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## Human Capital Management

-  3.1 Diversity, Equity, and Inclusion
-  3.2 Commitment to Human Rights
-  3.3 Talent Development & Career Planning
-  3.4 Talent Attraction and Retention
-  3.5 Philanthropic Activities
-  3.6 Occupational Health & Safety

# Summary of 2022



## Highlights Performance

Excellent employees are the cornerstone of sustainable business operations and the key to the pursuit of excellence. PharmaEssentia adheres to a people-oriented philosophy, providing a comprehensive benefits system, diverse learning resources and competitive salaries to enhance employee core competencies and corporate competitiveness. By attracting professional technology talents to form a high-quality workforce, we create a safe, healthy and happy workplace environment for our employees.

### Material Topic

- Commitment to Human Rights
- Talent Development & Career Planning



### Diverse employee structure, Gender-balanced



Adhere to the principles of equality, diversity, and inclusion

**94.74%**

Employment rate of local talent for mid-to-senior management positions in Taiwan



**100%**

Maternal health protection plan execution in Taiwan for 3 consecutive



**3 Events**

Sponsoring social participation activities: carbon reduction, health, and cultural charity



**229 Participants**

33 training sessions of occupational safety and health



**3.33 million NTD**

32% growth in total employee welfare expenses in Taiwan



**0 Complaint**

No complaint about human rights



**100%**

Employees completed performance evaluations in Taiwan





### 3.1 Diversity, Equity, and Inclusion

To create a stable and appealing work environment for talent retention, we incentivize the development of internal talent through various programs and policies. We regularly refer to the [Global Culture Report](#) and conduct surveys to understand our employees' expectations and work towards continuous improvement. In addition, we systematically cultivate and attract external talents through corporate internships, government projects, and other initiatives. Our goal is to establish a globally operable and talent-focused structure that emphasizes localization, gender equality, inclusivity, and talent retention.



### Employee Structure and Gender Equality

GRI 2-7/2-8/202-2/405-1



### Gender-balanced

52% Female / 48% Male

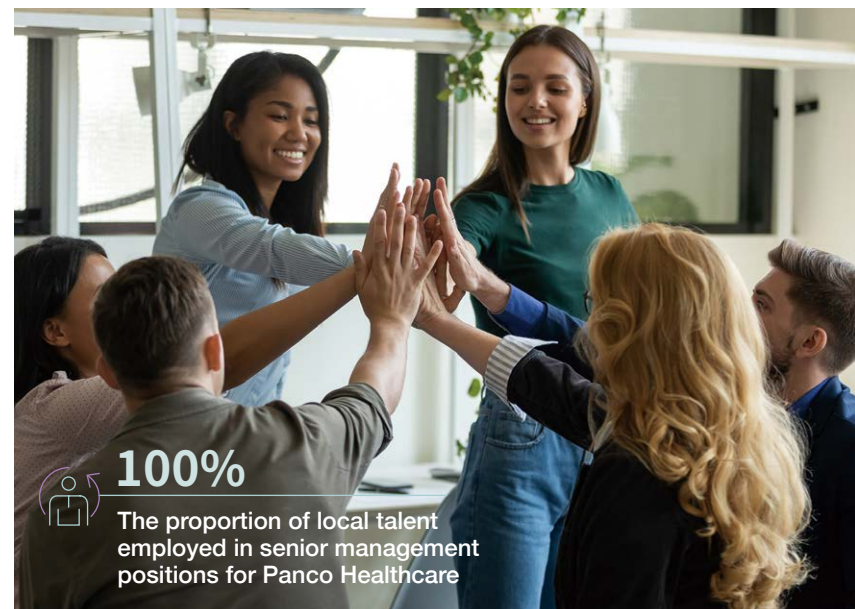
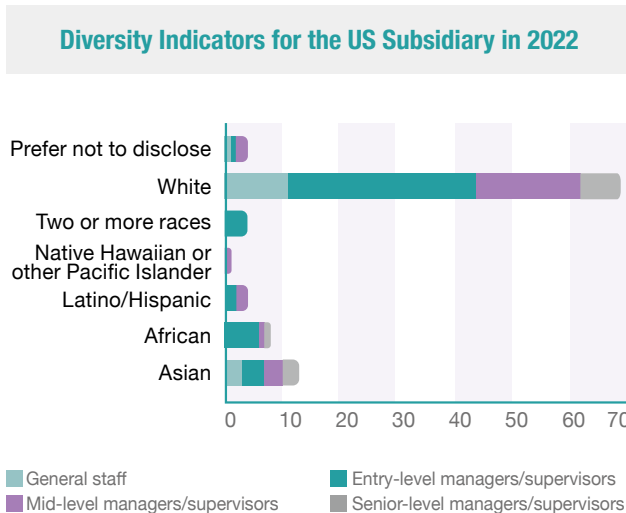
All employees at PharmaEssentia and Panco Healthcare are full-time staff (regular or non-fixed term contracts) and work at least 40 hours per week. In addition to full-time employees, PharmaEssentia also employs 3 other types of workers (1 outsourced employee, 1 intern, and 1 regularly contracted employee). We value gender equality as well as diversity in terms of race and nationality among our employees, and the male-to-female ratio among senior executives is evenly distributed.

PharmaEssentia / Panco Healthcare 2022 Employee Structure Table

Classification	Category	PharmaEssentia						Panco Healthcare					
		Male		Female		Total		Male		Female		Total	
		Person	%	Person	%	Person	%	Person	%	Person	%	Person	%
Job Level	ManageMalet Executives (Vice President and above)	3	75%	1	25%	4	1%	0	0%	1	100%	1	6%
	Senior Managers (Director and above)	12	55%	10	45%	22	8%	0	0%	0	0%	0	0%
	Middle Managers (Manager and above)	19	61%	12	39%	31	11%	2	50%	2	50%	4	22%
	Supervisors (Team leader)	18	60%	12	40%	30	10%	1	100%	0	0%	1	6%
	General Employees	87	44%	113	57%	200	70%	8	67%	4	33%	12	67%
Age	30 years old and below	29	46%	34	54%	63	22%	0	0%	1	100%	1	6%
	30-50 years old	93	48%	102	52%	195	68%	10	77%	3	23%	13	72%
	51 years old and above	17	59%	12	41%	29	10%	1	25%	3	75%	4	22%
Education	Doctorate Degree	23	70%	10	30%	33	11%	1	100%	0	0%	1	6%
	Master's Degree	81	47%	90	53%	171	60%	4	67%	2	33%	6	33%
	Bachelor's Degree	34	43%	46	58%	80	28%	6	55%	5	45%	11	61%
	Other	1	33%	2	67%	3	1%	0	0%	0	0%	0	0%
Years of Work Experience	Less than 1 year	42	51%	40	49%	82	29%	3	100%	0	0%	3	17%
	1-3 years	17	36%	30	64%	47	16%	2	40%	3	60%	5	28%
	3-5 years	14	42%	19	58%	33	11%	0	0%	1	100%	1	6%
	5-10 years	51	57%	39	43%	90	31%	6	75%	2	25%	8	44%
	10-20 years	15	43%	20	57%	35	12%	0	0%	1	100%	1	6%
<b>Total</b>		<b>139</b>	<b>48%</b>	<b>148</b>	<b>52%</b>	<b>287</b>	<b>100%</b>	<b>11</b>	<b>61%</b>	<b>7</b>	<b>39%</b>	<b>18</b>	<b>100%</b>

The proportion of local talent employed in senior management positions (middle management, senior management, and executive management) is 94.74% for PharmaEssentia and 100% for Panco Healthcare. The overall age range of employees is dominated by young and middle-aged adults aged 30-50, with most employees having 5-10 years of service.

