



# 5 Fostering a Corporate Culture of Employee Well-Being

## 5.1 HUMAN RIGHTS ASSURANCE

## 5.2 DIVERSITY AND INCLUSION

## 5.3 TALENT DEVELOPMENT AND CAREER PROGRESSION

## 5.4 TALENT ATTRACTION AND RETENTION

## 5.5 OCCUPATIONAL HEALTH AND SAFETY

### Chapter Highlights

19%

Global Employee Growth Rate, Average Retention Approximately 90%

NT\$3.96million

20% Growth Rate in Employee Welfare Expenditure

0complaints

No Complaints of Human Rights Violations

Diverse Employee Structure, Balanced Gender Ratio

Compliance with Equality, Fairness, and Inclusion Policies

1,289hours

Occupational Safety and Health Education Training Totalling 33 Sessions, with 378 Participants Attending

Excellent

Outcomes from Breastfeeding Room Evaluations

9,426hours

of Global Sustainability Knowledge and Key Talent Trainings conducted for Mid-to-Senior Level Employees

100%

Completion Rate for employee Performance Assessment

3.8times

Headquarters Crude Birth Rate 2.2%, Higher than the Average Rate in Taiwan

PharmaEssentia adheres to a people-centric philosophy, providing a safe and friendly work environment for its employees. In 2023, the company participated in the bloomberg gender-equality index (GEI) survey for the first time. pharmaessentia aims to attract more professional talent to form a high-quality team by offering rich learning resources, competitive salaries, and benefits, with a focus on diversity and inclusion.



## 5.1 Human Rights Assurance

### Human Rights Policy and Management Actions

GRI 406-1, GRI407-1, 408-1, 409-1, 410-1, 411-1    CSA 3.1.1, 3.1.5, 3.2.1

PharmaEssentia adheres to the core principles of the "UN Global Compact," the "UN Universal Declaration of Human Rights," the "International Labor Organization's Tripartite Declaration of Principles," and the "OECD Guidelines for Multinational Enterprises," as well as local regulations. A "[Human Rights Policy](#)" has been established and approved by the chairman, and it is publicly available on the company's official website.

**Policy Details:**PharmaEssentia ensures no discrimination in attitude, behavior based on race, class, language, ideology, religion, party affiliation, origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, zodiac sign, blood type, or past union membership. The company prohibits all forms of discrimination, strives for equal treatment of all employees, and fosters an inclusive workplace environment where every individual can thrive. PharmaEssentia enforces a strict no forced labor or child labor policy and respects the rights to freedom of association and collective bargaining. The policy is issued by the headquarters in Taiwan, where it oversees the adherence to relevant human rights legislation, and plans are in place to complete mandatory anti-discrimination and anti-harassment training for all employees by Q2 2024.

### Management Actions

PharmaEssentia incorporates human rights considerations throughout its operations. The scope of the human rights policy includes the company's operational activities, industrial chain partners, and merger and acquisition entities; it covers employees, non-employees, partners in the value chain, suppliers, contractors, customers, and the communities around PharmaEssentia's operational sites. The company conducts annual audits of suppliers to ensure that significant suppliers implement relevant policies and commitments. Through various advocacy and training initiatives, the company declares a "zero tolerance" stance against all forms of unlawful workplace violations and takes corresponding actions.



Stakeholder opinions are highly valued, and complaint management systems are provided. Going forward, PharmaEssentia will also begin to integrate human rights risk identification and related risk management to prevent potential risks.

The General Manager has signed the "PharmaEssentia Statement Against Workplace Violence."

