

4-4 Talent Training and Career Development

Management Policies of Talent Training

★ Materiality Topic

We are committed to employee development and training, and closely align the individual characteristics and qualities of our employees with the strategic development objectives of the organization by focusing on core functionalities. This would allow us to enhance our human capital, so that human resources can be effectively used to achieve our business objectives, and alternatively, it also allows us to help employees to acquire expertise in their professional fields or refine their management skills, so that they can continue to grow in their career path and achieve synergistic growth with PEC.

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Policies

Internal Policy

It is now implemented in accordance with the "Procedures on Training Management" and "Procedures for Incentives from Talent Referral"

External Guidelines

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies



Commitments

As the responsibility and commitment of PEC to its employees, we will continue to train and develop talents in order to retain them.



Responsibilities

- Talent cultivation and development policy: human resources and management executives
- Responsible unit for talent cultivation: heads of departments
- Execution Center for Corporate Sustainability - Employee Care Taskforce



Resources

Personnel/operational input

- Organize internal and external education training, and regularly invite experts from leading academic and research institutions to exchange and share innovative new drug development expertise with all colleagues for their learning and development.
- We continue to collaborate with academia and Academia Sinica on projects to refine the expertise and project integration capabilities of our R&D personnel. Each project is a function of On-the-Job Training and Project Leadership Training for R&D personnel.
- Each department uses a mentor system to help pass on experience, reduce the turnover rate of new recruits, and train senior colleagues in the function of cultivating talents.
- Commission expert consultants to optimize and to integrate the methodology of performance evaluation with talent management development mechanisms
- Diversify the methodology of training for key talent development and to integrate the training with personal characteristics and career development goals; undertake employee rotation training both at home and abroad in line with the Company's long-term development objectives
- Launch digital learning platform to digitize internal training courses and to prepare in-house digital courses, make learning more accessible to employees by uploading relevant contents on digital platform

Expense input

- We expect to invest over NT\$100 million toward talent training and development



Goals & Targets

2022 Short-term Goals

- The training program starts with new recruits, and new recruits are given training courses to convey the company culture and introduce the company's development history, systems, and procedures, so that new recruits can be familiar with the working environment and bring their strengths into play as soon as possible.
- Continuous staff skills training by the department head to implement 1-2 skills for staff duties.
- Inventory the status of existing talent professional functions and complete the definition of professional functions in each department as a basis for talent development.



Goals & Targets

2022 Short-term Goals

- Provide department heads with 2 professional function training courses, linked to the performance management system, to enhance various professional abilities and improve management performance.
- Establish the professional function system of each department to ensure the professional capabilities required for each position. Provide the standards and learning indicators of the employees, and at the same time establish the talent hiring standards.
- Integrate the department's professional functions with performance evaluation and project execution, and implement performance and function evaluation for all staff, and implement the learning and establishment of professional functions through performance evaluation.
- Establish succession system.

2023~2025 Mid-term Goals

- Develop and implement a duty rotation system to improve the efficiency of talent transfer by 2%-3%.
- Establish and implement an internal lecturer system and train 5 to 7 internal lecturers to cultivate talents and establish a knowledge management system to pass on professional knowledge
- Conduct employee satisfaction survey for the first time and strengthen key issues.
- Implement six executive leadership-related programs from 2023 to 2025, supplemented by a leadership assessment mechanism, to develop succession leadership and increase retention rates.
- Complete succession talent assessment and plan for 3-year succession development plan and leadership training
- Construct a 5-year long-term talent development plan and to incorporate it into annual KPI for all departmental supervisors.
- Establishing a talent management and talent development system, prioritizing the development of key talents and successors and providing talent evaluation report to the management team.
- Translate corporate culture and core values into feasible core functions for employees (4-5 items) and to build a learning organization and refine PEC's core functions.
- Optimize the organizational developments through the results of the employee satisfaction survey to continuously improve employee retention rate and employee satisfaction, aiming to reach the market average.

2026 Long-term Goals

- Establish a succession system and conduct annual talent leadership evaluations to establish a succession pool and continuously cultivate key talent in line with the Company's long-term goals for sustainable development.



Evaluation of Management Approach

Mechanism of Evaluation

- Promotion rate for supervisory positions from internal staff
- Manager retention rate

2021 Assessment Result

- Promotion rate for supervisory positions from internal staff: 29.79% in 2021
- Manager retention rate: 89.36% in 2021

On-the-job Training and Key Talent Development Objectives

Through intensive on-the-job training, multiple learning channels, and overseas training for quality personnel, PEC strives to develop professional talents in the bio-medical field. In the future, we will hire expert consultants with the goal of optimizing performance evaluation and developing a talent management system, and we expect to invest millions of NTD toward talent training and development. Through this process, we will identify key quality personnel and focus on training them. This is complemented by a corporate succession system that allows us to upgrade the efficiency of our human resources management and reserve leadership for long-term sustainable management.

Graph of 2019~ 2021 training hours



2021 average training hours by position and gender (Unit: Hour)

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Category	Taiwan Headquarters		Panco Healthcare	
	Male	Female	Male	Female
Average training hours - Operational management directors (Vice President and above)	16.25	10.50	NA	31
Average training hours - Senior-level supervisors (department directors and above)	11.34	17.43	NA	NA
Average training hours - Middle-level supervisors (managers and above)	11.39	16.39	31	16.50
Average training hours - Junior-level supervisors (team leaders)	10.10	11.35	34.50	NA
Average training hours - Staff level	10.10	7.40	23.30	9

Note: "NA" in the table indicates we currently do not have this type of employee.

Performance Evaluation and Promotion System

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PEC has established a fair and objective performance appraisal system that is integrated with our strategic development and implemented it in a performance-based compensation system as a reference for employees' work-related objectives and personal growth and development. 100% of full-time employees from PEC Headquarter and Panco Healthcare underwent performance and career development inspections in 2021 (deducting factors such as probationary periods, leave without pay, etc., the completion rate of each job category, regardless of male or female.) Employees and supervisors can jointly confirm performance output and status of target achievement through the annual mid-year interview and the end-of-year appraisal, which are both conducted once per year. Supervisors will actively explore the reasons for employees with relatively low performance output or those who are falling behind on targets through adequate communications, individual instructions and making proper adjustments or offering support and jointly formulate improvement plans and estimated completion times. At the same time, the human resources department will arrange for proper courses so employees can improve accordingly. As for those with excellent performance and potential, they will have better promotional opportunities in the annual employee promotion nomination and evaluation. We also plan relevant rotational mechanisms for employees; When internal vacancies are available, internal suitable candidates will be recommended first. By developing talents with multiple professional capabilities, we can promote the continuous retention of internal talents, and play the ability of cross-departmental communication and coordination capabilities.

4-5 Occupational Health and Safety

Implementation of Occupational Health and Safety

We have been even more focused on our employees' prevention against infectious diseases since the outbreak of the COVID-19 pandemic in 2020. In line with PEC's "Occupational Safety and Health Policy", we have reinforced employees' health management and health promotions, and implement the ISO 45001 occupational safety and health management system in 2023 as well as to launch comprehensive, company-wide hazard identification, risk assessment, accident investigation and other related measures to build a safe and healthy workplace environment with zero hazards.

Complying with government

Implementing government regulations and promote safety and harmony



Valuing hazards prevention

Seeking zero disasters and providing a safe environment



Implementing continuous improvement

Creating a safe, hygienic and good corporate image



Promoting full participation from employees

Encouraging employee participation and enhancing safety awareness