At the end of 2022, the US subsidiary of PharmaEssentia included two LGBTQI+ employees. PharmaEssentia currently employs two (weighted as three) employees with disabilities, while Panco Healthcare and the US subsidiary do not have any employees with disabilities. The Group strives to create an equal, diverse and inclusive workforce structure.



The US Subsidiary Employee Structure Table

Classification	Category	2021						2022					
		Male		Female		Total		Male		Female		Total	
		Person	%	Person	%	Person	%	Person	%	Person	%	Person	%
Job Category	Direct revenue generation <sup>Note1</sup>	22	58%	16	42%	38	53%	24	57%	18	43%	42	41%
	Indirect revenue generation	18	53%	16	47%	34	47%	27	44%	34	56%	61	59%
Job Category	STEM <sup>Note2</sup>	7	54%	6	46%	13	18%	10	53%	9	47%	19	18%
	Non-STEM	33	56%	26	44%	59	82%	41	49%	43	51%	84	82%
Job Level	Top-level executives	5	83%	1	17%	6	8%	6	55%	5	45%	11	11%
	Middle-level executives	9	45%	11	55%	20	28%	12	44%	15	56%	27	26%
	First-level executives/supervisors	23	59%	16	41%	39	54%	28	56%	22	44%	50	49%
	General employees	3	43%	4	57%	7	10%	5	33%	10	67%	15	15%
<b>Total</b>		40	56%	32	44%	72	100%	51	50%	52	50%	103	100%

Note 1: Job categories that directly generate revenue include Regional Business Directors and Hematology Account Managers; job categories that do not directly generate revenue include Marketing, CMDA, IT, Legal, HR, etc.

Note 2: STEM refers to job categories related to mathematics, natural sciences, and engineering.

Note 3: All employees of the US subsidiary are full-time employees

## Competitive and Fair Compensation

GRI 2-21 / 202-1 / 405-2

PharmaEssentia is fair in its payment of wages to all employees and conducts an annual salary review and survey to gauge market salary levels and overall economic indicators. Based on the achievement of annual business objectives, individual performance assessments and outsourced salary and benefit surveys, PharmaEssentia provides performance-based pay raises, promotions and structured pay adjustments, offering salaries above industry standards.

To develop our human resources, we offer diverse profit-sharing mechanisms to retain talent in addition to providing competitive compensation, such as issuing employee stock options, restricted stock units, and cash capital increase employee stock options to attract and retain outstanding professionals. These incentives encourage employees to innovate and improve the operational performance of the company to achieve sustainable management goals.

**PharmaEssentia <sup>Note1</sup> Compensation and Remuneration Ratio <sup>Note2</sup> Between Male and Female Employees in 2022**

Position		Average Basic Compensation Ratio	Compensation Ratio	Remuneration Ratio
Managerial Positions	Management Executives (Vice President and above)	0.75	0.75	0.94
	Senior Managers (Director and above)	0.81	0.81	1.11
	Middle Managers (Manager and above)	1	1	0.81
	Supervisors (Team leader)	1.15	1.15	1.36
Non-Managerial Positions	General Employees	1.06	1.06	1
Total Employees		<b>1.22</b>	<b>1.25</b>	<b>1.22</b>

Note 1: Due to the small number of employees in Panco Healthcare, and to protect the privacy rights of employees, the data in this table only includes employees in PharmaEssentia.

Note 2: Compensation refers to monthly salary; Remuneration refers to compensation plus bonuses.

**PharmaEssentia <sup>Note1</sup> Compensation Ratio of CEO and Employees in 2022**

(Unit: NTD\$ Thousands)

Position	Compensation	Average Raise Percentage	Compensation Ratio
CEO Compensation	15,870	75.73%	13.44
Median Employee Compensation <sup>Note2</sup>	958	4.36%	17.37
Mean Employee Compensation	1,166	-	-

Note 1: Due to the small number of employees in Panco Healthcare, and to protect the privacy rights of employees, the data in this table only includes employees in PharmaEssentia.

Note 2: "Employee" refers to all employees including full-time and part-time employees but excluding the individual with CEO Compensation.

In the past 3 years, the total salary and average salary of full-time employees who are not in management positions (excluding managers) have both significantly increased, demonstrating the company's success in providing salary incentives to middle and high-level talent as well as promotions to employees, and continuously adjusting salaries for grassroots-level employees. The salaries of all



employees in Taiwan and the United States are regulated by local labor laws, and are not determined by race, gender, or other factors. In addition, the company's salaries in the United States are also based on AoN Radford Lifesciences Benchmarking Data.

**PharmaEssentia Headquart Non-Managerial Full-Time Employee Compensation Data in the Past 3 Years**

(Unit: NTD\$ Thousands)

	2020	2021	2022
Total Number of Employee	181	198	195
Total Compensation	196,378	228,391	270,448
Mean Compensation	1,085	1,153	1,166 (▲ 1.1%)
Median Compensation	853	918	907 (▼ 1.2%)

Note 1: The information in this table has been audited by Ernst & Young.

Note 2: The denominator of Mean Compensation is calculated as the weighted average total number of employees for the entire year, based on the proportion of months worked by salaried employees.

**Panco Healthcare Non-Managerial Full-Time Employee Compensation Data in the Past 3 Years**

(Unit: NTD\$ Thousands)

Total Number of Employee	18
Total Compensation	8,805
Mean Compensation	677
Median Compensation	516

**The US subsidiary Compensation and Remuneration Ratio Between Male and Female Employees in 2022**

Position		Compensation Ratio	Remuneration Ratio
Managerial Positions	Senior Managers (Director and above)	0.10	0.89
	Middle Managers (Manager and above)	0.94	0.87
Non-Managerial Positions	General Employees	<b>1.31</b>	<b>1.31</b>

Note 1: Compensation refers to monthly salary; Remuneration refers to compensation plus bonuses.



