

# 4-3 Human Rights Protection

## Human Rights Management Approach

★ Materiality Topic

GRI | 103-2-3



Policies

### Internal Policy

PEC's "[Human Rights Policy](#)"  
["Corporate Social Responsibility Best Practice Principles"](#)

### External Guidelines

1. UN Global Compact, "Universal Declaration of Human Rights"
2. "Declaration on Fundamental Principles and Rights at Work"



Responsibilities

- The Board of Directors of PEC headquarters, senior managers, the legal compliance department, the legal affairs department, the human resources department and all functional departments, as well as the senior management team and the legal compliance team of all subsidiaries.
- Execution Center for Corporate Sustainability - Employee Care Taskforce, Corporate Governance Taskforce, IT department, and procurement department from Product Quality and Patient Safety Taskforce



Commitments

- We commit to protecting the fundamental human rights of all PEC employees. We formulate an environment that protects human rights and privacy and identify with and support various international human rights treaties including the Universal Declaration of Human Rights, UN Global Compact, and ILO Declaration of Fundamental Principles and Rights at Work. In addition, we request all vendors that we have business dealing with to prohibit any conduct that infringes or violates human rights throughout all operating activities, so that all internal and external members of PEC could receive fair and respectful treatment. Furthermore, relevant information and communications security maintenance and control measures have also been adopted.
- To protect human rights and privacy, we comprehensively control and manage information access, handling, transmission, storage, and personnel and equipment safety. And relevant safety and maintenance and control measures have also been deployed over the design and maintenance in the development of relevant application systems, databases, networks, personal computers, and storage and media devices.



Resources

### Personnel/operational input

- Each functional department of the Group's headquarter, and subsidiary shall prepare the annual budgets related to various plans, which shall be reviewed by the finance department of the headquarter and submitted to the Board of Directors for approval.
- IT department will commission a qualified professional information management supplier for information security risk control.
- Procurement department will advocate our "Supplier Code of Conduct" externally to practice the human rights initiative in PEC's supply chain.



Goals & Targets

### 2022 Short-term Goals

- Human resources department to organize training related to human rights protection to all employees at Taiwan HQ. An online digital learning course will be concurrently formulated and become a part of mandatory new employee training.
- Build a friendly environment and practice human rights protection policy in PEC's day-to-day operations.
- IT department to organize relevant information security vulnerability scanning and social engineering training for all employees at Taiwan HQ and strengthen information security protection
- Procurement department will continue to advocate our "Supplier Code of Conduct" to suppliers and contractors
- Reinforce the channel on PEC's website designed to directly communicate or file grievances with the Independent Directors (Audit Committee)



### Goals & Targets

#### 2023~2025 Mid-term Goals

- Adopt ISO 27001 Information Security Management System.
- Complete key IT equipment retirement and replacement management, expand scope of annual system disaster drills, and building of virtual private cloud
- Procurement department will continue to draft and amend the “Supplier Code of Conduct” to strengthen the suppliers’ and contractors’ enforcement of human rights protection
- Plan to build human rights risk management plan to systematically identify, evaluate, reduce, and fully manage risks related to human rights infringements

#### 2026 Long-term Goals

- Ensure the safety of suppliers’ work environment, protect employees’ rights and respectful treatment, practice environmental protection in business operations and comply with ethical and moral principles
- Protect PEC’s business secrets and competitiveness in the development of new drugs by continuing to improve the intensity of its confidential information management policy.
- Comply with relevant policies and regulatory requirements, ensure the privacy and security over the personal information of patients and employees, and maintain the rights and interests of stakeholders.



### Evaluation of Management Approach

#### Mechanism of Evaluation

- “Employee Handbook” and “Management Procedures of Human Resources Processes” have been formulated in Taiwan headquarter.
- “PEC US Employee Handbook” has been formulated by the U.S. subsidiary
- Internal control system is regulated through “Control Operations over R&D Information and Documents” at Taiwan HQ.
- Management of protection of personal information
- Internal audit feedback
- Implement system validity project with the goal of obtaining FDA certification.