### Human Rights Actions at PharmaEssentia

Human Rights Matters	Specific Management Methods/Measures	Implementation in 2023
<b>Prohibition of All Forms of Discrimination, Respect for Workplace Diversity, Inclusion, and Equality</b>	<ul style="list-style-type: none"> <li>✓ Compliance with Labor Laws and Company's <a href="#">Human Rights Policy</a> to Eliminate Discrimination</li> <li>✓ Establishment of 'Work Rules', 'Corporate Sustainability Practices Code', and 'Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures'</li> <li>✓ Implementation of 'Complaint Procedures', Establishment of Internal and External Complaint Channels to Protect the Legal Rights of Employees, Customers, Vendors, and Stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• No Incidents of Discrimination</li> <li>• Balanced Gender Ratio</li> <li>• Multiple Communication Channels Including Employee Suggestion Boxes, Welfare Committees, and Labor-Management Meetings</li> <li>• Regular Welfare Committee and Labor-Management Meetings Held Quarterly</li> </ul>
<b>Prohibition of Forced Labor and Child Labor</b>	<ul style="list-style-type: none"> <li>✓ Compliance with Labor Laws and Company's <a href="#">Human Rights Policy</a>, Prohibition of Involuntary Labor and Child Labor</li> </ul>	<ul style="list-style-type: none"> <li>• No Incidents of Forced Labor</li> <li>• No Incidents of Child Labor</li> </ul>
<b>Freedom of Association for Employees</b>	<ul style="list-style-type: none"> <li>✓ Implementation of <a href="#">Human Rights Policy</a>, Encouragement of Employee Participation in Organizational Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Employee Clubs such as Badminton and Walking Clubs Established to Promote Healthy Activities Among Staff</li> </ul>
<b>Fair and Reasonable Salaries, Benefits, and Working Conditions</b>	<ul style="list-style-type: none"> <li>✓ Annual Salary Adjustments Based on Business Objectives, Individual Performance Assessments, and External Compensation and Benefits Surveys</li> <li>✓ Implementation of 'Education and Training Management Policies' and 'Talent Recommendation Incentive Programs' to Train and Retain Talent</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of Paid Sick Leave for Five Days, Exceeding Labor Standards; Flexible Working Hours</li> <li>• Average Employee Retention Rate Exceeds 90%</li> <li>• Global Employee Growth Rate of 19%</li> </ul>
<b>Employee Safety, Health, and Hygiene in the Workplace; Promotion of Employee Physical and Mental Health</b>	<ul style="list-style-type: none"> <li>✓ Implementation of 'Occupational Safety and Health Policy', 'Safety and Health Work Rules', and 'Maternal Health Protection Management Measures' to Enhance Colleagues' Health Management, Marital and Maternity Care, and Health Promotion Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Taiwan Received 'Excellent Breastfeeding Room Evaluation Certification'</li> <li>• In Taiwan, Maternity Leave Return and Retention Rates are 100% and 67%, Respectively</li> <li>• Passed 'Healthy Workplace Certification'</li> <li>• Organized Health Screenings and Health Seminars</li> </ul>
<b>Prohibition of Unlawful Workplace Infringements and Sexual Harassment</b>	<ul style="list-style-type: none"> <li>✓ Implementation of Labor Laws, Company's 'Code of Ethical Conduct', 'Workplace Unlawful Infringement Prevention Measures', and 'Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures' to Prohibit Workplace Violence</li> <li>✓ Establishment of a Dedicated Hotline and Email for Sexual Harassment Prevention and Reporting of Unlawful Workplace Infringements (<a href="mailto:hr@pharmaessentia.com">hr@pharmaessentia.com</a>), Protecting Complainants' Information and Safeguarding the Rights of Complaining Colleagues</li> </ul>	<ul style="list-style-type: none"> <li>• No Incidents of Harassment Reported</li> </ul>
<b>Protection of Employee Information Privacy and Security</b>	<ul style="list-style-type: none"> <li>✓ Implementation of the Company's '<a href="#">Human Rights Policy</a>' and the Addition of 'Information and Communication Security Control Measures', with the Establishment of a Dedicated Unit Responsible for Promoting, Coordinating, Supervising, and Reviewing Information and Communication Security Management Issues</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of ISO 27001 Information Security Management System, with Third-Party Certification Expected to obtain by June 2024</li> <li>• Conducted Information Security Education and Training for Employees</li> </ul>



### Transparent Internal Communication and Grievance Mechanisms GRI 402-1 GRI 2-22

PharmaEssentia's headquarter provides multiple grievance channels. Upon receiving a complaint, the complainant is anonymized and the case is investigated. In 2023, PharmaEssentia did not receive any internal or external complaints. The grievance mechanisms are as follows:

- Stakeholder and Employee Ethics Violation Complaint Channel on the official website, available for external parties to report or file complaints.
- Employee Suggestion Box: [voice@pharmaessentia.com](mailto:voice@pharmaessentia.com)
- Workplace Legal Infringement: [hr@pharmaessentia.com](mailto:hr@pharmaessentia.com)

### Management of Significant Operational Changes and Announcements GRI 402-1

Notifications of significant operational changes are managed in accordance with the notice periods stipulated by labor law for the termination of employment contracts. Internal systems or important information are announced categorically to ensure immediate accessibility for employees; feedback is also collected through satisfaction surveys to enhance the planning of future activities.

### Labor-Management Communication GRI 403-4

PharmaEssentia regularly holds labor-management meetings, with equal representation from employee and management sides, complying with relevant regulations. These meetings address employee health, environmental safety, salaries, and benefits, among other topics. The discussions are recorded and shared with employees for transparency. In 2023, the PharmaEssentia Taiwan headquarters and Taichung branch each held four meetings.



## 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

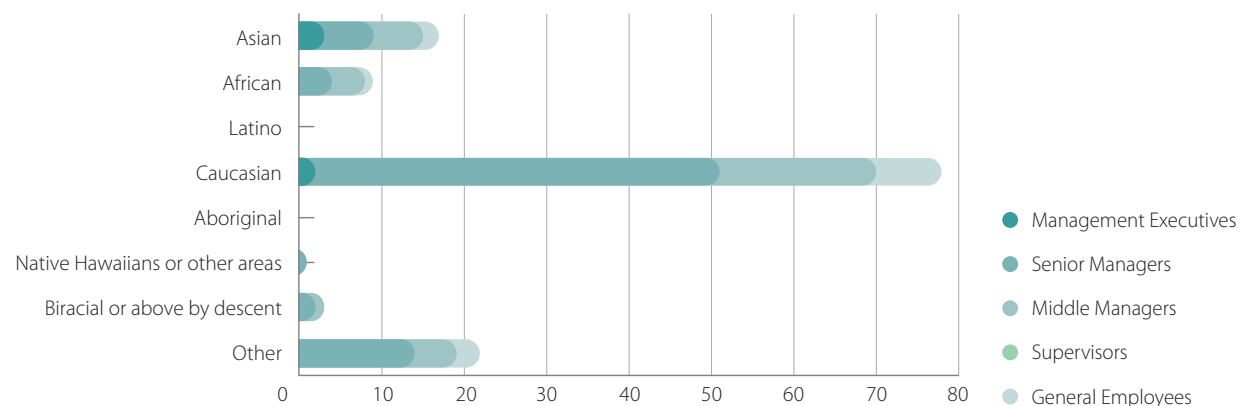
Classification	Category	PharmaEssentia 2023 Employee Structure Table						Panco 2023 Employee Structure Table					
		Male		Female		Total		Male		Female		Total	
		Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	Number of Employee	Percentage	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  
DepartmentsDepartments

