

5.5 Occupational Safety and Health

Occupational Safety and Health Management GRI 403-1

In 2018, PharmaEssentia issued the "[Environmental Health and Safety Policy](#)," which explicitly outlines the commitment to protect employee safety and health, preserve the environment, prevent disasters, and enhance safety and health awareness among all employees, with the goal of sustainable corporate development. Additionally, the Taipei headquarter established an Occupational Safety and Health Committee task force in 2023 to develop the "Occupational Safety and Health Policy," which was approved by the general manager and implemented. This policy covers key aspects such as occupational safety and health management, health promotion, hazard identification, and risk assessment. It applies to all employees, including the 321 full-time employees at the Taipei headquarter and Taichung plant, achieving a coverage rate of 100%. Currently, non-employees are not included.

The Taipei headquarter plans to pioneer the adoption of the ISO 45001 Occupational Health and Safety Management System in 2024, with the Taichung plant following suit. This initiative aims to establish a more comprehensive framework for hazard identification, risk assessment, accident investigation, and related measures, in order to foster a safe, healthy, and accident-free workplace environment. PharmaEssentia has also established various complaint mechanisms, including direct feedback channels to environmental safety personnel in each plant, workplace misconduct complaint email and hotline, sexual harassment prevention and control complaint email and hotline, as well as labor rights complaint procedures/email and hotline.

Hazard Identification, Risk Assessment, and Incident Investigation GRI 403-2

Although ISO 45001 has not yet been implemented, PharmaEssentia refers to the Job Safety Analysis (JSA) method to construct existing management processes. This involves steps such as hazard identification and risk assessment management models to ensure operational continuity. Regular occupational safety and risk education training sessions are also conducted to enhance personnel awareness of hazard identification and management practices. The process includes:



Regular Employee Meetings and Department Meetings

While our company does not have a labor union, we have established an "Employee Welfare Committee," where employees can discuss work reports and proposals every quarter to enhance smooth communication between labor and management. Additionally, through regular department meetings, besides communicating important company matters and operational goals, senior management can directly discuss company vision, culture, consensus building, and goals with supervisors and employees. Furthermore, the company encourages employees to express their demands directly to their immediate supervisors.

Occupational Health Services GRI 403-3, 403-4

We are committed to reducing occupational injury risks and creating a work environment that promotes physical and mental balance and happiness among employees. PharmaEssentia has obtained "Healthy Workplace Certification/Health Promotion Mark" for both the Taichung Plant and the Taipei Headquarter, with a validity period of 3 years, affirming the company's efforts in protecting the health of its employees.

PharmaEssentia provides various occupational health services in accordance with the "Labor Health Protection Regulations" and the "Occupational Safety and Health Act." These services include annual physical examinations, periodic health promotion seminars, special health check-ups, workplace maternity health protection, prevention of diseases induced by abnormal workloads, workload questionnaires, 10-year cardiovascular disease risk management assessments, and prevention of human factor hazards. Every year, professional psychologists or physicians/nurses are arranged to provide on-site services. In 2023, a total of 39 sessions of physician/nurse on-site services were provided in Taichung and Taipei, with a total of 135 employees participating in health education activities and receiving counseling sessions, reducing or eliminating potential health risks. Quarterly labor-management meetings are also established as a smooth communication channel for employees to raise health concerns at any time.



PharmaEssentia Headquarters health workplace certification/health promotion label



Taichung plant health workplace certification/health promotion label



Implementing health services and promotion activities to reduce health risks GRI 403-3

PharmaEssentia is committed to creating a work environment where employees enjoy physical and mental balance and happiness. Regardless of age, all employees undergo an annual general health checkup, with parameters exceeding regulatory requirements, enabling employees to understand their health condition early and manage it proactively. Additionally, contracted healthcare professionals are stationed on-site to provide health education services. When necessary, arrangements are made for physician consultations or referrals to hospital outpatient clinics to reduce or eliminate potential health risks. In 2023, a total of 389 employees benefited from these services.

Employee health promotion GRI 403-6

We organize a variety of health promotion activities to cultivate healthy habits among employees outside of work and provide diverse ways to relieve physical and mental stress, thereby safeguarding each other's health.

