










5.3 Talent Cultivation and Career Progression

 Material Topics	 Description of Impacts	 Policies and Commitments	 Responsible Unit
 Talent Cultivation and Career Progression	<p>In an era of rapidly changing global markets and intense competition, talent has become an important sustainability cornerstone for corporations. PharmaEssentia generates positive benefits through talent cultivation.</p>	<p>PharmaEssentia's talent cultivation and development framework has three main axes (build diverse training channels, encourage independent learning, and cultivate international professional talents) linked to corporate culture, core values, and global strategies to enable mutual organizational growth.</p>	<ul style="list-style-type: none"> ● Executive Center for Corporate Sustainability-Employee Care Team ● Human resources department and management ● Unit and department heads
 Response Measures and Management Actions	 Evaluation Mechanisms		
<ul style="list-style-type: none"> ● Established digital training and learning platform: To enhance independent learning in employees and effective management of training information and records, we established a digital training and learning platform in 2024, which was completed in the fourth quarter of 2024 ● Online English learning program: To cultivate international talents and improve their language capabilities, our Taiwan Headquarters launched an online English learning program; the program garnered a target achievement rate of 84% and total learning hours amounted to 7,000 hours 	<ul style="list-style-type: none"> ● Internal visits: To promote career developments of internal talents, strengthen understanding of different departments and company products, and enhance recognition of company values, we hosted an internal visit in the fourth quarter of 2024 which was attended by 150 participants, around 45% of total company personnel ● R&D talent cultivation program: Identify key talents and provide development opportunities, including personal potential and career planning as well as domestic and foreign rotation and training opportunities 		
 Targets and Achievements in 2024		 Targets	
Indicators <ul style="list-style-type: none"> ● At least 15 hours of education and training ● Invest more than NT\$7.5 million in education and training costs and achieve 100% budget execution ● Manager retention rate >86% ● Performance appraisal completion rate of 100% ● Complete establishment of digital training and learning platform 	Achievement status <ul style="list-style-type: none"> ● Average training hours per person at PharmaEssentia (Taiwan) exceeded 27 hours ● PharmaEssentia (Taiwan) invested NT\$7.5 million in education and training costs ● Manager retention rate >80% ● Performance appraisal completion rate was 100% ● Digital training and learning platform was completed in December 2024 	Short-Term Targets (1-2 Years): <ol style="list-style-type: none"> 1. Improve new employee training and on-the-job training <ul style="list-style-type: none"> ● Establish systemic new employee training programs to help new employees quickly integrate corporate culture and master work skills ● Provide training associated with professional skills, interdepartmental collaborations, legal knowledge, and foreign language skills to current employees to improve overall team capabilities 	<ul style="list-style-type: none"> ● Provide flexible and diverse learning resources through digital learning platform to meet employee independent learning needs <ol style="list-style-type: none"> 2. Strengthen cultivation of international talents <ul style="list-style-type: none"> ● Provide employees with language training and cross-cultural communication courses to enhance internal competitiveness ● Organize overseas exchanges and training programs to build international perspectives, and provide opportunities to conduct professional technical exchanges with overseas subsidiary personnel

★ Targets

Mid-Term Targets (3-5 Years):

1. Establish key talent cultivation program

- Identify employees with good potential and provide customized development plans to cultivate future mid- to high-level leadership talent, reducing talent shortage risks and ensuring supply of talent for key positions
- Encourage employees to participate in interdepartmental programs that expand their perspectives and skills, thereby cultivating well-rounded talents

2. Optimize personnel career developments

- Formulate personal career development pathways based on performance appraisal results and help employees understand their strengths and development paths to enhance work satisfaction
- Formulate career development blueprints encompassing capability and position considerations so employees can plan career developments accordingly

Long-Term Goals (More Than 5 Years):