## 3.2 Commitment to Human Rights Material Topic

 **0 Complaint** GRI 3-3

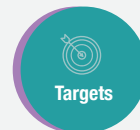


### Internal Policies

- 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](mailto: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](mailto:voice@pharmaessentia.com)  
Workplace Misconduct: [hr@pharmaessentia.com](mailto:hr@pharmaessentia.com)





### 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

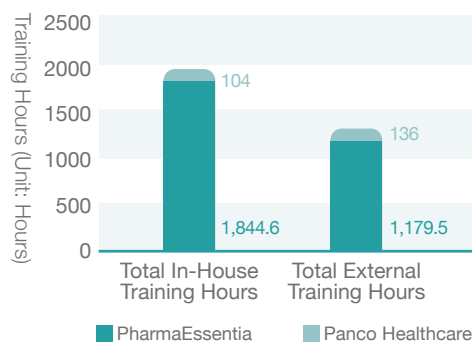
- The promotion rate of internal employees to managerial positions remained the same as last year at **29.01%**
- The retention rate of managers decreased slightly to **84.85%** due to the larger increase in total manpower resulting from the company's expansion of operations.
- The Taichung Plant established 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



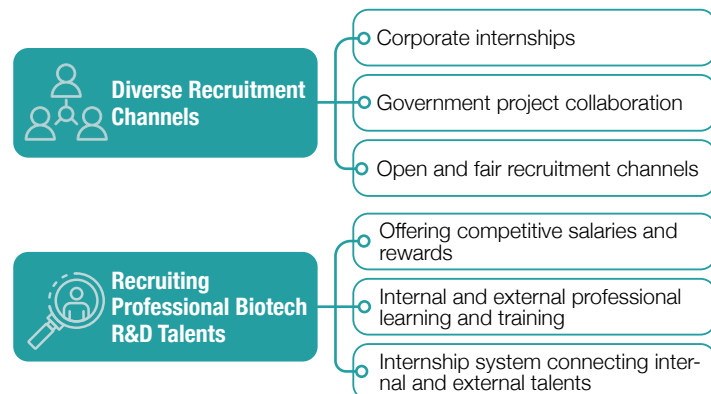
## 3.4 Talent Attraction and Retention

### People-Oriented Recruitment Policy

SASB HC-BP-330a.1

PharmaEssentia has a people-oriented recruitment policy. We attract and retain outstanding talents through competitive compensation and benefits, a friendly environment, humane management, obstacle-free internal job rotation, and training and development opportunities. In addition to Taiwan, PharmaEssentia has locations in multiple countries around the world, with a diverse workforce serving the company. Since 2016, the number of **female employees** hired has exceeded that of male employees and is concentrated among those under 30, providing ample employment opportunities for women and building a diverse workplace.

The HR department is responsible for executing human resource analysis and providing bi-weekly reports on the company's human resource structure and recruitment status to senior executives in order to create a sound foundation for recruitment practices. The category of talents we particularly focus on are scientists and research personnel. In 2022, PharmaEssentia recruited over 19 research and medical research experts, accounting for 6.6% of the total number of employees.



6.6%

PharmaEssentia recruited research and medical research experts, accounting for 6.6% of the total number of employees.

### Global Talent Recruitment Strategy - U.S. Talent Column

As a member of a knowledge-intensive industry, employees are PharmaEssentia's most important assets. In addition to the well-established talent system in PharmaEssentia Headquarters, we have also developed an employee system and benefits manual in the United States, detailing the company's commitment and guarantee to employees.

#### Fair Employment and Recruitment

Provide equal opportunities to all individuals, regardless of their race, religion, skin color, gender (including pregnancy status, sexual orientation, and gender identity), nationality, disability, age, or genetic information. The company adheres to the principle of fair employment and is committed to eliminating all forms of discrimination. In addition to taking ability and experience into consideration when hiring new employees, the company also provides a referral bonus to encourage colleagues to recruit talent. In 2022, the company recruited 40 new employees in response to increased demand in the United States.

#### Employee Performance Management and Promotion System

Establish a systematic performance management system, conduct annual performance evaluations, and determine employee salary adjustments and promotions based on work performance, attendance, work quality, ability to work independently, attitude, ability to accommodate the company's needs, and rewards and punishments. In 2022, **all employees in the U.S. underwent performance evaluations.**

#### Employee Care Policies

Implement various employee care policies and estab-

lish a workplace violence prevention policy, and being committed to take appropriate measures to establish a safe and stable working environment for employees while doing their jobs. In 2022, **there were no incidents of violence in our U.S. locations.**

#### Anti-Discrimination and Anti-Harassment

The company is committed to providing employees with an equal, respectful, and dignified working environment, upholding the basic human rights of all employees. To show our commitment, we have adopted a zero-tolerance policy for harassment, and strictly follow the Prohibition of Discrimination, Fair Employment for Pregnant Workers Act, and Americans with Disabilities Act to protect a quality workplace. Regarding workplace harassment, we have established a comprehensive handling procedure, treated sexual harassment allegations with caution, established an internal complaint channel and improved investigation mechanisms, imposed disciplinary measures to eradicate such behavior, and also provided legal remedies to employees to build a workplace environment that is truly friendly and safe. In 2022, **there were no incidents of discrimination or harassment in the U.S.**

#### Competitive Compensation and Benefits

The company has a **comprehensive salary system and benefits policy**, including general welfare, medical insurance, tax and health insurance systems, retirement plans, employee assistance programs, workers' compensation insurance, travel policies, employee stock options plans, etc. In addition to meeting local requirements, we also provide **paid parental leave**, breastfeeding facilities, and flexible working hours to ensure the well-being of employees.



## Performance Assessment and Promotion System

GRI 2-20/404-3

Performance management at PharmaEssentia is based on driving organizational growth, establishing a fair and objective performance assessment system that is aligned with the company's strategic development, and respecting the diversity of its employees, whatever their race, gender or age may be. PharmaEssentia also implements a performance-based compensation system, and all full-time employees around the world receive regular performance and career development checks as a reference for their work objectives and personal growth and development. The company combines new employee assessments with annual performance evaluations and talent development systems to enhance individual and company competitiveness. As of 2022, the percentage of full-time employees at PharmaEssentia's Headquarters and Panco Healthcare who have undergone performance and career development checks is 100%, excluding variables such as incomplete probationary periods and leave without pay. The completion rate of performance evaluations for male and female employees in various job categories is also 100%.



### New Employee Evaluation

- Prior to the end of the probationary period, the supervisor should conduct a performance interview and evaluation with the employee.
- If the employee fails to pass the evaluation, the company may terminate the employment contract in accordance with relevant laws and regulations or extend the evaluation period with mutual agreement.



### Annual Performance Review

- Conduct two regular performance reviews each year, through the cycle of goal-setting, medium-term review, and year-end evaluation, to help employees and supervisors reach a consensus on work goals, improve employees' work abilities, and achieve the company's operational goals.
- Manage employees' output performance and tap their potential through the performance review system, to select talents. Use the performance review to understand the weaknesses in employees' work and improve work methods and efficiency.
- Arrange suitable courses for employees through the HR department to achieve improvement goals. Also, establish a training blueprint based on professional job functions and provide individual development plans, so that each colleague can have better communication with their supervisor on their career development.

For high-performing employees with potential, we provide promotion opportunities through an annual employee promotion nomination and evaluation process. We also have a system for internal rotations, which allows us to prioritize internal candidates when internal vacancies arise; developing multiple professional skills among our employees; promoting internal talent retention; and facilitating cross-departmental communication and coordination. We hope that every employee in PharmaEssentia can unleash their potential, and further develop their skills through continuous learning and career development, which is one of the key tasks of our human resources strategy.

A well-developed performance assessment system, while a long-term performance bonus plan has been implemented to incentivize retention at the same time.

#### The long-term performance bonus system of the US subsidiary includes

employee stock option plans, specific employee stock plans, and salary adjustments, which are determined by overall performance.