Activity Details	2023 Achievements
Providing health check-ups that exceed legal requirements	<ul style="list-style-type: none"> Implemented once annually regardless of age. Added abdominal and cervical ultrasound, lung function, bone density, cancer screening, and electrocardiogram tests.
Conducting health check-ups in compliance with regulations	Implemented according to occupational safety regulations by age group; conducted annually according to GMP regulations.
Subsidies for sports clubs and courses	Established walking and table tennis clubs, with club operating expenses subsidized every six months.
Organizing hiking and trekking activities	The walking club organizes hiking and trail walks periodically. In 2023, three outings were organized in collaboration with the health promotion activities and the walking club, exploring hidden gems in the Central Science Park.
Providing massage services	Massage Station: Since 2014, we have established a "Massage Station" to promote both public welfare and employee health. We employ one visually impaired massage therapist. Recognized by both employees and external parties, it has successfully created a model of a healthy workplace. In 2023, it was utilized by approximately 1,000 individuals.
Implementing flexible working hours	The flexible working hours are primarily implemented to accommodate the balance between employees' work and family life. The flexible working hours are from 8:00 to 9:30 in Taipei and from 8:00 to 8:30 in the Taichung plant, allowing all employees to utilize their time more efficiently.
Medical professionals stationed or contracted	<p>According to the contract signed with the management consulting company based on the company's workforce:</p> <ul style="list-style-type: none"> doctor visits the premises three times a year for a duration of two hours each visit. A nurse visits the premises three times a month for a duration of two hours each visit. Psychologists and rehabilitation doctors provide irregular on-site services. In total, 41 employees from the Taichung plant participated in health education activities and received counseling sessions in 2023.
Subsidies for influenza vaccinations	Five days of paid sick leave per year, with a subsidy of NT\$ 600 dollars per person for flu vaccinations, and included in the 2023 health promotion points reward program.



Workplace Safety and Accident Prevention Mechanism / Impact Assessment

GRI 403-5, 403-7, 403-9, 403-10

PharmaEssentia established its Safety Committee in 2023 and is planning to implement ISO 45001 in 2024. Each plant follows the spirit of ISO occupational health and safety management, formulating the "Labor Safety and Health Work Guidelines" and "Emergency Response Procedures", standardizing various inspection measures, and conducting regular emergency drills to respond to various emergencies and prevent work safety incidents. Employees regularly receive occupational safety and health education and training. For operations subject to regulatory requirements, personnel are allocated in accordance with the law, and it is stipulated that non-operators are not allowed to operate their operating items. The plant also specifies "Important Facility Operator Testing", "Plant Safety and Health Regulations", and "Contractor Entry Procedures", regulating entry, facility operation, plant safety, etc., to ensure the safety and health of all personnel in the plant.

Panco Logistics Center has established "Logistics Center Safety Management Procedures" and "Emergency Response Handling Procedures" to prevent the occurrence of occupational safety and health-related injuries and ensure that all equipment operates normally. In the event of an emergency, the logistics center manager is immediately notified, and the emergency response team is activated to rescue and evacuate personnel or report injured persons for medical treatment.



1,289hours

Occupational Safety and Health Education Training Totalling 14 Sessions, with 378 Participants Attending

In terms of occupational safety and health training in 2023, PharmaEssentia conducted pre-employment training for new employees and on-the-job training for employees on relevant legal certificates, with a total of 62 participants and a total training time of 407 hours. Every year, it also participates in regulatory advocacy and international new knowledge dissemination activities organized by local government authorities, as well as irregular internal and external training seminars (including general training, specific occupational hazards, dangerous activities, dangerous situation training, etc.) to optimize environmental education and training on internal management measures. In 2023, a total of 14 internal and external training sessions were held, with a total of 378 participants and a total training time of 1,289 hours.