1. Build systems to enhance knowledge exchanges

- Build knowledge management systems to promote knowledge sharing and transfer, creating a constantly learning organization
- Tracking learning achievements, assess return on talent development investments, and continue to optimize talent development strategies

2. Promote diversity, mutual prosperity, and sustainable development

- Build friendly work environments to promote exchanges and collaborations between employees with different backgrounds
- Promote corporate social responsibilities and encourage employees to participate in volunteer services and charity activities
- Incorporate sustainable development into talent development strategies to cultivate employees with a sense of social responsibility

3. Use technology to improve talent development efficiency

- Introduce talent management systems to improve recruitment, training, and performance management efficiency
- Use data analytics to predict talent needs, assess talent potential, and provide more accurate talent development suggestions
- Use artificial intelligence to provide employees with personalized learning suggestions and career development plans

► Talent Cultivation Strategies

PharmaEssentia cultivates talent from three functional aspects (core values, management and leadership, and professional capabilities) to build comprehensive talent cultivation systems that link corporate culture, core values, and global strategies; create a dual-track training framework that balances management and professional competency developments; and focus on continued cultivation of mid- and high-level talent as well as key talent.

Cultivation methods include:

On-the-job training and practical learning

Diverse learning channels including physical courses, digital resources, independent learning, and workplace coaching systems

Overseas study and international rotation opportunities to strengthen global competitiveness

In 2024, PharmaEssentia officially introduced **the Group digital learning platform** to incorporate common competencies and global legal compliance courses in multiple languages. There are currently more than 3,000 courses on the platform, which greatly enhanced learning convenience and coverage.

We plan to assess achievements and optimize content after the platform has been live for more than a year. In future, we will continue to add learning resources, encourage employees to formulate customized learning plans based on personal development targets, build an independent learning culture, and cultivate key talents to support sustainable corporate development.

3 Functional Aspects

- Core Values
- Management and Leadership
- Professional Capabilities



► Dual-Track Diverse Talent Development Framework

PharmaEssentia has designed a dual-track diverse talent development framework to nurture diversified talents. Our development framework combines the two development tracks of “professional competencies” and “management competencies,” and incorporates diverse learning and career development plans to help employees with different needs and potential levels. PharmaEssentia is also cultivating management and professional talents that can become mid- and high-level executives in future, thereby ensuring talent supply and lowering talent shortage risks. A detailed description of our systems are as follows:

Management competencies

We provide leadership, team management, project management, and other management competency training to employees with management potential, thereby building a management system and cultivating future management talent.

1

Professional competencies

We provide advanced professional competency training and development opportunities to professional employees in the R&D, production, and medical regulation domains, thereby building a professional system and helping these professional talents improve and gain a sense of achievement in technical domains.

2

► Dual-Track Diverse Talent Development Framework

Management competencies

Dual-axis and diverse talent development

Professional competencies

Training courses

- Design systemic training courses
- Provide customized training content for senior, mid-level, entry-level executives as well as general employees

Digital self-learning

- Establish digital learning platform and provide online courses, knowledge databases, case studies, and other resources
- Encourage independent learning in employees to enhance their capabilities

Overseas training opportunities

- Organize overseas exchanges and training programs to build international perspectives
- Promote professional and technical exchanges with overseas subsidiaries

