

5.2 Diversity and Inclusion



Diverse Employee Structure, Balanced Gender Ratio

Compliance with Equality, Fairness,
and Inclusion Policies

In 2023, PharmaEssentia participated in the Bloomberg Gender Equity Index(GEI) survey for the first time. The scope covered PharmaEssentia Taiwan headquarters, Taichung branch, Panco , PharmaEssentia Japan, PharmaEssentia USA. We are committed to building a diverse workplace and creating an inclusive environment.

Employee Composition Structure GRI 2-7, 2-8, 202-2, 405-1

In 2023, all employees at PharmaEssentia were full-time (working at least 40 hours per week), reflecting the company's commitment to diversity in the global market and focus on gender equity. The proportion of local residents employed in each country exceeded 95%.

- PharmaEssentia Taiwan (including Taipei headquarter and Taichung plant): The company employed 321 full-time workers, including one employee with disabilities. The gender distribution among all employees was balanced, with 50% male and 50% female. Among management, 61% were male and 39% female. The Taipei headquarter employed a male external IT worker and a female cleaning service worker as non-employee staff, while the Taichung plant employed a female outsourced cleaning worker. The IT contractor at the Taipei headquarters was converted to a permanent position in 2024.
- Panco, mainly responsible for warehousing, logistics, and sales: There were 19 full-time employees, reflecting the job's nature with 63% male and 37% female. The managerial staff was evenly split between males and females. Four male and one female non-employee workers assisted with the previous year's WH (warehousing) project.
- PharmaEssentia USA Subsidiary: The subsidiary had 130 full-time employees, with a gender distribution of 45% male and 55% female. Among management, 49% were male and 51% female.
- PharmaEssentia Japan Subsidiary: The Subsidiary had 45 full-time employees, with 71% male and 29% female due to local conditions. Among management, 78% were male and 22% female. Additionally, two employees identified as LGBTQI.



PharmaEssentia / Panco 2023 Employee Structure Table

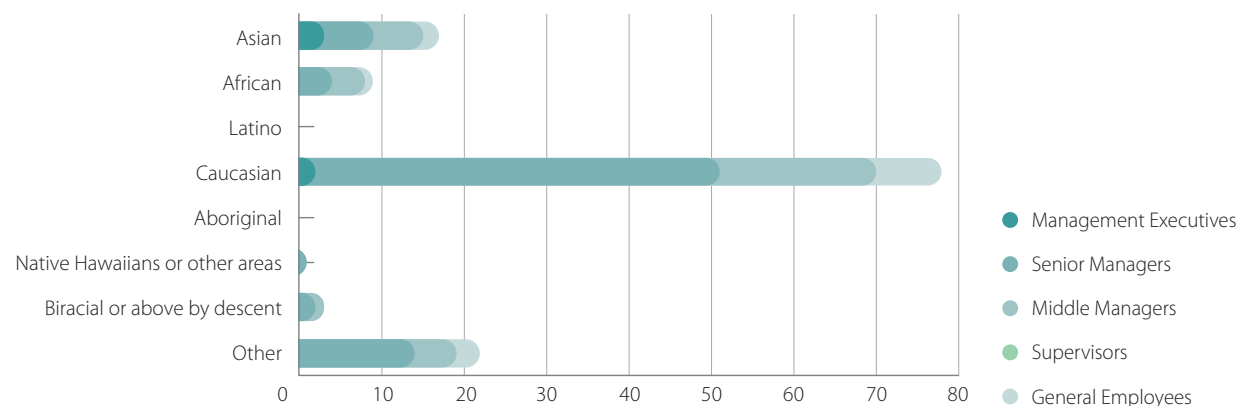
Classification	Category	PharmaEssentia 2023 Employee Structure Table						Panco 2023 Employee Structure Table					
		Male		Female		Total		Male		Female		Total	
		Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage
Job level	Management Executives (Vice President and above)	3	75%	1	25%	4	1%	0	0%	1	100%	1	5%
	Senior Managers (Director and above)	12	57%	9	43%	21	7%	0	0%	0	0%	0	0%
	Middle Managers (Manager and above)	27	71%	11	29%	38	12%	2	50%	2	50%	4	21%
	Supervisors (Team leader)	17	52%	16	48%	33	10%	1	100%	0	0%	1	5%
	General Employees	100	44%	125	56%	225	70%	9	69%	4	31%	13	69%
	Total	159	50%	162	50%	321	100%	12	63%	7	37%	19	100%
Age	30 years old and below	28	39%	44	61%	72	22%	0	0%	1	100%	1	5%
	31-50 years old	113	52%	106	48%	219	68%	11	79%	3	21%	14	74%
	51 years old and above	18	60%	12	40%	30	10%	1	25%	3	75%	4	21%
	Total	159	50%	162	50%	321	100%	12	63%	7	37%	19	100%
Education	Doctorate Degree	24	67%	12	33%	36	11%	1	100%	0	0%	1	5%
	Master's Degree	97	49%	103	52%	200	62%	4	67%	2	33%	6	32%
	Bachelor's Degree	36	47%	40	53%	76	24%	7	58%	5	42%	12	63%
	Others	2	22%	7	78%	9	3%	0	0%	0	0%	0	0%
	Total	159	50%	162	50%	321	100%	12	63%	7	37%	19	100%
non-employee workers	Taipei headquarter	1	50%	1	50%	2	67%	-	-	-	-	-	-
	Taichung plant	-	-	1	100%	1	33%	-	-	-	-	-	-
	Total	1	33%	2	67%	3	100%	4	80%	1	20%	5	100%