Plant	Item	Total Sessions	Participants	Total training hours	Notes (Frequency)
Taipei / Panco	Emergency evacuation & first aid skills training (internal training)	3	130	845	Irregular
	General occupational health and safety education training (internal training)	1	33	99	Irregular
	Hazardous chemical labeling and general rules (internal training)	1	19	57	Irregular
	Park evacuation training (external training)	1	80	80	Once a year
Taichung	Self-defense fire brigade training (internal training)	2	86	172	Every six months
	Toxic chemical disaster response drill (internal training)	2	6	12	Every six months
	Biosecurity response drill (internal training)	1	18	18	Once a year
	Central Taiwan Science Park toxic disaster seminar and disaster prevention and rescue response drill review meeting (external training)	1	1	1	Irregular
	Chemical inspection and disaster response management and safety and health inspection guidance plan expert discussion meeting (external training)	1	1	1	Irregular
	Toxic substance response personnel training general level (internal training)	1	4	4	Initial training
Total		14	378	1,289	-

Risk Assessment

Before the implementation of ISO 45001, the company followed the system for managing risks and opportunities outlined in ISO 45001. Employees in each plant have the right to retreat, and procedures for hazard identification, risk assessment, and opportunity evaluation are established. All workers in each unit participate in hazard identification and risk assessment for operational activities within the unit. These workers have completed pre-job training, on-the-job training, and necessary certification training (for specialized operations) to possess the ability for hazard identification and risk assessment.

Permit Management

At PharmaEssentia's Taichung plant, employees and contractors are required to apply for permits and complete relevant protective measures before executing high-risk operations. In 2023, a total of 134 fire permits (high-risk operations) were issued at the Taichung plant to control fire operations and ensure the safety of equipment and personnel.

Contractor Management

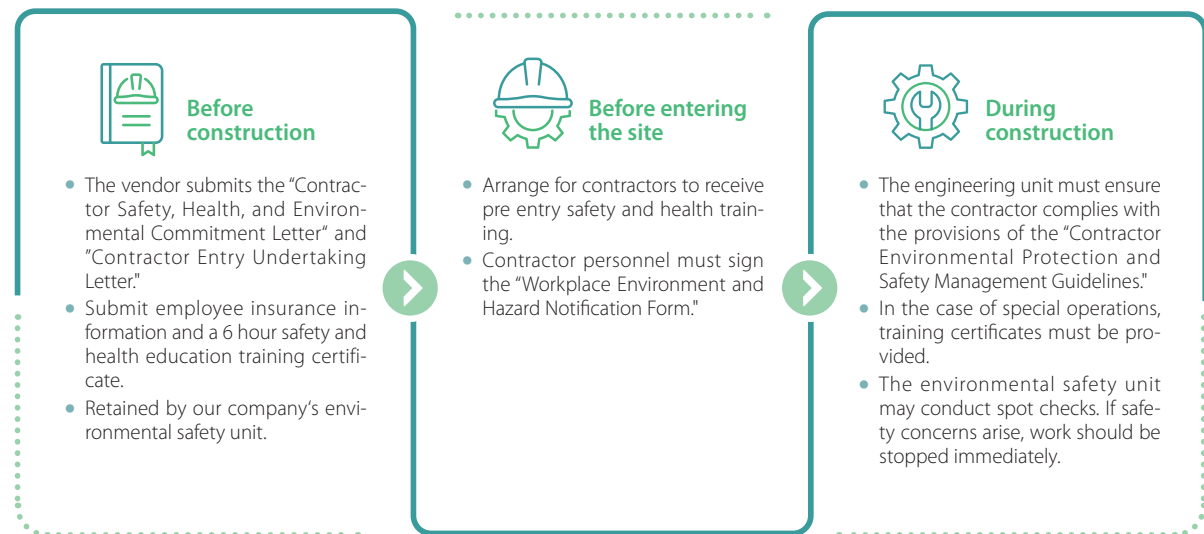
We have established contractor management procedures to ensure the safety of contractors entering our company premises. Management mechanisms are set up for pre-construction, entry, and during construction to safeguard the safety of both company employees and contractors. In 2023, neither PharmaEssentia nor Panco had any occupational injury accidents involving contractors working at our company premises, nor were there any recorded cases of occupational diseases. We will continue to ensure the safety of contractors' construction activities in the future, protecting their interests and promoting a safe and reliable working environment.