Career development plans

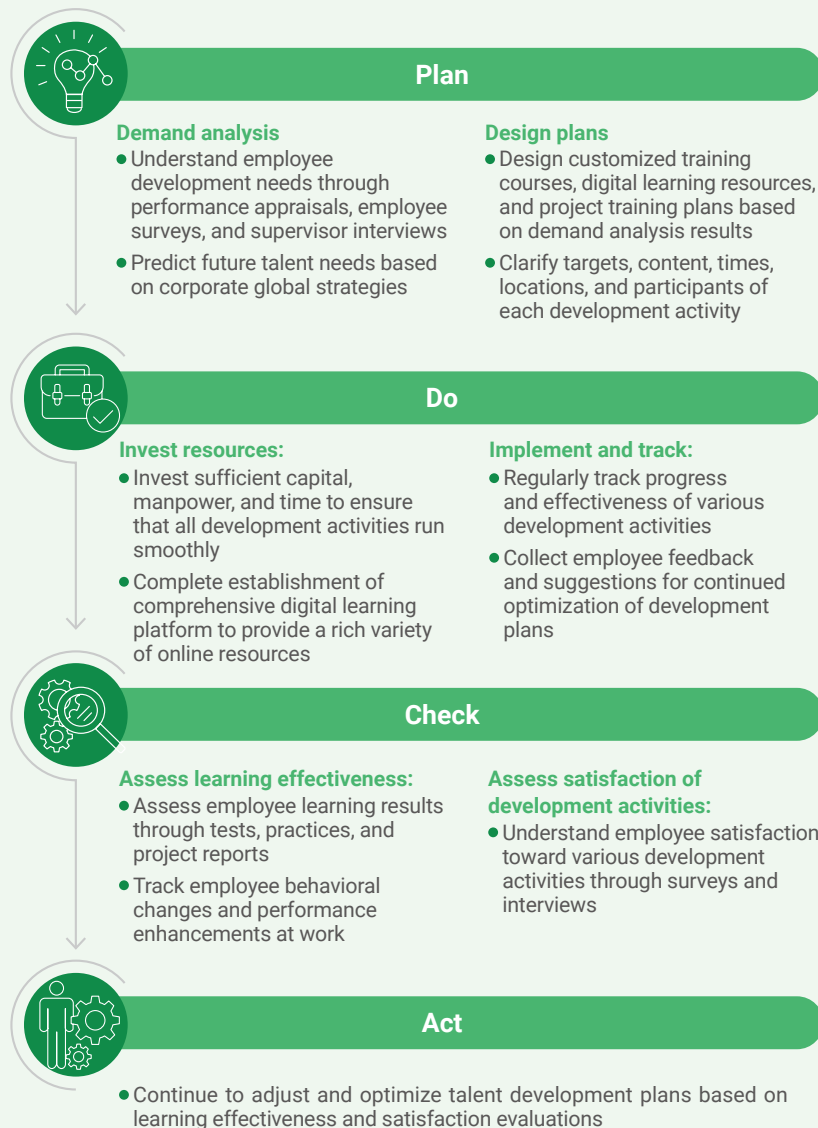
- Establish individual development plans (IDP) to help employees set their career goals and formulate development plans
- Provide career counseling services to help employees understand their strengths and development paths

Core values

Management and leadership

Professional skills

To ensure effective implementation of talent development systems, we continually optimize our systems through PDCA cycle adjustments. Implementations and assessments are as follows:



►Employee Education and Training in 2024

GRI 404-1 GRI 404-2

In 2024, PharmaEssentia Taiwan invested more than NT\$7.5 million in employee education and training, with specific implementations including establishing an online digital learning platform that officially went live in the fourth quarter, launching an online English learning project to cultivate international talents and build language capabilities; and implementing a R&D talent cultivation plan to evaluate key talent. PharmaEssentia Japan invested ¥5.7 million in training costs, with specific implementations including providing surveys of corrective measures and leadership training to the leadership team. PharmaEssentia US invested US\$500,000 in training costs, providing on-the-job training, digital learning, cross-competency training, self-learning and lecturer-led courses, and other diverse learning channels; leadership development and succession plans for employees with good potential; and on-site training, including but not limited to 3 professional sales certification courses and 48 hours of training per year. Panco invested NT\$100,000 in training costs, mainly focusing on quality regulation training to strengthen the fundamental knowledge of employees. We invested more than NT\$24 million in training costs in 2024. We cherish our talents and invite retired employees to serve as company consultants so they can train new employees while enjoying their retirement. Two of our employees applied for retirement in 2024 and were invited to consult, but both employees declined our invitation and chose full retirement.