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 <sup>(Note 3)</sup>		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 <sup>Note 1</sup> of other employees is approximately 12.7:1.  
In the United States, the ratio is 3.6:1 <sup>Note 2</sup>.

PharmaEssentia Headquarters <sup>Note 3</sup> : 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% <sup>Note 6</sup>	12.7
Median Compensation of Other Employees <sup>Note 4</sup>	918 <sup>Note 5</sup>	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.

## 5.3 Talent Cultivation and Career Development

Materiality Assessment

PharmaEssentia firmly believes that "talent" is the foundation of a company and that "investing in talent" is the company's most important responsibility. Therefore, we view talent cultivation and development as crucial projects. We are committed to creating a work environment that can ignite colleagues' passion and maximize the potential of individuals and teams. We encourage employees to proactively explore their potential and create an environment for autonomous, continuous learning.

### Strategic Objectives:

PharmaEssentia's talent cultivation and development framework is aligned with corporate culture, core values, and global strategic layout. The talent cultivation system is divided into three functional aspects:



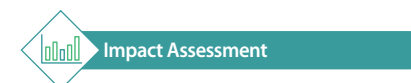
we will provide a rich array of training courses and digital self-learning resources for senior, middle, and junior managers, as well as general colleagues. We plan to design a dual-track, diversified talent development framework to nurture a diverse talent pool.

### Action Plan:

PharmaEssentia's employee training methods include comprehensive on-the-job training, diverse learning channels, and sending top talent overseas for training to cultivate professionals in the biopharmaceutical field. This is supported by a workplace mentorship system, enhancing our talent management efficiency and preparing for long-term sustainable leadership. In 2024, we will also strengthen our digital learning platform, introduce a variety of digital self-learning resources, and encourage colleagues to engage in self-directed learning and development. This will allow individuals to tailor their learning agendas to their needs, enabling learning anytime, anywhere.



Talent Cultivation and Career Development



In an era of rapid changes and intense competition in the global market, "talent" is a crucial sustainable foundation for any enterprise. Therefore, PharmaEssentia cultivates talent to create more positive outcomes.



The framework for talent cultivation and development at PharmaEssentia is centered around three main aspects: establishing diverse training channels, fostering self-directed learning, and nurturing international professional talents. This approach is linked to our corporate culture, core values, and global strategic layout, promoting growth alongside the organization.



- Sustainability Development Center – Employee Care Team
- Human Resources and Executive Managers
- Department Heads Responsible for Talent Cultivation





### Resource Allocation and Management Actions

- Digital Learning Platform Development: Strengthening the human resources cloud management system and implementing a digital learning platform.
- Online English Learning Project: Enhancing the language foundations of international talents, with the Taiwan headquarters achieving an 84% completion rate that meets the set standards.
- Annual Training Investment in Taiwan: Total cost amounted to NT\$1,678,000.
- Assessment of New Employees and Annual Performance Reviews.
- Diverse Talent Training for Organizational Development: Conducting internal and external educational training.
- Communication and Leadership Courses for Middle and Senior Management.
- Key Talent Cultivation Plan: Identifying key talents to provide developmental opportunities, including integrating personal potential with career planning and domestic/international rotational training opportunities.



### Indicators and Goals

- Hours of Educational Training
- Educational Training Budget Allocation and Execution
- Performance Review Completion Rate
- Internal Promotion Rate
- Implementation Status of the Key Talent Cultivation Plan



### Practices to Ensure Effective Actions

Regular performance evaluations and competency assessments are conducted as the basis for training planning and job promotions (employee performance evaluations are implemented every May and November).

#### • Performance in 2023

- Talent Cultivation and Development: Education hours totaled 9,722 hours.
  - ▶ Training for Middle and Senior Management and General Staff: Total training hours were 7,744 hours.
  - ▶ Key Talent Training Courses: Total training hours were 296 hours.
  - ▶ ESG Sustainability and Transformation Training Courses: Total training hours were 1,682 hours.
- Total Investment in Educational Training: Over NT\$36 million.
- In the U.S., 37 managers participated in Middle and Senior Management Communication Leadership Courses, and 19 managers participated in StrengthsFinders.
- 100% of new employees in Japan received training.
- Employee Performance Review Completion Rate: 100%.
- Internal promotion rate at the Taiwan headquarter was as high as 42% (In 2023, there were 95 new positions, 40 of which were filled by internal staff).