#### The performance indicators of the US subsidiary's performance system include

Management by Objectives (MBO), diversified performance evaluation and formal comparative ranking of specific employee categories. All employees were assessed in 2022.

## Diverse Employee Benefits System

GRI 201-3

GRI 401-2/404-2



**3.33 million NTD**

32% growth in total employee welfare expenses in Taiwan

In 2013, PharmaEssentia established a Welfare Committee to plan employee welfare activities in collaboration with the company. The committee meets four times annually. In 2022, PharmaEssentia and Panco Healthcare spent approximately NT\$3.33 million on employee welfare, an increase of 32% from the previous year. A total of 571 employees applied for various welfare benefits.

We have developed and implemented a workplace plan for supporting our employees' family planning, including marriage, childbirth, and child-rearing. For three consecutive years, the retention and return-to-work rates of employees taking parental leave in Taiwan have reached 100%, and the implementation rate of our maternal health protection plan has also been 100%. In the second half of 2023, we plan to hold a Family Day event to promote family values and allow our employees to share the joys of parenting with loved ones.

<h3>Competitive salary</h3> <ul style="list-style-type: none"> <li>✓ Three major holiday bonuses</li> <li>✓ Project bonuses</li> <li>✓ Employee stock options</li> <li>✓ Restricted stock units</li> <li>✓ Cash capital increase employee stock options</li> </ul>	<h3>Comprehensive insurance plan</h3> <ul style="list-style-type: none"> <li>✓ Labor insurance</li> <li>✓ Health insurance</li> <li>✓ Group insurance</li> <li>✓ Overseas travel insurance</li> </ul>	<h3>Retirement benefits and welfare</h3> <ul style="list-style-type: none"> <li>✓ Retirement farewell dinner</li> <li>✓ For those to which the old system applies, retirement benefits are calculated at 2% of monthly salary for each year of service and deposited into the old system retirement reserve account at Taiwan Bank.</li> <li>✓ After the implementation of the new retirement system, the company will contribute 6% of the employee's salary to individual retirement accounts based on the employee's retirement benefit level.</li> </ul>	<h3>Comprehensive employee transition assistance</h3> <ul style="list-style-type: none"> <li>✓ The company will report any laid-off employees to government employment assistance agencies in accordance with the Employment Services Act, in order to help the laid-off workers find new employment through counseling and support services provided by the competent authorities and public employment service organizations.</li> </ul>
<h3>Marriage and childbirth care</h3> <ul style="list-style-type: none"> <li>✓ Collaboration with childcare centers</li> <li>✓ Pregnancy and parental leave</li> <li>✓ Marriage assistance and leave policies</li> <li>✓ Breastfeeding rooms with a subsidy of NT\$6,000 for new mothers</li> </ul>	<h3>Flexible leave system</h3> <ul style="list-style-type: none"> <li>✓ Flexible working hours</li> <li>✓ Comprehensive leave policies that exceed the requirements of the Labor Standards Act</li> </ul>	<h3>Overall employee care</h3> <ul style="list-style-type: none"> <li>✓ Health check-ups</li> <li>✓ Weight loss programs</li> <li>✓ Stress-relieving massages</li> <li>✓ Sabbatical leaves</li> <li>✓ Health seminars</li> <li>✓ Employee recognition programs</li> <li>✓ Special discounts from partner stores</li> <li>✓ Free taxi rides for night shift employees</li> </ul>	<h3>Diverse employee activities</h3> <ul style="list-style-type: none"> <li>✓ Departmental gatherings</li> <li>✓ Club activities</li> <li>✓ Sports competitions</li> <li>✓ Employee trips</li> </ul>

Note: This table does not include the compensation and benefits of the US subsidiary. Please refer to [section 3.4](#) of the US Talent Column for the US welfare system.



**100%**  
Maternal health protection plan execution in Taiwan for 3 consecutive

### Hiring New Employees and Employee Retention

SASB HC-BP-330a.1 / a.2 GRI 401-1

**30.9%**  
Growth Rate of All Employees in 2022

We actively recruit talents in the fields of biopharmaceuticals, research and development, clinical medicine, and global management. Job competency and core functions are our main criteria for talent recruitment, and we adhere to the spirit of non-discrimination and fair treatment. We use diverse and open recruitment channels to select qualified talents. Over the past three years, the overall personnel growth rate of PharmaEssentia has continued to grow steadily. In 2022, we increased the number of personnel in research and development and production to meet the demand for expanded business.

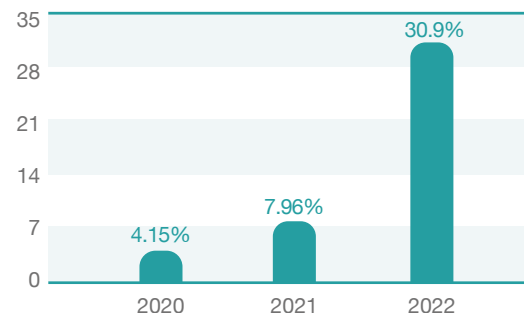
To stimulate organizational vitality and cultivate all-round talent, we prioritize personnel rotation evaluations when new business demands emerge or when important positions become vacant. In 2022, the proportion of internal promotions for managerial positions was as high as 84.62% for frontline supervisors, and around 50% for middle and high-level managers, establishing a virtuous cycle for talent development, promotion, and retention. For employees who express their intention to leave, we also require supervisors to conduct interviews to understand the reasons and identify areas for improvement, and establish comprehensive retention plans to reduce employee turnover rates and enable the retention of outstanding talent.

GRI 401-3

#### PharmaEssentia Headquarters and Panco Healthcare's Statistics on Employees on Parental Leave Without Pay in the Past 3 Years

Item	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave in the current year (A)	23	11	34	18	16	34	11	12	23
Number of employees who actually applied for parental leave in the current year (B)	-	5	5	0	5	5	0	5	5
Parental leave application rate (B/A100%)	0%	45%	15%	0%	31%	15%	0%	42%	22%
Expected number of employees who will return to work after parental leave in the current year (C)	-	3	3	0	4	4	0	4	4
Number of employees who returned to work after parental leave in the current year (D)	-	3	3	0	4	4	0	3	3
Parental leave return-to-work rate (D/C*100%)	-	100%	100%	0%	100%	100%	0%	75%	75%
Number of employees who returned to work after parental leave in the previous year (E)	1	3	4	0	3	3	0	4	4
Number of employees who continued to work for one year after returning from parental leave in the previous year (F)	1	3	4	0	3	3	0	4	4
Parental leave retention rate (F/E*100%)	100%	100%	100%	0%	100%	100%	0%	100%	100%

#### PharmaEssentia Growth Rate of All Employees in the Past 3 Years



Note: Employee growth rate = (Number of employees at the end of the current year - Number of employees at the end of the previous year) / Number of employees at the end of the previous year.

### PharmaEssentia 2022 New Hires by Job Level

Job Level	Internal promotion		External promotion		Managerial Retention Rate
	Number of Employees	% Percentage	Number of Employees	% Percentage	
ManageMalet Executives (Vice President and above)	0	-	0	-	100%
Senior Managers (Director and above)	7	46.67%	8	53.33%	81.48%
Middle Managers (Manager and above)	7	58.33%	5	41.67%	88.57%
Supervisors (Team leader)	11	84.62%	2	15.38%	93.75%
General Employees <sup>Note1</sup>	20	22.99%	67	77.01%	-

Note 1: General employees are not included in the calculation of managerial retention rate.