#### 2021 Assessment Result

- No grievance incident on infringement of human rights.
- No deficiencies reported in internal audit feedback.
- No complaints regarding customer privacy impairment.
- IT department has organized 2 sessions of social engineering and information security training with cumulative participants reaching 200 persons and total hours of training reaching 600 hours.
- Procurement department carried out PEC CSR Report advocacy to 177 suppliers
- Commissioned external practicing attorney to give 1 training session on legal risks from workplace unlawful infringement, with participants reaching 198 persons and total hours of training reaching 297 hours.

GRI | 406-1

GRI | 412-2

To fulfill its corporate social responsibility and to protect the basic human rights of all employees, PEC strictly abides by the labor-related laws and regulations in the operating locations around the world to protect the legal rights and interests of employees. The Company also supports the human rights protections and basic principles outlined in international covenants such as “United Nation Global Compact”, “Universal Declaration of Human Rights” and “Declaration on Fundamental Principles and Rights at Work”. We take our corporate responsibility to respect and protect human rights and treat all paid employees, including contract employees and interns, with dignity and respect. There are no incidents of forced labor, child labor or discrimination in any form. For more details on the Company’s [“Human Right Policy.”](#) please refer to the official website.

Specific anti-discrimination and anti-harassment policy have also been formulated by our U.S. subsidiary, and we also comply with relevant Federal laws and those from the state of Massachusetts to protect the equal opportunity to employment and to protect their rights. Please refer to Section [4.1 “Recruitment in the United States”](#) for details.

## Transparent Internal Communication and Grievance Channels GRI | 406-1

To build a harmonious workplace environment, we actively create diverse and bilateral communication channels for our employees and regularly organize labor-management meetings to listen to their voices. We expect internal communication to be seamless and transparent in order to protect the legitimate rights of each employee. The issues and results of each case are kept by the Audit Office to ensure reasonable compliance. There were no cases in the various communication and grievance channels in 2021.

### Regular staff meetings and department meetings

PEC has not set up a union and we regularly engage in bilateral communication with our staff through internal meetings. In addition to announce important corporate issues and operational goals, it also allows senior managers to directly discuss PEC's visions and culture with executives and employees, and to build consensus and goals. All employees can respond to comments or suggestions through this channel.

### Internal announcement

The Company's internal system or important information will also be announced in different categories according to the content, so that employees can grasp the information content immediately and achieve zero error in information.

### Labor management meetings

At PharmaEssentia, we hold regular labor-management meetings to explain to employee representatives about various issues such as employee health, environmental safety, and welfare, and we announce the minutes of these meetings to our employees. The Taipei headquarter and Taichung branch held 4 meetings each in 2021.

### Prevention of workplace sexual harassment

- To ensure a gender-friendly workplace, we strictly prohibit any tangible or intangible sexual harassment in the workplace, and have clearly established relevant measures, such as: "[Codes of Ethical Conduct](#)", and we also set up a sexual harassment prevention and punishment complaint hotline and an e-mail box to protect the information of complainants and to protect the rights of fellow employees.
- The Company does not have any sexual harassment complaints in 2021.
- In 2021, we commissioned external practicing attorney to strengthen the corporate human rights policy required for listed companies, and to provide training on legal risks from workplace unlawful infringement, with participants reaching 198 persons, or an attendance rate of 85.71% and total hours of training reaching 297 hours.

### Complaint channel

- Diverse channels of communication including the employee mailbox, labor-management meetings, and Employee Welfare Committee meetings have been set up internally to welcome employee feedback.
- Employees mailbox: [voice@pharmaessentia.com](mailto:voice@pharmaessentia.com)
- Grievance channel for reporting violations of Code of Ethics from stakeholders or employees have been set up at PEC's website, allowing external entities to report or file grievances.
- Unlawful infringement at workplace: [hr@pharmaessentia.com](mailto:hr@pharmaessentia.com)
- All grievance cases received are submitted to the responsible units from the receiving department, and will be communicated to the employees based on the contents of the incident.
- The issues and results of each case are kept by the Audit Office to ensure reasonable compliance.