2024 Employee Training Hours by Position

(Unit: Hours)

Employee type	PharmaEssentia (Taiwan)						Panco Healthcare					
	Total training hours			Average training hours			Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	1,824.5	425	2,249.5	35	17	29	82	13	95	16.4	4.3	11.9
Non-executives	3,512	4,508.5	8,020.5	23.8	27.5	27.2	64.5	28.5	93	6.5	5.7	6.2
Total	5,336.5	4,933.5	10,270	29	26	27.6	146.5	41.5	188	9.8	5.2	8.2

Employee type	PharmaEssentia USA						PharmaEssentia Japan					
	Total training hours			Average training hours			Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	4,881	4,795	9,676	125	94	108.7	1,748	76	1,824	52.9	5.42	38.8
Non-executives	155	540	695	5.5	22.5	13.4	0	0	0	0	0	0
Total	5,036	5,335	10,371	76.3	71.1	73.55	1,748	76	1,824	52.9	4.75	37.22

Note: Executives refer to managers and above. Training hours are rounded off to the first decimal point

2024 Employee Training Hours by Age

(Unit: Hours)

PharmaEssentia (Taiwan)							Panco Healthcare					
Employee type	Total training hours			Average training hours			Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age 30 and below	329	653.5	982.5	12.7	16.7	15	0	0	0	0	0	0
Age 31-50	4,610.5	3,766	8,376.5	34.4	28	31.3	143.5	28.5	172	10.3	5.7	9.5
Age 51 and above	397	514	911	17.3	32	23.4	3	13	16	3	4.3	4
Total	5,336.5	4,933.5	10,270	29	26	27.6	146.5	41.5	188	9.8	5.2	8.2

PharmaEssentia USA							PharmaEssentia Japan					
Employee type	Total training hours			Average training hours			Total training hours			Average training hours		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age 30 and below	216	216	432	54	36	43.2	0	0	0	0	0	0
Age 31-50	2,941	3,820	6,761	77.21	115.8	95	1,140	76	1,216	67.06	12.67	52.86
Age 51 and above	1,879	1,299	3,178	78.2	36	52.9	608	0	608	38	0	23.38
Total	5,036	5,335	10,371	76.3	71.1	73.55	1,748	76	1,824	52.9	4.75	37.22

Note: Employee training hours include training provided to exited employees before they left the company

Note: PharmaEssentia (Taiwan), Panco, PharmaEssentia US, and PharmaEssentia Japan all used the same calculation basis

PharmaEssentia provides general training as well as appropriate employee training based on employee needs, including QPharma Learning Management System and KnowBe4 IT Training courses in the US, and compliance training and PC training courses in Japan. We also offer English enhancement programs and key talent cultivation programs.

2024 Employee Training Hours by Training Type

(Unit: Hours)

類型	PharmaEssentia (Taiwan)			Panco Healthcare			PharmaEssentia USA			PharmaEssentia Japan		
	Male	Female	Total hours	Male	Female	Total hours	Male	Female	Total hours	Male	Female	Total hours
Executive and general employee training	1,612	1,684	3,296	146.5	41.5	188	4,692	4,981	9,673	1,748	76	1,824
English enhancement program	3,724.5	3,249.5	6,974	-	-	-	-	-	-	-	-	-

Note: Executive and general employee training: Included training provided in Taiwan, QPharma Learning Management System and KnowBe4 IT Training courses in the US, and compliance training and PC training courses in Japan

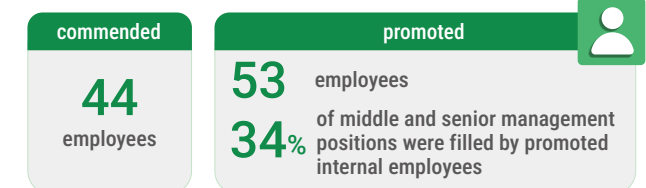
Note: Key talent cultivation programs include Courageous Conversations, Communicating with Courage, Radical Candor Accelerated Leadership Group courses, which are external leadership courses provided in the US