Chemical Management

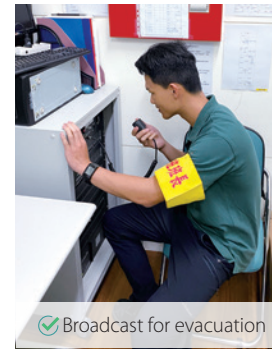
PharmaEssentia has gradually established a chemical inventory to improve operational procedures.

Equipment and Other Management

All plants comply with regulatory requirements for the entry inspection of machinery or tools, which must be verified as qualified and have safety certification before use.



Regular Fire Emergency Drills



Emergency Medical Training: AED & CPR Practical Training

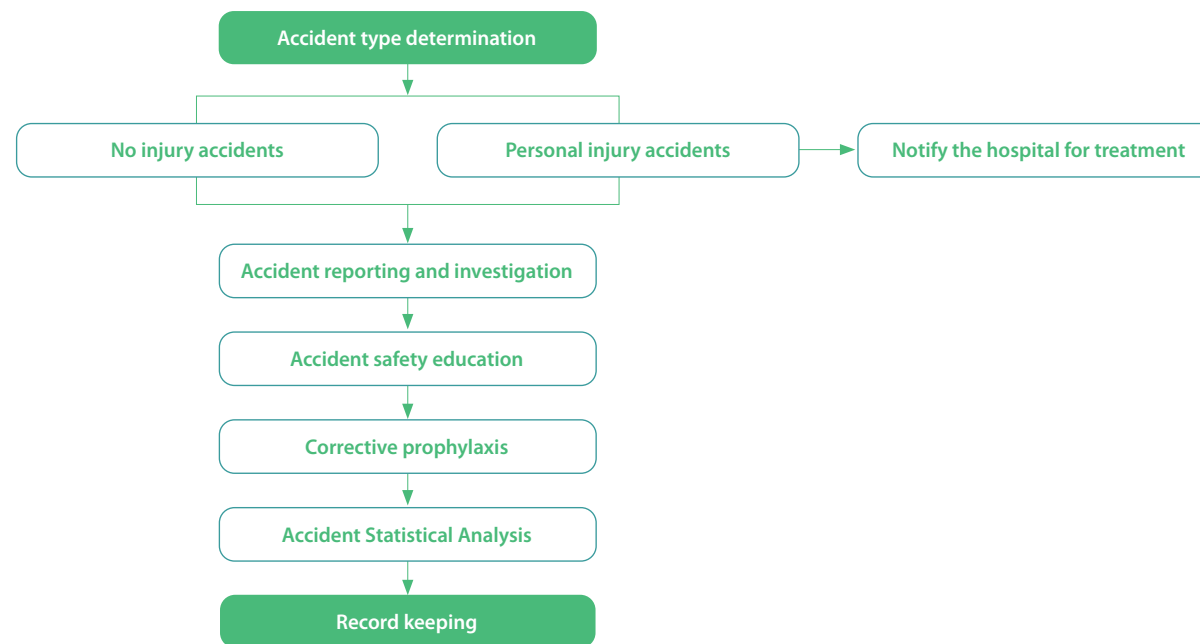


Our company tracks occupational injuries at PharmaEssentia, Panco, and our subsidiary in the United States. We conduct investigations and follow-up improvement measures in accordance with the "Accident Investigation and Handling Measures." In 2023, there were two occupational injury incidents that occurred at the Taichung plant in Taiwan. One incident involved a colleague scratching their cornea while operating a machine due to unfamiliarity with it. The colleague returned to work four days later after recovering. The other incident occurred when an operator failed to wear silicon gloves or heat-resistant gloves as required, resulting in a minor scald from hot water. After receiving treatment, the colleague returned to work without any impact on work hours.

In response to these isolated incidents, equipment inspections were conducted according to the incident investigation management regulations. Relevant personnel were convened by responsible supervisors to investigate the causes and review improvements. Measures such as adding warning signs, conducting safety discussions and training for personnel, and strictly enforcing equipment safety operating instructions were implemented to ensure the safety of our colleagues.