### Communication with Stakeholders

- Regular and irregular communication with employees in various forms.
- Annual regular performance evaluations and various employee surveys.



### Future Planning

#### • 2024 Goals

- Continuously investing in digital learning platforms and further strengthen sustainability efforts.
- Initiate the Key Talent Cultivation Plan.
  - ▶ Enhance the leadership and management knowledge and skills required by managers at all levels, accumulating an average of 16 training hours per managerial staff.
  - ▶ Develop and implement a job rotation system to improve talent mobility efficiency.
  - ▶ Continuously promoting global linguistic capabilities, with over 50 participants receiving more than 100 hours of English training.
  - ▶ Promote and strengthen policies on employee rights and gender equality through related legal courses, with an average of at least 3 hours per person.
- Establish an educational training system and an e-learning platform.
- Allocate annual external training costs for each department's professional areas.

## New Employee Training

All new employees undergo pre-employment training courses to quickly grasp the company's business philosophy and culture and to enable them to utilize their skills effectively. Before the end of their probation period, there will be a performance interview and evaluation with the employee. In addition to implementing "pre-employment training" according to the "Educational Training Implementation Policy," a "mentorship system" is also used. This system assigns experienced colleagues to teach professional knowledge and skills, using direct instruction and multimedia teaching materials to aid the learning of necessary job competencies. Supervisors also regularly engage in discussions to help new employees familiarize themselves with the work environment and increase their job involvement. New employee forums or discussions are organized at the Taipei headquarters, Taichung plant, and various subsidiaries, where senior management and HR managers directly address and listen to the adaptation status of new employees.

## Middle to Senior-level Executives Education and Training

In accordance with the annual training plan, education and training courses are arranged and implemented for employees within the training system, including training for new employees, hierarchical training, professional training, and sustainable knowledge training, aiming to continuously enhance the abilities and qualities of talents in various fields such as production, research and development, marketing, and management, thereby enhancing the competitiveness of PharmaEssentia.

In 2023, one person (senior executive) participated in the application for the Taipei EMBA program at National Taiwan University and officially enrolled in the program in 2024.

The main professional training conducted by the US subsidiary in 2023 focused on employee coaching and communication, including courses such as GROV and Digital Aid. The "Communicating with Courage" course aims to improve the ability to evaluate performance and provide effective and timely feedback to subordinates, with 37 managers participating. The CliftonStrengths (Strength-finders) course, attended by 19 middle and senior managers, aims to improve communication and collaboration within teams and departments.

In response to Besremi's listing in Japan, the Japanese subsidiary conducted management training for four new executives in 2023, including training on behavior, work attitude, and advocacy of human rights policies such as the prevention of workplace harassment.

## Key Talent Development Plan

As PharmaEssentia continues to thrive globally, the HR department will discuss with senior management to initiate a key talent development plan in accordance with the long-term planning of the organization. The plan aims to systematically cultivate reserve executives at all levels to continuously improve internal promotion rates in response to the future development needs of the organization.



## Sustainable Development Knowledge Enhancement Education and Training

In 2023, the fifth year of PharmaEssentia's implementation of the sustainable development blueprint, the direction of talent cultivation is set as sustainable transformation. The Sustainability Center also held a series of education and training sessions to enhance the sustainable literacy of all employees and managers. For example, the first ESG sustainable education and training course held on September 15, 2023, covered the journey and practices of ESG corporate sustainable development, the annual review and recommendations of sustainable execution performance in 2022-2023, and the introduction of the forthcoming implementation of IFRS international financial reporting standards and SROI social impact assessment. A total of 65 ESG project members were invited, with an actual attendance of 41, and an attendance rate of 63.08%. In addition, 51 people participated in autonomous online learning. In 2023, a total of 9 ESG sustainable development and transformation training courses were held, with a total of 373 participants and a total training time of 1,682 hours.



## Education and Training Hours Statistics GRI 404-1

In 2023, Panco's main operational sites invested 7,744 hours in education and training for managers and general employees, 296 hours in the key talent development plan, and an additional 1,682 hours in the aforementioned sustainability-related education and training, bringing the total education and training investment to 9,722 hours, with a total investment cost exceeding NT\$36 million.

Education and Training Hours Statistics

	(Unit: Hours)					
	Taipei Headquarter	Taichung	Panco	US	Japan	Total
Managerial and General Employee Education and Training - a	4,288	1,168	211	1,453	624	7,744
Key Talent Development Plan - b	0	0	0	296 (Business Operation)	0	296

Note:

- Managerial and General Employee Education and Training: In addition to the aforementioned training content in Taiwan, it also includes courses such as QPharma Learning Management System + KnowBe4 IT Training in the United States and Compliance training, PC training, etc. in Japan.
- The Key Talent Development Plan includes leadership external training courses in the United States such as Courageous Conversations, Communicating with Courage, Radical Candor - Accelerated Leadership Group, etc.





## 2023 employee training hours

### Headquarters (including the Taichung plant)

In 2023, employee training hours at the headquarters (including the Taichung plant) according to job level: Average training hours for male Managers in Taipei + Taichung: 26 hours, Average training hours for female Managers in Taipei + Taichung: 15 hours, Average training hours for male Non-managers in Taipei + Taichung: 13 hours, Average training hours for female Non-managers in Taipei + Taichung: 16 hours.