### PharmaEssentia and Panco Healthcare New Hires and Departures Statistics in 2022

Category	Item	New Hires <sup>Note1</sup>		Voluntary Departures <sup>Note1</sup>	
		Number of Employees	% Percentage	Number of Employees	% Percentage
<b>Total Number of Employees</b>		<b>85</b>	<b>28%</b>	<b>24</b>	<b>8%</b>
Age	30 years old and below	38	12%	3	1%
	30-50 years old	43	14%	19	6%
	51 years old and above	4	1%	2	1%
Gender	Male	45	15%	10	3%
	Female	40	13%	14	5%
Position	ManageMalet Executives (Vice President and above)	0	0%	0	0%
	Senior Managers (Director and above)	8	3%	5	2%
	Middle Managers (Manager and above)	5	2%	4	1%
	Supervisors (Team leader)	2	1%	2	1%
	General Employees	70	23%	13	4%
Organization	PharmaEssentia	82	27%	22	7%
	Panco Healthcare	3	1%	2	1%

Note 1: Starting from 2022, the ratio of newly hired and resigned employees is calculated as (the cumulative number of newly hired and resigned employees in the current year) / (total number of employees at the end of the year).

Note 2: In 2022, the number of non-voluntary resignations at the Headquarters of PharmaEssentia and Panco Healthcare was both 0.

In the past three years, our US subsidiary has been recruited new talents significantly in response to market demand for operational development. However, in 2021, due to the delay in obtaining FDA drug license until November, the number of employees voluntarily leaving also increased in the current year. In 2022, due to the successful FDA approval, US subsidiary actively promoted various operational businesses and adhered to the spirit of gender equality and racial diversity, continue to optimize recruitment, selection, talent development, and retention systems. The retention rate of employees has significantly increased in 2022.

### The US Subsidiary New Hires and Departures Statistics in the Past 3 Years

(Unit: Number of Employees)

Category	Items	New Hires <sup>Note1</sup>			Departure Employees <sup>Note1</sup>		
		2020	2021	2022	2020	2021	2022
<b>Total Number of Employees</b>		<b>31</b>	<b>49</b>	<b>42</b>	<b>4</b>	<b>30</b>	<b>13</b>
Age	30 years old and below	2	1	2	0	2	0
	30-50 years old	19	13	29	3	13	6
	51 years old and above	10	35	11	1	15	7
Gender	Male	18	26	17	1	13	7
	Female	13	23	25	3	17	6
Job Level	Senior Managers (Director and above)	3	6	5	1	2	0
	Middle Managers (Manager and above)	19	8	20	1	8	6
	Supervisors (Team leader)	6	34	14	2	18	7
Race and Nation	Asian	1	3	9	1	6	1
	African	3	5	2	0	4	2
	Latino/Hispanic	1	3	2	0	1	1
	White	25	34	29	3	17	9
	Two or more races	0	4	0	0	0	0
	Others	1 <sup>Note2</sup>	0	0	0	2	0

Note 1: Starting from 2022, the proportion of newly hired and resigned employees does not include the calculation of the retention rate of supervisors.

Note 2: Native Hawaiians



## Employee Satisfaction Survey

In 2022, our US subsidiary conducted an employee satisfaction survey, with 94 employees participating and an average satisfaction score of 4.2 out of 5.

**4.2/5**

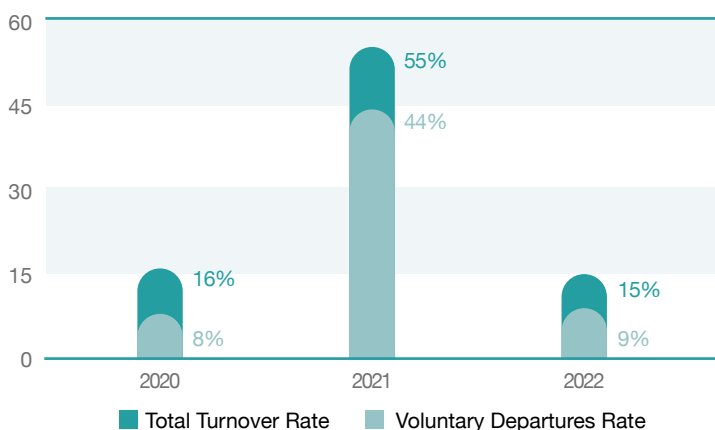
US subsidiary employee satisfaction score

We also use surveys to understand what our employees' actual needs are as a basis for safeguarding and improving our key areas of concern.

### PharmaEssentia and Panco Healthcare's 2022 Employee Activity Survey Results

Activity Item	Description of Activity and Survey Methodology	Total Feedback Count
Legal risks arising from workplace harassment and dishonesty	Feedback survey on 2 online seminars	216
On-site medical care service for employee care	3 times, at fixed times each month, along with Work Overload Questionnaire	99
Employee health check-up	The Work Overload Questionnaire was conducted simultaneously with health check-ups for Taichung employees	122
Employee health check-up	Satisfaction survey on employee health check-ups	73
2022 cash capital increase plan	Employee stock subscription solicitation and notification of consent	306

### The US subsidiary Employee Turnover Statistics in the Past 3 Years







## 3.5 Philanthropic Activities

In 2022, PharmaEssentia carried out three major public welfare projects. The first project involved sponsoring the Jane Goodall Institute to replace old refrigerants with environmentally friendly ones, thereby reducing greenhouse gas emissions. The second project involved sponsoring a telehealth promotion program for disadvantaged elderly people to resolve the issue of insufficient medical services in rural areas. The third project involved sponsoring the annual charity concert of the OneSongOrchestra for the fourth consecutive year, promoting a new ecosystem of inclusiveness and shared prosperity.

The US subsidiary of PharmaEssentia focused on the health-care industry in 2022 to create a better community, launching a patient financial assistance program to provide partial payment or insurance support for patients who need BESREMi but deal with financial difficulties. This program includes free copay cards and emergency medications to help patients who do not have access to medication due to delayed insurance payments or insufficient insurance coverage. In addition, free medication was provided for patients without insurance or insufficient coverage. Our US subsidiary also invested \$25,000 in 2022 to provide cancer kits to Boston residents through the Boston Cares charitable organization, and encouraged employees to participate in community activities by providing paid volunteer leave. This year, a total of 80 employees participated in volunteer activities, with a total of 160 hours of volunteer works.



### 3 Events

Sponsoring social participation activities: carbon reduction, health, and cultural charity



### 80 volunteers

employees of The US subsidiary participated in volunteer activities, with a total of 160 hours of volunteer works

#### Charity Program

### Promoting Care for Seniors in Rural Areas - Health Charity Event



#### Core Connections

In line with our principles of helping to provide access to medicine, we sponsored an action plan to support the areas that are the most lacking in medical resources in Taitung, Taiwan. Service bases are set up for the elderly and caregivers of those with dementia in this rural health promotion program by the Digital Humanitarian Association, which includes remote health promotion app services, live online courses, consultations with medical expert consultations and more to provide comprehensive medical resources and services to elderly people in rural communities.