► Performance Appraisals GRI 404-3

PharmaEssentia conducts two performance appraisals each year to help employees and supervisors gain consensus on work targets through a circular process of goal setting, mid-year interviews, and year-end appraisals. This process also allows us to understand areas requiring improvement in employee work. The human resources department organizes employee participation in appropriate courses to improve work methods and efficiency so we can improve work capabilities and achieve corporate targets. Employees that perform well on annual performance appraisals receive awards and bonuses as incentives. New employees that have completed probation periods undergo performance interviews and appraisals conducted by their unit supervisors regarding their work during probation periods. Those who fail appraisals may have their employment contracts terminated in accordance with relevant regulations, or, upon mutual agreement, extend their probation period. Performance appraisal results are also used as a reference for reviewing employee career developments. Employees and supervisors use performance appraisals and corporate professional competency training blueprints to formulate personal career development plans, uncover employee potential, and continue to cultivate outstanding internal corporate talent. In 2024, all employees at PharmaEssentia (Taiwan), Panco Healthcare, PharmaEssentia US, and PharmaEssentia Japan (not including employees who had not completed their probation period or employees on leave without pay) underwent performance appraisals and career development reviews, achieving an employee appraisal rate of 100%.

Based on appraisal results for 2024:

PharmaEssentia headquarters



Panco Healthcare



To improve personal performance, motivate continued improvement in our colleagues, and build high-performance teams and organizations, PharmaEssentia appraised the following items:

New employee appraisals

Appraisal target: New employees

Appraisal method:
The human resources department provides work review information to new employees before the end of their probation periods in accordance with probation period stipulations in employment contracts. Completed work reviews are submitted to responsible supervisors for evaluation. Those who pass reviews are confirmed as regular employees, and those who fail to meet standards are informed by department supervisors whether their probation periods can be extended (and extension limits), or are handled in accordance with the Labor Standards Act.

Regular appraisals

Appraisal target: All employees

Appraisal method:
Managers of all levels regularly review work progress and deviations from targets (including gaps between behavioral performance and expectations) with their subordinates, provide timely feedback to those that have reached their targets, and formulate improvement action plans for those that fail to meet expectations. Managers also continue to review and record performance to serve as a reference for annual appraisals.

Annual appraisals

Appraisal target: All employees

Appraisal method:
We conduct two annual appraisals each year, an appraisal for the first half of the year in June and an appraisal for the second half of the year in December. The appraisal for the first half of the year covers January 1 to June 30, and the appraisal for the second half of the year covers July 1 to December 31.

Number of Appraised Employees (GRI 404-3)

Performance appraisals by gender

(Unit: Persons)

Type	PharmaEssentia (Taiwan)				Panco Healthcare				PharmaEssentia USA				PharmaEssentia Japan			
	Male		Female		Male		Female		Male		Female		Male		Female	
	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees
Annual performance appraisals	156	166	162	176	15	15	7	8	61	61	66	66	27	33	15	16

Note: Employees that had not completed their probation periods or who were on leave without pay did not undergo performance appraisals

Performance appraisals by position

(Unit: Persons)

職級	PharmaEssentia (Taiwan)		Panco Healthcare		PharmaEssentia USA		PharmaEssentia Japan	
	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees	Number of appraised employees	All employees
General employees	225	243	16	16	9	9	2	2
Entry level managers (Team leaders)	34	34	1	1	1	1	0	0
Mid-level executives (Managers and above)	39	44	4	4	18	18	21	28
Senior executives (Directors and above)	17	18	1	1	95	95	16	16
Management executives (Vice presidents and above)	3	3	0	1	4	4	3	3

Note: Employees that had not completed their probation periods or who were on leave without pay did not undergo performance appraisals