#### 2023 Headquarters Total training hours

(Unit: hours)

staff	Total training hours			Average training hours	
	Male	Female	Total	Male	Female
Managers	1,481	658	2,139	26	15
Non-managers	1,303	2,014	3,317	13	16
Total training hours	2,784	2,672	5,456	38	31

Note: Managers include titles at the managerial level or above (including managers). The hours have been rounded to the nearest integer.

### For Panco

Average training hours for male Managers : 10 hours; Average training hours for female Managers: 22 hours; Average training hours for male Non-managers: 20 hours; Average training hours for female Non-managers : 9 hours.

#### 2023 Panco Total training hours

(Unit: hours)

staff	Total training hours			Average training hours	
	Male	Female	Total	Male	Female
Managers	30	67	97	10	22
Non-managers	79	35	114	20	9
Total training hours	109	102	211	30	31

Note: Managers include titles at the managerial level or above (including managers). The hours have been rounded to the nearest integer.

## Performance assessment and promotion system adhere to the standards GRI 2-20, 404-3, 405-1

All full-time employees at PharmaEssentia undergo regular performance evaluations and career development assessments, serving as the basis for setting job goals and personal growth. In 2023, both headquarter and Panco achieved a 100% participation rate in performance evaluations and career development assessments among permanent employees, excluding factors such as incomplete probationary periods and leave without pay. Regardless of gender or job category, the completion rate of employee performance assessments reached 100%. In the fiscal year 2023, a total of 49 outstanding employees were recognized at the Taiwan headquarter (including the presentation of awards and monetary incentives), with 40 employees being promoted. The internal promotion rate for mid to senior-level managerial positions reached 22.5%.

### New Employee Assessment

- Before the end of the probationary period, unit supervisors should conduct performance interviews and evaluations with new employees.
- For those who do not pass, the company may terminate the employment contract in accordance with relevant legal regulations or extend the probation period with mutual consent.



### Annual Performance Assessment

- Two performance assessments are conducted annually to help employees and supervisors reach consensus on job goals, improve employee work capabilities, and achieve company operational objectives through the cyclical process of goal setting, mid-year interviews, and year-end evaluations.
- Through the performance assessment system, employee output performance is managed, and employee potential is discovered, allowing for talent selection. By understanding the shortcomings of employees' work through performance assessments, methods for improvement and efficiency enhancement are provided.
- Human resources units arrange appropriate courses to achieve improvement goals. Training blueprints are also established based on various professional competencies, and individual development plans are provided to enable better communication between each colleague and their supervisor regarding their career development.

## 5.4 Talent Attraction and Retention

Materiality  
Assessment

PharmaEssentia adheres to the philosophy of "Better Science, Better Lives." To expand its research and development capacity, PharmaEssentia collaborates with top domestic universities to provide summer internships, fostering talent through industry-academic cooperation. Additionally, diverse recruitment channels are utilized to meet the needs of different regions and departments. PharmaEssentia prioritizes the promotion of internal talent, offering attractive benefits and rotation opportunities to establish a talent pipeline and retain key employees.



### Materiality Assessment

Talent Attraction and Retention



### Impact Assessment

In an era of rapid global market changes and intense competition, "talent" is the crucial cornerstone of enterprise sustainability. Therefore, talent attraction and retention are regarded as important development projects, dedicated to developing diverse recruitment channels, continuing industry-academic cooperation, optimizing promotions, nurturing talent, and strengthening international competitiveness.



### Management Policies and Commitments

Talent development is PharmaEssentia's responsibility and commitment to its employees. PharmaEssentia will continue industry-academic cooperation and expand diverse recruitment channels to attract outstanding talent. It aims to create a friendly and safe working environment that can inspire colleagues' enthusiasm and commit to long-term career development, thereby retaining talent. PharmaEssentia plans to revise its talent development policy in the third quarter of 2024 internally to provide more diverse ways to reward talent.



### Responsible Units

- Sustainability Development Center - Employee Care Team
- Human Resources and Management-level Supervisors



### Management Actions

- Performance-based salary adjustments, promotion salary adjustments, and structured salary adjustments are conducted based on the achievement of annual business objectives, individual annual performance appraisals, or outsourced compensation and benefits surveys.
- Implementation of the "Education and Training Management Regulations" and the "Talent Recommendation and Incentive Regulations" to provide training and development opportunities for talent retention.
- Providing talent with conditions superior to those stipulated by labor laws and offering flexible working hours to attract talent.
- Holding employee selection programs to acknowledge outstanding performance and enhance a sense of belonging.
- Planning and executing diverse recruitment plans and utilizing AI tools and personality assessments for objective talent selection.
- Long-term planning for female welfare to increase the proportion of female managers.
- Long-term incentive measures: Providing restricted stock for newly recruited talent and key personnel who make significant contributions to the company's development (see PharmaEssentia Prospectus); additionally, offering stock options to attract and retain outstanding talent (see PharmaEssentia Prospectus).
- Establishing long-term organizational development plans.
- Planning to participate in market salary surveys regularly to provide competitive compensation and developing diverse reward mechanisms to timely motivate employees from different groups.
- Promoting employee satisfaction and engagement surveys, scheduled for implementation in Q3 2024.
- Utilizing external professional resources to implement employee assistance programs, providing employees with counseling and guidance in psychological adjustment, career management, health enhancement, and quality of life improvement.
- Regularly organizing employee activities to enhance their quality of life and assist them in leading healthy and happy lives.