[▶ For more information.](#)

#### Investment

Invested a total of NT\$540,000, and sent two people to Taitung for on-site inspections to support the three rural communities sponsored.

#### Internal Benefits

- Implementation of SDG 3 "Ensure and promote healthy lives and well-being for all ages."
- Our core philosophy is to promote the right of patients to access medical resources in a timely and equal manner, thus we promoted remote health care for vulnerable groups such as the elderly in rural areas, and resolved the shortage of medical resources in remote areas.
- Participation in causes to do with public welfare, and establishment of a positive cycle to influence other enterprises, non-profit organizations, and the general public

#### External Benefits

- Inclusion of financial support to disadvantaged institutions in rural areas in the annual budget
- Exertion of corporate influence in reducing the isolation felt by the elderly and vulnerable groups, alleviation of the burden of young adults caring for the elderly, and promotion of healthy living and well-being for all ages, echoing SDG 3-health and well-being, SDG 8-employment and economic growth, SDG 10-reducing inequality, such as increasing employment opportunities for online health instructors, allowing companies and communities to cultivate long-term relationships, and thereby improving the quality of health care and eliminating the disparity in health care resource.

Charity Program

Making Environmental Sustainability a Reality - Carbon Reduction Charity Event



Core Connections

Sponsorship of the Jane Goodall Institute to replace the refrigerants in two sets of air conditioning systems with low-carbon refrigerants in order to reduce greenhouse gas emissions and extend the spirit behind our internal Environmental Policy to benefit an external organization, creating long-term economic benefits for society and taking up our corporate social responsibility in mitigating global warming. [▶ For more information.](#)

Investment

Invested a total of **NT\$60,000**, and sent two people to conduct on-site inspections and review the results of the replacement.

Internal Benefits

- Alignment with our Environmental Policy, advocacy for **energy conservation**, and reduction of environmental impact, thus achieving our sustainability goals.
- Participation in causes to do with public welfare, and establishment of a positive cycle to influence other enterprises, non-profit organizations, and the general public.

External Benefits

- Collaboration with the Jane Goodall Institute to help them create a better learning environment and make it appealing for children to continue learning.
- The two sets of air conditioners can be used for 6 years. After the replacement, 2.5 kg of the old refrigerant was recovered, which directly reduced carbon dioxide emissions by about 5218kg. It was estimated that the new, environmentally-friendly hydrocarbon refrigerant can save electricity by up to 34.7%. **The estimated annual electricity savings is 735 degrees, leading to an indirect reduction of carbon dioxide emissions by about 374kg per year.**

Charity Program

Promoting Cultural and Artistic Revitalization - Charity Event



Core Connections

To realize our corporate social responsibility, sponsoring the Wan Sheng Vocal Orchestra's New Year's charity concert for four consecutive years, supporting cultural and artistic development and bringing vitality to the economy. [▶ For more information.](#)

Investment

Nearly **one million dollars** in donations have been accumulated, with 32 people participating in the charity concert.

Internal Benefits

- Participation in causes to do with public welfare, and **promotion of cultural development** through implementing the " Practical Guidelines for Sustainable Development of Corporate of Listed Companies on the Stock Exchange."

External Benefits

- Supporting cultural and artistic development and bringing vitality to the society and the economy, as well as promoting employees' personal and mental well-being, helping them to balance life and work, and furthering a new ecology of coexistence and common good.



## 3.6 Occupational Health & Safety

GRI 403-1/403-8



# 100%

Coverage rate of Occupational Health & Safety Policy

Following the [Occupational Health & Safety Policy](#) of PharmaEssentia, we continue to enhance our employees' health management and promotion measures, covering a total of 287 full-time employees (including the Taichung Plant) with a coverage rate of 100%. We plan to introduce the ISO 45001 Occupational Health & Safety Management System in 2023 and establish an Occupational Health & Safety Committee to carry out comprehensive measures, such as hazard identification, risk assessment, and accident investigation throughout the company in order to create a safe, healthy, and zero-accident work environment.

Compliance with government regulations	Emphasis on hazard prevention	Implementation of continuous improvement	Encouragement of all employee participation
Adhere to government regulations to promote safety and harmony	Strive for zero accidents and provide a safe environment	Create a safe and healthy corporate image by implementing continuous improvement	Encourage employee participation to enhance safety culture



Employee participation in "Office Ergonomics Prevention and Stretching Exercise" health promotion lectures

## Occupational Health Services

GRI 403-2/403-3/403-4

We are committed to reducing occupational health risks and creating a working environment that enables employees to have physical and mental well-being, health, and happiness. Following PharmaEssentia Headquarters first-time achievement of the Healthy Workplace Certification/Health Promotion Label and the Taichung Plant's recertification in 2020, we have been actively promoting employee health and safety. We have also organized health promotion seminars such as "Ergonomic Workplace Design and Stretching Exercises" to encourage employees to improve their own health. These efforts have been recognized, and our Taipei Headquarter has been awarded a Healthy Workplace Certification with a validity period of 3 years, affirming our commitment to protecting the health of our employees.

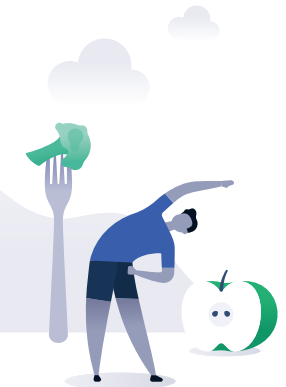
PharmaEssentia's emphasis on occupational health and safety is based on the Labor Health Protection Regulations and the Occupational Safety and Health Act. All employees are provided with a free annual health checkup, which is more than what we are legally required to do, to help employees learn about the status of their health and focus on areas that need improvement, thereby reducing or avoiding illnesses. Additionally, we have contract medical and nursing staff to provide on-site services, provide health education, arrange in-person appointments with physicians when necessary, reduce or eliminate potential health risks, and hold quarterly labor-management meetings to maintain smooth communication channels, allowing employees to raise health concerns at any time. In 2022, two health seminars were held, namely "[No More Metabolic Syndrome](#)" and "[Office Ergonomics and Stretching Exercise](#)", with 75 and 66 participants, respectively, to enhance our employees' awareness of the three major risk factors to health and encourage them to focus on daily prevention and healthcare.



