

4-2 Competitive Compensation and Benefits

Competitive and Fair Salary System

PharmaEssentia is equal towards all employees, and the overall salary does not vary regarding differences in gender, religion, race, nationality, or party affiliation. To stay on top of the biotech job market and to both retain high-performing staff and attract external talents, we also commissioned external consulting companies to research about the average compensations and benefits standard in the industry. Each year, based on the achievement of the Company's annual management goals, the individual's annual performance appraisal and the external salary and benefit survey, performance pay adjustment, promotion pay adjustment and structured pay adjustment are conducted respectively to provide salaries that are better than the industry level. To encourage employees' long-term retention and boost employee cohesion, we also provide profit-sharing mechanisms such as employee stock options, issuance of new restricted employee shares treasury shares transfers or cash capital increase by issuance of new employee shares to motivate employees to co-create innovations and operating performance, as well as to create long-term value with PEC.

Ratio of remuneration and compensation of male employees compared to female employees in 2020 of Taiwan headquarters (Note)

GRI | 405-2

Type		Compensation	Remuneration
Management	Operational management directors (Vice President and above)	1	0.95
	Senior-level supervisors (de-partment directors and above)	0.98	0.94
	Middle-level supervisors (managers and above)	1.2	1.92
	Junior-level supervisors (team leaders)	1.33	1.38
Non-managerial employees	Staff level	1.04	1.18

Note : Compensation refers to monthly salary, while remuneration is compensation plus bonus.

Over the past three years, the total salary and average salary of our full-time employees who are not in supervisory positions (excluding managers) have increased significantly, which is an exemplary of our salary incentive for mid-tier and advanced talents and personnel who have received promotions, as well as our continuous salary increase for our junior staff.

Information on salary of 2019~ 2021 non-managerial full-time employees of Taiwan headquarters

Year	2019	2020	2021	Changing rate between 2021 and 2020
Amount of employee	168	181	198	+9.4%
Total Salary	175,752	196,378	228,391	+16.3%
Average Salary	1,046	1,085	1,153	+6.3%
Median	857	853	918	+7.6%

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

Note 2: The denominator of "Average Salary" is the number of non-managerial employees, which is a weighted average of the proportion of monthly salary.

Information on salary of 2021 non-managerial full-time employees of Panco Healthcare(Unit: NT\$ thousands)

Total Salary	17,486
Average Salary	1,142
Median	700



Diversified Benefit System GRI | 201-3 GRI | 401-2

PEC established the Employee Welfare Committee in 2013. The committee regularly convenes 4 times in each year, and PEC joins the committee in planning many employee benefits and welfare activities. In 2021, the total expenses for employee benefits for Taiwan headquarter and the subsidiary, Panco Healthcare, amounted to NT\$2.52 million, with a total of 473 claims for various types of benefits.



Competitive salary system

- Holiday bonuses
- Project bonuses
- Employee stock options



Comprehensive insurance plans

- Labor insurance
- Health insurance
- Group insurance
- Overseas business travel insurance



Marriage and childbirth care

- Kindergarten cooperation plans
- Leaves related to pregnancy and childbirth, and unpaid parental leaves
- Nursing room establishment
- NT\$6,000 maternity allowance per child



Flexible vacation system

- Flexible working hours
- Comprehensive vacation system (partly better than the Labor Standards Act)



Retirement protection and benefits

- For the employees under the old pension system, 2% of their monthly salary is deposited into the old retirement reserve account of the Bank of Taiwan on a monthly basis.
- After the implementation of the new pension system, the Company allocates 6% of individuals' monthly salary to their pension accounts on a monthly basis according to the pension level of employees.
- Retirement farewell dinner party.



Overall employee care

- Health examination
- Weight loss activities
- Massage
- Unpaid leaves
- Health seminars
- Commendation to excellent employees
- Special store offer
- Free taxi rides for evening shifts



Diverse employee activities

- Department dinner
- Club Activities
- Sports activities
- Employee travel

Note: This table does not include the compensations and benefits for the U.S. Subsidiary. Please refer to Section [4.1 Recruitment in the United States](#) for details on the benefits system in the U.S.



Table of employees applying for unpaid parental leave in the past 3 years GRI | 401-3

Year	2019			2020			2021		
Item	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees qualified to apply for unpaid paternity leave in the given year (A)	24	15	39	23	11	34	18	16	34
Actual number of employees applied for unpaid paternity leave in the given year (B)	1	6	7	-	5	5	0	5	5
Unpaid paternity leave application rate (B/A*100%)	4%	40%	18%	0%	45%	15%	0%	31%	15%
Number of employees anticipated returning to work after unpaid paternity leave in the given year (C)	1	5	6	-	3	3	0	4	4
Actual number of employees that return to work after the unpaid paternity leave in the given year (D)	1	3	4	-	3	3	0	4	4
The rate of return to work after the unpaid paternity leave (D/ C*100%)	100%	60%	67%	-	100%	100%	0%	100%	100%
Number of employees that returned to work after unpaid paternity leave in the previous year (E)	-	2	2	1	3	4	0	3	3
Number of employees that returned to work who continued to work for one year after the unpaid paternity leave in the previous year (F)	-	2	2	1	3	4	0	3	3
The retention rate for parental leave (F/E*100%)	-	100%	100%	100%	100%	100%	0%	100%	100%

Note: The data in this table cover Taiwan headquarters and subsidiary Panco Healthcare.