## Indicators and Targets

- Employee turnover rate <10%
- Occupational health and safety: 0 violation cases
- Employee care and friendly working environment: 0 violation cases
- Compensation and benefits: Maintained at levels superior to the industry standard

## Practices to Ensure Effective Actions

- Performance appraisals and career development assessments conducted regularly serve as the basis for education, training, promotion, counseling, and rewards (employee performance evaluations are conducted in May and November each year.)
- Employee satisfaction surveys

### Performance in 2023

- Global employee average retention rate reaches 90.7%.
- Global employee growth rate reaches 19.1%.
- 100% of employees undergo performance appraisals.
- Employee care and friendly working environment: Zero violations.
- Average satisfaction score of US employees is 4 points, with an 80% satisfaction rate; 114 participants.
- Average satisfaction score of Japanese employees is 66.4 points, higher than the industry average of 48.9 points; 52 participants.



## Communication with Stakeholders

- Regular/irregular communication with employees in various forms.
- Annual regular performance appraisals and various employee survey questionnaires.

## Future Planning

### 2024 Targets

- **Talent Attraction:**
  - Establish diverse recruitment plans, including job platforms, social media, campus recruitment events, industry-academic cooperation, internships, and talent recruitment consultants, to attract potential talent and enhance company competitiveness.
  - Utilize "AI tools" and "personality assessments" to provide more objective selection criteria, assisting HR in streamlining the recruitment process and improving interview efficiency.
  - Offer conditions superior to labor laws and flexible working hours to attract talent.
- **Talent Retention:**
  - Continuously optimize mechanisms such as promotions, performance evaluations, and employee development plans to provide employees with career development opportunities.
  - Regularly conduct training courses to nurture and develop outstanding talent and provide opportunities for job rotations.
  - Regularly participate in market salary surveys to provide competitive compensation and develop diverse reward mechanisms to timely motivate employees from different groups.
  - Hold annual selection of outstanding employees to acknowledge their outstanding performance and enhance their sense of belonging.
- Support colleagues in long-term career development within PharmaEssentia to help them broaden their horizons and gain diverse experiences, fostering cross-departmental talent and further achieving talent retention goals.
- Future plans include commissioning a third-party independent unit to conduct an employee opinion survey report, identify key retention indicators, identify areas for improvement, and implement talent development projects.

**NT\$3.96million**


20% Growth Rate in Employee Welfare Expenditure



## Employee Benefits and Care GRI 401-2, 404-2, 401-3, 411-1


PharmaEssentia offers employee benefits and care that exceed market standards to attract talent. In addition to providing employees with five days of paid sick leave and flexible working hours, the company also offers bonuses for festivals, project achievements, and long-term employee incentive programs, such as employee stock options, restricted stock units, and cash increases in employee shares. Furthermore, comprehensive insurance plans including labor insurance, health insurance, group insurance, and overseas travel insurance are provided.

Since the establishment of the Employee Welfare Committee (EWC) in 2013, PharmaEssentia has held four regular meetings annually to jointly plan employee-related welfare activities with the company and the EWC. In 2023, PharmaEssentia and Panco's total welfare expenditure was approximately NT\$3.96 million, a 20% increase from the previous year, with a total of 945 people benefiting from various welfare schemes. In 2024, a hardship relief policy will be established, allowing employees facing difficulties due to major illnesses or other factors to apply for emergency relief funds from the company to ensure basic living needs.




Employee Activities

- Health check-ups
- Weight loss programs
- Stress-relief massages
- General leave of absence without pay
- Employee Assistance Program (EAP) health seminars
- Recognition of outstanding employees
- Discounts at affiliated stores
- Free taxi rides for employees working late shifts



Flexible Leave Policy

- Flexible working hours
- Comprehensive leave system (some of which exceed the legal requirements of labor laws)



Female-Friendly Workplace Environment

For female employees, the company provides care and support including maternity benefits and childcare services, which include:

- Marriage subsidy and marriage leave system
- Pregnancy, childbirth, and maternity leave without pay, for example, PharmaEssentia pays full salary, provides 10.975 weeks of maternity leave and paternity leave
- Comfortable breastfeeding room setup, with a childbirth subsidy of NT\$6,000
- Providing friendly parking spaces for pregnant women
- Providing regulations for "maternal health protection" before and after childbirth, allowing female employees to feel convenient and valued in terms of "maternal health protection"
- Collaboration with nurseries for childcare

Our company adheres to government policies regarding the care of maternal and infant health and safety. We do not employ underage workers, nor do we assign tasks to pregnant or lactating female employees that may pose risks to infants. For breastfeeding mothers from the date of pregnancy to one year postpartum, nurses provide counseling and follow-up, addressing physical, ergonomic, work-related stress, and personal health risk factors to prevent potential maternal hazards. The breastfeeding room in our company received an excellent rating in the evaluation.



