**
- The retention rate of managers decreased slightly to **84.85%** due to the larger increase in total manpower resulting from the company's expansion of operations.
- The Taichung Plant established the School of PharmaEssentia, which focuses on training and knowledge transfer for new production process employees.

PharmaEssentia values the growth and development of its employees, and closely integrates core competencies with individual talent and organizational development strategies. As we enhance our human capital to effectively utilize human resources and achieve the company's business goals, we also help employees enhance their professional expertise and improve their management skills, so that their careers can continuously develop and that a win-win situation is created for everyone.

Employee Training and Development Targets GRI 404-1

PharmaEssentia values the growth and development of its employees, closely integrating core competencies with the characteristics of individual talents and the direction of our organizational strategic development. As we enhance our human capital to effectively utilize human resources and achieve the company's business goals, we also help employees enhance their professional expertise and improve their management skills, so that their careers can continuously develop and that a win-win situation is created for everyone. Through enriching on-the-job training, diverse learning channels, and sending top talents abroad for training, we cultivate professional talents in the biopharmaceutical field. We also supplement this with an on-the-job mentoring system to upgrade our talent management efficiency and cultivate long-term sustainable leadership capabilities. We conduct internal training by inviting external professional consultants to teach courses at the company. In 2022, PharmaEssentia and Panco Healthcare jointly conducted a total of 1,948.6 hours of internal training. For external training, employees can attend courses at external institutions according to their needs, and the company will provide subsidies after employees fill out an education and training application form. In 2022, PharmaEssentia and Panco Healthcare conducted a total of 1,315.5 hours of external training, with a total expenditure of NT\$841,911 on external training.

PharmaEssentia and Panco Healthcare Employee Training Hours in 2022



PharmaEssentia's US subsidiary provides training on compliance with relevant laws and regulations, product-related training, and information security-related training in accordance with the regulations of each department. Every employee must pass these training sessions before interacting with external stakeholders. Please refer to [section 6.3](#) for more information on information security-related training.



1,948.6 Hours
Total In-House Training Hours

1,315.5 Hours
Total External Training Hours

PharmaEssentia Headquarters and Panco Healthcare Average Training Hours and Costs for Employees in the Past 2 Years

(Unit: Hours, NTD\$)

Position		2021		Panco Healthcare		2022		Panco Healthcare	
		PharmaEssentia		PharmaEssentia		PharmaEssentia		PharmaEssentia	
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Executive manager (Including vice president level and above)	Male	16.25	5,283	NA	NA	0	0	NA	NA
	Female	10.5	1,714	31	550	0	0	17	9,600
Senior manager (Including director level and above)	Male	11.34	4,681	NA	NA	0.47	0	NA	NA
	Female	17.43	5,884	NA	NA	10.65	6,892	NA	NA
Middle manager (Including section chief level and above)	Male	11.39	5,928	31	550	1.15	339	14.5	8,316
	Female	16.39	5,565	16.5	1,094	16.21	12,616	9	5,516
Entry-level manager (Including team leader level and above)	Male	10.1	5,857	34.5	1,122	2.72	652	24	15,033
	Female	11.35	1,236	NA	NA	5.69	1,353	NA	NA
General Employees	Male	10.1	12,153	23.3	3,190	1.324	353	3	1,833
	Female	7.4	7,499	9	2,797	4.5	2,335	0	0

Note: "NA" in the table indicates that there are no employees in that category