PharmaEssentia Headquarters health workplace certification/health promotion label



Taichung plant health workplace certification/health promotion label



Service	Description of Service	2022 Results of Pharma Essentia and Panco Healthcare's Execution of Health Service
<p>✓ <b>Health check-ups</b> Regular health checkups and advanced health checkups for those engaged in high-risk operations</p>	<ul style="list-style-type: none"> <li>• We provide regular health check-ups once a year to assist employees in managing their health.</li> <li>• For employees engaged in special hazardous operations, we provide special health check-ups.</li> </ul>	<p>We invest NTD <b>1.18</b> million annually for regular health check-ups for <b>236</b> colleagues.</p>
<p>✓ <b>On-site health education service</b> Contract nursing staff on-site to provide health education services</p>	<ul style="list-style-type: none"> <li>• We arrange for appointment and health education sessions every Wednesday, approximately three times a month.</li> <li>• Medical professionals give out timely health information in accordance with the company's internal system.</li> </ul>	<p>We invest NTD <b>25,885</b> for special health check-ups for <b>58</b> colleagues. Those identified by the doctor as having abnormalities (level two management) that are unrelated to work have completed physician consultation and health education.</p>
<p>✓ <b>Maternal health protection</b> Evaluate hazard factors to ensure workplace safety for female employees</p>	<ul style="list-style-type: none"> <li>• Assessing risk factors to ensure the safety of female employees in the workplace. For pregnant women and women who have given birth within one year and are engaged in work that may affect the health of the mother and baby during pregnancy or lactation, we provide assessments, recommendations from professional physicians, and health protection measures such as modifying their work conditions, adjusting working hours, and having them switch duties with other employees based on identification, assessment and control of work environments and the hazardous chemicals present in them.</li> </ul>	<p>We invited nurses, physicians, physical therapists and psychological counselors to promote health education on-site, and held <b>39</b> sessions in total.</p> <p>For pregnant women and women who have given birth within one year, all employees who were pregnant at the Taichung Plant have been evaluated and arranged for suitable posts. The execution rate of our maternal health protection plan in the past three years has been <b>100%</b>.</p>
<p>✓ <b>Occupational Hazard Prevention Plan</b> Identification of hazards and injury/illness assessment</p>	<ul style="list-style-type: none"> <li>• Based on the 2022 Occupational Hazard Prevention Questionnaire, employees suspected of being impacted by occupational hazards have had appointments with doctors and nurses arranged for follow-up health monitoring.</li> </ul>	<p>According to the 2022 Musculoskeletal Symptoms Scale Questionnaire, back pain is the most common issue, and in 2023, we will arrange to have rehabilitation specialists available for consultation and education.</p>
<p>✓ <b>Prevention of diseases caused by abnormal workloads</b> Integration of health promotion services and assessment of employee health risks</p>	<ul style="list-style-type: none"> <li>• Assessing and evaluating risk levels based on annual health examination reports, attendance records, and personal and workload charts.</li> </ul>	<p>After assessment, appointments with medical specialists have been arranged for employees with moderate risk for follow-up health monitoring.</p>
<p>✓ <b>Regular monitoring of work environment</b> Grasp the reality of the work environment and assess the exposure status of employees</p>	<ul style="list-style-type: none"> <li>• Conducting work environment monitoring every six months and every quarter.</li> <li>• Commissioning qualified testing companies to conduct chemical and physical environmental monitoring.</li> <li>• The monitoring plan and results are logged into the company's system, and notifications are implemented.</li> </ul>	<p>Chemical and physical factor tests are within allowable standards.</p>
<p>✓ <b>Accident investigation and handling procedures</b></p>	<ul style="list-style-type: none"> <li>• Conducting investigation and follow-up improvement measures for occupational accidents based on the Accident Investigation and Handling Procedures.</li> </ul>	<p>One accident resulted in moderate injuries, which is within the acceptable range. Education and training have been implemented, and the maintenance, supervision, and inspection of existing protective equipment have been enhanced. No commuting accidents have occurred.</p>

## Employee Health Promotion GRI 403-6

We have organized a multitude of health promotion activities to cultivate good exercise habits in employees during work, and provided various ways for them to relieve stress for their physical and mental well-being.

### Massage Station

To promote public welfare and employee health, PharmaEssentia has set up a "Massage Station" with one visually impaired massage therapist. Since its establishment in 2014, it has served more than 7,736 people. Its effectiveness and dedication have been highly praised by colleagues and external parties, successfully creating a model of a healthy workplace. In 2022, the massage station was used by a total of 520 people.

### Diverse Clubs

To be healthy, one needs to be active. Developing good exercise habits or cultivating an interest in sports is the direction the company expects its employees to strive for. Through the welfare committee's subsidy, employees are encouraged to participate in club activities in their spare time, make friends with like-minded colleagues across departments, relieve stress, and enrich their lives. There are various types of clubs, such as badminton clubs, table tennis clubs, etc., which use the power of small groups of sports enthusiasts to promote a culture of exercise and fitness within the company. In 2022, there were 33 members in the clubs of PharmaEssentia.



### DIY workshop for epidemic prevention

To cope with the long-term epidemic prevention measures that can lead to anxiety and emotional problems, the annual health promotion lecture at our Taichung plant has arranged a DIY workshop to help reduce psychological stress and anxiety (including DIY hand sanitizing spray and soap, and therapeutic succulent planting). Each workshop can accommodate 20 participants.






### Walking Challenge

PharmaEssentia is hosting a 3-month walking challenge where participants must accumulate 200,000 steps per month to reach the goal. Those who reach the target will receive a sports towel and be entered into a prize draw for a sports wristband. The challenge aims to encourage healthy habits and promote physical activity among colleagues.

## In Response to the COVID-19 Pandemic

The COVID-19 pandemic has lasted for more than three years, and we have entered a phase in which we are coexisting with the pandemic. PharmaEssentia has established a pandemic response task force, which includes the Chairman, the CEO, the General Manager, the COO, the Director of Production and Manufacturing, the HR department, and Environmental Health and Safety department. Meetings are held as needed in response to the development of the pandemic, and we cooperate with the policies and guidelines issued by the Central Epidemic Command Center (CECC) and other authorities as well as implement various measures to safeguard the health and safety of our employees.

### PharmaEssentia and Panco Healthcare's COVID-19 Contingency Plan

 <b>Personnel Control Measures</b>	<ul style="list-style-type: none"> <li>✓ Home quarantine and exposure tracing should follow CDC policies</li> <li>✓ Replace in-person meetings with video conferencing as much as possible to reduce risk of exposure</li> <li>✓ Internal personnel: Have body temperature measured when entering the office, wear masks, and implement disinfection measures</li> <li>✓ External personnel: Reduce the number of visitors and keep them in designated areas of the office</li> <li>✓ Suspend large-scale education and training sessions (except those required by law) and activities</li> </ul>
 <b>Preventive Measures in Advance</b>	<ul style="list-style-type: none"> <li>✓ Insure employees with pandemic insurance</li> <li>✓ Subsidize employees' influenza vaccine costs</li> <li>✓ Purchase rapid screening kits to ensure that employees can learn about the status of their health quickly and take measures if they have any discomfort</li> <li>✓ Enhance cleaning and disinfection of the company's premises</li> </ul>
 <b>Continuous Promotion of Precautionary Measures</b>	<ul style="list-style-type: none"> <li>✓ Encourage employees to receive COVID-19 and influenza vaccines</li> <li>✓ Avoid crowded and poorly ventilated public places</li> <li>✓ Wear masks when entering public places or enclosed spaces to keep droplets in the air out of respiratory system</li> <li>✓ Encourage employees to avoid large gatherings and events</li> <li>✓ Encourage employees with fever or acute respiratory symptoms to rest at home and keep records on their health</li> </ul>

Note: The above control measures will be adjusted based on the level of pandemic's threat and the latest regulations.  
 Note: To ensure continuous operation, Panco Healthcare has divided its logistics center into two groups of personnel who do not come into contact with each other; and controls the entry of outsourced personnel, who are required to undergo rapid screening test before entering the site if necessary.