## Excellent

Outcomes from Breastfeeding Room Evaluations


**3.8**times

Headquarters Crude Birth Rate 2.2%, Higher than the Average Rate in Taiwan

## Reinstatement and retention after parental leave GRI 401-3

Both the Taiwan headquarter and the subsidiaries in Japan and the United States provide relevant benefits to employees applying for parental leave, allowing them to achieve a balance between work and family life. For example, in Japan, employees may have more flexible working hours, apply for telecommuting, and primary caregivers are entitled to over 30 weeks of paid leave, while non-primary caregivers can apply for at least 4 weeks of paid leave. The statistics for 2023 show that the return-to-

work rate and retention rate for female and male employees in Taiwan after parental leave were 100% and 67%. Additionally, there were a total of 7 newborns in the Taiwan headquarter, with a crude birth rate of approximately 2.2%, which is about 3.8 times higher than Taiwan's crude birth rate of 5.82%. In the United States, there were 3 newborns, with a crude birth rate of 2.3%, which is higher than the U.S. average crude birth rate of 1.22%.

Maternity Leave Statistics for PharmaEssentia Headquarters and Panco in the Past 3 Years

	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Maternity Leave in the Current Year (A)	18	16	34	11	12	23	9	16	25
Number of Employees who Actually Applied for Maternity Leave in the Current Year (B)	0	5	5	0	5	5	2	2	4
Maternity Leave Application Rate (B/A*100%)	0%	31%	15%	0%	42%	22%	22%	13%	16%
Number of Employees Expected to Return to Work after Maternity Leave in the Current Year (C)	0	4	4	0	4	4	1	3	4
Number of Employees who Returned to Work after Maternity Leave in the Current Year (D)	0	4	4	0	3	3	1	3	4
Return-to-Work Rate after Maternity Leave (D/C100%)	0%	100%	100%	0%	75%	75%	100%	100%	100%
Number of Employees who Returned to Work after Maternity Leave in the Previous Year (E)	0	3	3	0	4	4	0	3	3
Number of Employees who Continued Working for One Year after Returning to Work from Maternity Leave in the Previous Year (F)	0	3	3	0	4	4	0	2	2
Maternity Leave Retention Rate (F/E100%)	0%	100%	100%	0%	100%	100%	0%	67%	67%

## Retirement Benefits and Welfare GRI201-3

For retirees, we organize retirement farewell dinners and provide retirement benefits in accordance with the law. Under the old system, retirement benefits are calculated at 2% of the monthly salary for each year of service and deposited monthly into the employee's account at the Taiwan Bank. After the implementation of the new retirement system, the company contributes 6% of the employee's salary to their individual retirement account based on their retirement benefit level.

## Employee Assistance Program (EAP) GRI 404-2

PharmaEssentia extends its employee assistance program primarily to include on-site health services and has enhanced EAP psychological counseling services. Qualified professionals with appropriate certifications assist employees in addressing various issues affecting work efficiency through psychological counseling services. As of September 30, 2023, a total of 9 employees have participated in counseling sessions. Additionally, we provide labor re-employment assessments to assist in suitable job matching.

For colleagues who experience significant accidents or illnesses, we provide the following measures:

- We offer care for employees with major illnesses and assistance to the families of deceased employees to meet their living needs.
- We provide funeral allowances for the families of deceased employees and show concern for their living conditions.

## Notice Period for Termination GRI 402-1

PharmaEssentia values the factors contributing to employee turnover and adheres to statutory notice procedures. Therefore, each case of termination is followed by an exit interview conducted by supervisors or HR personnel to gather reasons and make necessary improvements to provide a more conducive work environment and system to enhance employee stability. In the event of job reassignment, discussions with the immediate supervisor are held several weeks prior to the reassignment, and the reassignment is announced only after mutual agreement.

## Employee Satisfaction Survey

For key focus areas or events organized by the company, we also utilize survey questionnaires to understand the actual situation, grasp the needs of employees, and use them as a basis for improvement in benefits and activities. In 2023, Taipei conducted a monthly survey on "abnormal workload" among employees three times a month, with a total of 93 employees participating and receiving counseling guidance. In Taichung, a "workload questionnaire" survey was conducted during employee health checks, with a total of 139 responses received. The U.S. subsidiary conducted an employee satisfaction survey, with 114 employees participating, achieving an average score of 4 out of 5. The Japanese subsidiary also conducted an employee satisfaction survey in 2023, with 52 participants, achieving an average satisfaction score of 66.4, compared to the industry average of 48.9.





## 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"> <li>Implemented once annually regardless of age.</li> <li>Added abdominal and cervical ultrasound, lung function, bone density, cancer screening, and electrocardiogram tests.</li> </ul>
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"> <li>doctor visits the premises three times a year for a duration of two hours each visit.</li> <li>A nurse visits the premises three times a month for a duration of two hours each visit.</li> <li>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.</li> </ul>
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