Accident Investigation Procedure

1. In the event of a fire, explosion, chemical spill, or natural disaster, emergency response procedures are implemented according to the emergency response plan. The priority is to prevent the situation from escalating, minimize casualties, and ensure the safety and well-being of individuals affected.
2. Immediately after the accident occurs, notify the unit supervisor and the environmental safety unit for support either by phone or verbally. Determine whether external agencies such as the fire department or environmental accident response teams need to be contacted for assistance.
3. Follow up with the subsequent accident investigation process.



False Alarms

In 2023, there were eight false alarm incidents and six safety incidents (two within the site premises and four outside) at the Taichung plant of PharmaEssentia. These incidents did not result in casualties or property damage and were unrelated to the production process. Personnel sustained minor injuries with no loss of work hours or need for medical treatment.

Occupational Accident Rate GRI 403-9, 403-10

In 2023, there were two cases of temporary disability in Japan, resulting in a total loss of approximately 5 months of workdays. In the Taiwan region of PharmaEssentia, there were a total of 2 cases of temporary total disability events, resulting in a loss of approximately 4 days.

Item	Definition	2023
Total working Days	Total working days for all employees in 2023	249days
Absenteeism Rate (AR)	Absenteeism Rate (AR): (Total Absence Days / Total Working Days) × 100%, rounded to the nearest thousandth. Absence Days: Days when employees are unable to work due to various reasons, including sick leave (general sick leave, hospitalization sick leave, menstrual leave), personal leave (personal leave, family care leave), work injury leave, and occupational disease leave; excluding approved holidays (such as annual leave), maternity leave, paternity leave, and bereavement leave.	1.6%
Total Recordable Occupational Accident Count	Number of recordable occupational injuries	Taichung Plant: 2 incidents
Total Recordable Occupational	(Number of Accidents × 200,000) / Total Working Hours. (200,000 is based on an annual rate of 50 weeks, 40 hours per week, per 100 employees. Work-related accidents exclude accidents occurring during commuting).	Taichung Plant: 1.26
Accident Frequency (TRIR)	Number of recordable occupational disease cases: Cases of occupational diseases caused or aggravated by work conditions or practices, including but not limited to (1) repetitive tasks leading to musculoskeletal disorders, (2) diseases of the skin and respiratory system, (3) malignant cancers, (4) diseases caused by physical factors (e.g., hearing loss induced by noise, diseases induced by vibration), and (5) mental disorders.	0
Number of Occupational Diseases	Occupational Disease Rate (ODR): (Total Occupational Disease Cases / Total Working Hours) × 1,000,000, rounded to the nearest thousandth.	0
Occupational Disease Rate (ODR) Injury Incident Rate (IR)	Serious Occupational Injury Incident Rate: (Number of Serious Occupational Injury Incidents / Total Exposure Hours) × 1,000,000, rounded to the nearest thousandth. Serious Occupational Injury Incidents: Total number of permanent total disability incidents and permanent partial disability incidents.	0
	Occupational Injury Incidents / Total Working Hours) × 1,000,000, rounded to the nearest integer. Recordable Occupational Injury Incidents: Total number of temporary total disability incidents, incidents with loss of days within one day, and incidents involving red medicine.	6.31
Lost Day Rate (LDR)	Lost Day Rate (LDR): Lost Day Rate (LDR) = (Total Disability Loss Days / Total Working Hours) × 1,000,000, rounded to the nearest thousandth. Lost Work Days: Total number of days lost due to temporary total disability, permanent partial disability, permanent total disability, and death.	12.62

Note: Temporary Disability Incident Definition: Temporary disability is defined as an injury where the affected person is neither deceased nor permanently disabled but is unable to continue normal work, requiring time off from work for one day or more (including national holidays, scheduled days off, or days when work is suspended), and the worker is temporarily unable to resume work.

Occupational Accident Rate of Japanese Employees (First disclosed by Japanese subsidiary in 2023)

Lost Time Injury Frequency Rate (LTIFR)	(Total number of disabling events / Total Working Hours) x 1,000,000	22.31	Days Away, Restricted, or Transferred Rate (DART)	(Total number of disabling events / Total Working Hours) x 200,000	4.46
Lost Time Injury Rate (LTIR)	(Total number of disabling events / Total Working Hours) x 200,000	4.46	Lost Workday Rate (LWR)	(Total number of days lost due to disabling events / Total Working Hours) x 200,000	223.11