## Workplace Safety and Accident Prevention Mechanism

GRI 403-5 GRI 403-7 GRI 403-9~10

Our company has established our own [Labor Safety and Health Work Guidelines](#) and [Emergency Response Procedures](#) to regulate various safety measures, and we regularly conduct emergency response drills so that we may respond to various types of emergencies and prevent occupational accidents. Employees receive regular on-the-job safety and health education and training, and personnel are assigned according to legal regulations to be supervisors for particular projects, and non-designated personnel are not allowed to be involved with their operations. Our plant also implements various measures and tests, such as the [Important Facility Operator Test](#); [Factory Health and Safety Regulations](#); and [Contractor Entry and Operation](#), which regulate entry, facility operation and factory safety to ensure the health and safety of all personnel in the plant.

Panco Healthcare Logistics Center has established the [Logistics Center Safety Management Operating Procedures](#) and [Emergency Response Handling Operating Procedures](#) to prevent occupational injuries and ensure that all equipment stay in normal operation. In the event of an emergency, the logistics center manager is notified immediately, and the emergency response task force take action to evacuate personnel or provide medical attention to those who are injured in accordance with the established management mechanism.

In 2022, PharmaEssentia and Panco Healthcare jointly held 33 occupational health and safety training sessions, with a total of 229 participants trained.

**229 Participants**  
 33 training sessions of occupational safety and health

**PharmaEssentia and Panco Healthcare's Occupational Safety and Health Employee Training Statistics in 2022**

Training Topic		Number of Sessions	Number of participants
Internal	General safety and hazard training for employees (including new employees)	10	74
	AED & CPR training	4	86
	Toxic substance disaster emergency response and dress rehearsal	2	16
External	On-the-job safety and health training (includes operators of hazardous equipment, emergency relief personnel, and furnace/boiler operators)	9	10
	Toxic disaster professional emergency response personnel general level training	1	2
	General training for professional responders of poisonous disasters in Central Taiwan Science Park	1	2
	GHG internal auditor education and training	1	34
	Environmental protection seminars and briefings on legal compliance	5	5
<b>Total</b>		<b>33</b>	<b>229</b>

Our company tracks incidents of occupational injury at PharmaEssentia, Panco Healthcare and our US subsidiary, and conducts investigations and follow-up improvement measures in accordance with the Accident Investigation and Handling Measures. In 2022, there was only one incident of occupational injury event that occurred at PharmaEssentia's Taichung Plant. An employee was injured in the foot when a steel plate slipped during observation of plant operations. The employee resumed work the following week. In response to this isolated incident, the relevant equipment was checked, and improvements were made to fix the groove that caused the accident. It was also stipulated that employees must wear steel-toed cleanroom shoes during operations to ensure their safety.

In 2022, the Taipei office of PharmaEssentia Pharmaceutical invited external professional consultants to conduct a laboratory environment inspection. The Taichung Plant held three emergency response drills, including a biosecurity emergency response drill, self-defense firefighting Taskforce training, and a full-plant personnel evacuation drill. In 2023, the company will introduce the ISO 45001 Occupational Health and Safety Management System to conduct systematic safety risk assessments in production processes and laboratory operations.

**Occupational Injury and Illness Statistics for PharmaEssentia's Taichung Plant in 2022**

	Male	Female	Total
Number of Occupational Injuries	1	0	1
Number of Occupational Fatalities	0	0	0
Days Lost Due to Occupational Injuries <sup>Note1</sup>	4	0	4
Frequency Rate (FR) of Disabling Injuries <sup>Note2</sup>	3.84	0	3.84
Severity Rate (SR) of Disabling Injuries <sup>Note3</sup>	15.36	0	15.36

Note 1: The type of injury in this incident is temporary total disability, and the total number of days lost is 4, including 2 weekend days.

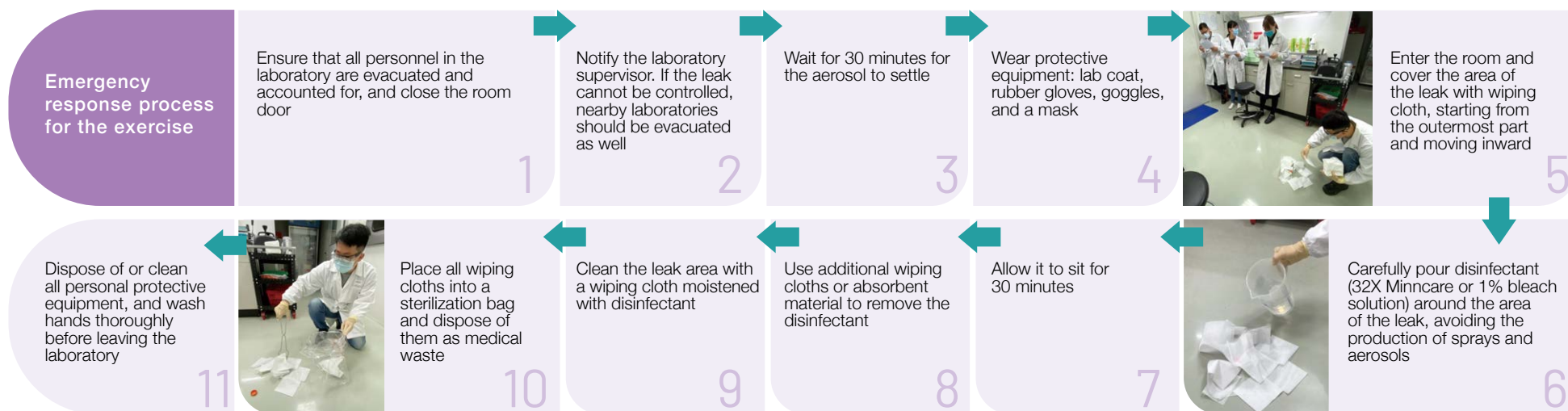
Note 2: Frequency rate (FR) of disabling injuries is defined as (1 x 1,000,000) divided by the total number of hours worked, which is 260,264, resulting in 3.84 persons per million hours.

Note 3: Severity rate (SR) of disabling injuries is defined as (4 days lost x 1,000,000) divided by the total number of hours worked, which is 260,264, resulting in 15.36 days lost per million hours.

Note 4: The definitions of frequency rate (FR) and severity rate (SR) of disabling injuries follow the Labor Standards Act

## Example Introduction - 2022 Biological Safety Emergency Response Exercise

- Exercise scenario: Standard strain overturns in BSL2 laboratory
- Participants: 9 colleagues from various units at the Taichung Manufacturing Plant



## Contractor Safety Management

We established a contractor management system to ensure the safety of contractors who enter our company's premises. Management mechanisms were set up for before construction, before entry, and during construction to protect the safety of both our employees and our partner contractors. In 2022, there were no cases of occupational injuries or recorded cases of occupational diseases involving contractors working on the premises of PharmaEssentia and Panco Healthcare. In the future, we will continue to ensure the safety of contractors while they work and protect their rights while promoting a safe and reliable work environment.