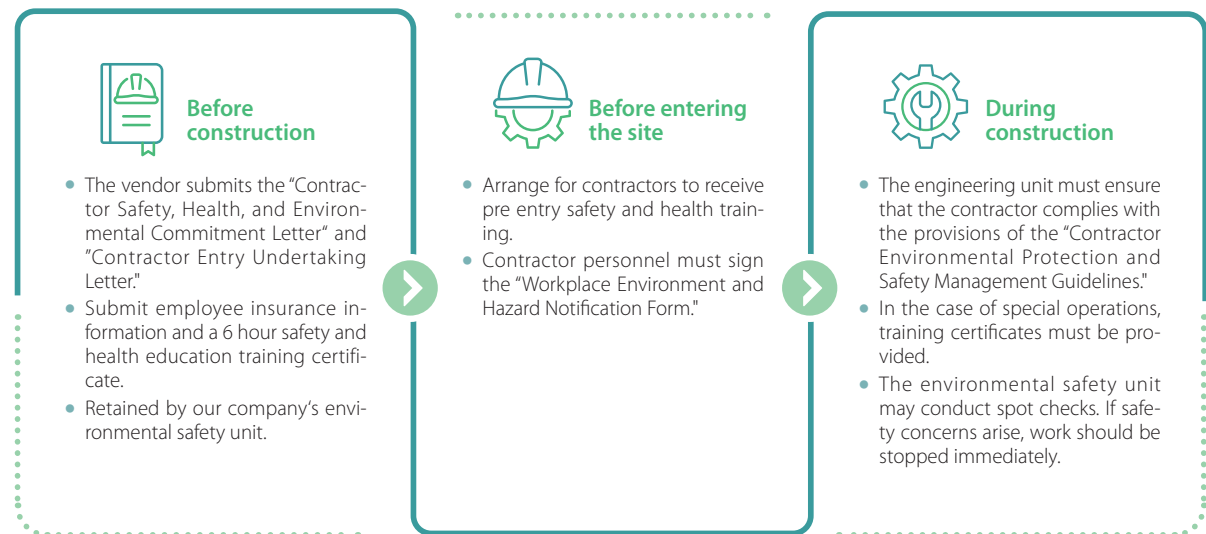
We have established contractor management procedures to ensure the safety of contractors entering our company premises. Management mechanisms are set up for pre-construction, entry, and during construction to safeguard the safety of both company employees and contractors. In 2023, neither PharmaEssentia 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

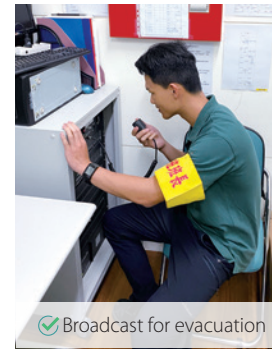
PharmaEssentia has gradually established a chemical inventory to improve operational procedures.

## 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 &amp; CPR Practical Training

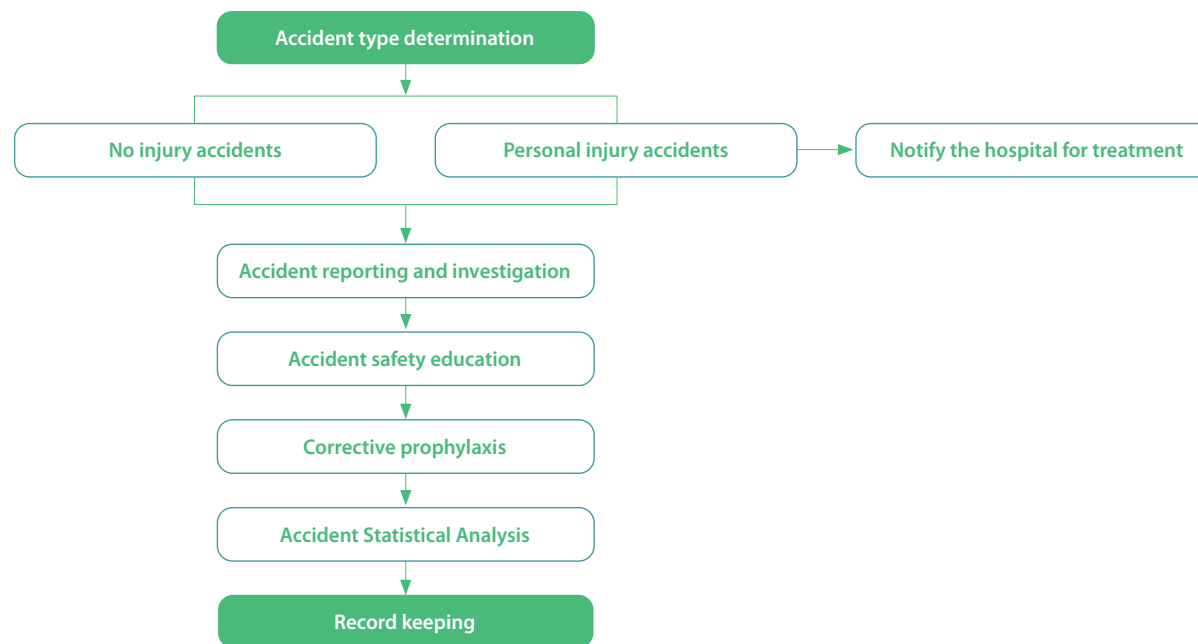


Our company tracks occupational injuries at PharmaEssentia, Panco, and our subsidiary in the United States. We conduct investigations and follow-up improvement measures in accordance with the "Accident Investigation and Handling Measures." In 2023, there were two occupational injury incidents that occurred 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