PharmaEssentia US/ Japan 2023 Employee Structure Table

Classification	Category	US						Japan					
		Male		Female		Total		Male		Female		Total	
		Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage
Job level	Management Executives (Vice President and above)	2	40%	3	60%	5	4%	8	100%	0	0%	8	18%
	Senior Managers (Director and above)	38	50%	38	50%	76	58%	10	71%	4	29%	14	31%
	Middle Managers (Manager and above)	17	49%	18	51%	35	27%	13	72%	5	28%	18	40%
	Supervisors (Team leader)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	General Employees	2	14%	12	86%	14	11%	1	20%	4	80%	5	11%
	Total	59	45%	71	55%	130	100%	32	71%	13	29%	45	100%

In our subsidiaries in the United States and Japan, we have also expanded the statistics on diversity indicators such as race. Globally, PharmaEssentia upholds the principle of diversity and shared prosperity, continuously working towards a broader set of diversity metrics to attract more global talents. As of December 2023, all employees of the PharmaEssentia subsidiary in Japan were of Asian descent. This demographic reflects the initial staffing focused on management to expand the market following the launch of Besremi in Japan in 2023.

Racial Composition of the Workforce in the USA



2023 PharmaEssentia STEM and Creative Performance Departments

We continue to track the proportion of talent in basic sciences (STEM) and the ratio of personnel in the creative performance departments, enhancing PharmaEssentia's performance from multiple perspectives. In 2023, across the Taiwan, United States, and Japan regions, PharmaEssentia had 184 employees in the creative performance units, with 54% male and 46% female. There were 235 STEM personnel, with 59% male and 41% female.

2023 PharmaEssentia STEM and Creative Performance Departments

		Headquarter		Panco		US		Japan		Total	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
STEM	STEM	114	80	1	0	15	13	8	4	138	97
	Non-STEM	45	82	11	7	44	58	22	11	122	158
	Total	159	162	12	7	59	71	30	15	260	255
Creative Performance Units	Managers	1	1	3	1	25	25	17	0	46	27
	Non-Managers	0	2	4	3	35	39	15	13	54	57
	Total	1	3	7	4	60	64	32	13	100	84

Note: · Definition of STEM: Refers to roles that require expertise in any of these areas, focusing on the application of scientific, technological, engineering, and mathematical principles.

Creative Performance Units:

- Taiwan: The creative performance department refers to the sales department that directly interacts with end users.
- United States: Includes roles such as Hematology Account Manager, Regional Business Director, Senior Area Business Director, and Senior Vice President of Sales and Marketing.
- Japan: Encompasses Sales and Marketing departments.



New Hires and Employee Turnover Rates SASB HC-BP-330a.1, a.2 GRI 401-1

PharmaEssentia continues to grow globally, actively creating job opportunities. In 2023, the employee growth rate was 19.1%. To stimulate organizational vitality and cultivate well-rounded talent, when new business needs arise or key positions become vacant, we prioritize internal staff rotation assessments and promote from within. This approach fosters a cycle of diversity in promotion and retention. For instance, in 2023, PharmaEssentia Taiwan had 95 job openings, with 40 filled internally and 55 through external recruitment; the retention rate for supervisors and above ranged from 86.3% to 93.6%.

In addition to promoting internal talent, PharmaEssentia is committed to reducing staff turnover by implementing comprehensive retention strategies to stabilize the continuous retention of top talent. In 2023, PharmaEssentia (including subsidiaries) had a total of 559 employees, with 56 departures, resulting in an overall turnover rate of 10%. The voluntary turnover rate was 6.8%, while the involuntary turnover rate was 3.2%.

PharmaEssentia New Employees Statistics Over the Last Four Years

(Unit: Number of People)

Category	Details	2020	2021	2022	2023
Age	Under 30 years old	9	14	40	26
	31-50 years old	21	34	72	72
	Over 51 years old	6	38	15	36
Gender	Male	15	40	62	67
	Female	21	46	65	67

PharmaEssentia Employee Turnover Statistics Over the Last Four Years

(Unit: Number of People)

Category	Details	2020	2021	2022	2023
Age	Under 30 years old	4	4	3	7
	31-50 years old	18	28	25	28
	Over 51 years old	3	18	9	21
Gender	Male	16	27	17	30
	Female	9	23	20	26
Position	Senior Management	-	4	5	20
	Middle Management	-	17	10	17
	Junior Management	-	19	9	4
	General Staff	-	10	13	15

Note: Among the voluntary resignations, there were 13 senior managers, 9 middle managers, 2 junior managers, and 14 general staff.

Compensation System

GRI 2-21, 202-1, 405-2

Our compensation system is based on local labor laws and standards, ensuring no disparities due to race or gender. In addition to considering macroeconomic indicators, our company adjusts salaries based on the achievement of annual operational goals, individual performance evaluations, and third-party compensation and benefits surveys. This approach aims to offer compensation that exceeds industry standards.

In the U.S. market, our compensation policy is not only aligned with local regulations but also references the AoN Radford Lifesciences Benchmarking Data. Beyond offering competitive salaries and bonuses, the company also provides various profit-sharing mechanisms to retain talent, such as the issuance of "Employee Stock Options," "Restricted Stock Units," and "Employee Stock Purchase Plans.



19%

Global Employee Growth Rate, Average Retention Approximately 90%

Full-Time Employee Salaries

Over the past three years, the total and average salaries of full-time employees not in managerial positions at our company have progressively increased. This trend reflects the concrete results of the collective efforts at PharmaEssentia over recent years.

PharmaEssentia Taiwan (Headquarter + Taichung) Salary Information for Full-Time Employees Not in Managerial Positions Over the Last Three Years					
(Unit: NTD thousand)					
Year	2021	2022 ^(Note 3)		2023 (Unaudited)	
Number of Employees	198	232		282	
Total Compensation	228,391	270,448		332,713	
Average Salary	1,153	1,166	+1.1%	1,180	+1.2%
Median Salary	918	907	-1.2%	918	+1.21%

Note 1: This table has been audited by Ernst & Young.

Note 2: The denominator for "Average Salary," which is "Number of Employees," is adjusted to the "Weighted Average" number of employees for the full year based on the proportion of months paid.

Note 3: According to the audit results from Ernst & Young, the number of employees for 2022 has been revised from 195 to 232, and the median employee salary has been adjusted from 958 to 907.

Definition Explanation:

Referencing the definition set by the Taiwan Stock Exchange, "full-time employees not in managerial positions" refers to all employed staff of a company (or regular employees) excluding those in managerial roles (executives), employees of overseas branches, part-time employees, and any personnel exempt from this categorization. This includes both local and foreign full-time employees.

Ratio of Basic Salary and Remuneration by Gender GRI 405-2

In 2023, the ratio of the median salaries of non-man-
agerial male employees to female employees at our
company was 1.08:1 (946:879).

Annual Total Compensation Ratio GRI 2-21

At PharmaEssentia Taiwan headquarter, the ratio of
the highest compensation to the median compensa-
tion ^{Note 1} of other employees is approximately 12.7:1.
In the United States, the ratio is 3.6:1 ^{Note 2}.

PharmaEssentia Headquarters ^{Note 3} : 2023 CEO to Other Employees Compensation Ratio			
(Unit: NTD thousand)			
Positions	Compensation	Annual Increase Rate	Compensation Ratio
Highest in the Organization (CEO) Compensation	11,652	-26.58% ^{Note 6}	12.7
Median Compensation of Other Employees ^{Note 4}	918 ^{Note 5}	1.21%	1.0

Note 1: Compensation is defined as salary plus bonuses.

Note 2: Japan does not track the median or average employee compensation or the ratio of CEO annual total compensation.

Note 3: Panco has fewer employees; to protect employees' salary privacy, this table only includes data for PharmaEssentia.

Note 4: Other employees at the Taiwan headquarter include all full-time staff excluding the highest-paid individual.

Note 5: According to Ernst & Young's audit, the median compensation for other employees in 2022 was corrected from 958 to 907.

Note 6: Due to the difficulty of obtaining pharmaceutical licenses in the USA, the board decided in 2022 to issue bonuses for achieving significant milestones.