PharmaEngine
智 擎 生 技 製 藥

2021
Sustainability Report

http：//www.pharmaengine.com

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Innovation Leads a Bright Future

About the Report

Description of the Report

The company has been deeply aware of its environmental sustainability integrity management and social responsibility as an enterprise management principle and core value that is recognized by the international community. To enable related stakeholders to understand more about the company, PharmaEngine has issued its first 2011 Corporate Social Responsibility Report in 2012. This has been the eleventh consecutive year, and the company commits to continually issuing its ESG reports, fully disclosing its great efforts in fulfilling its social responsibilities, and this serves as a practical way for PharmaEngine to continuously strive for achieving its integrity management, social responsibility and environmental sustainability.

Report Content and Guidelines for Follow-up

This report is written in accordance with the GRI Standards 2016 issued by the Global Reporting Initiative (GRI), SASB Standards by Sustainability Accounting Standards Board and Tack Force on Climate-related Financial Disclosures. The information covers various units of the company.

In order to implement environmental protection, only an electronic version of the announcement is available. Please download the pdf file from the official website http：//www.pharmaengine.com

Information recompilation and Report change

Compared with previous reports, this report has no significant changes in the scope of the categories and themes, and there is no recompilation of information.

Scope and Boundary

The reporting period is from January 1, 2021 to December 31, 2021, and the scope of the information disclosed is mainly related to the operation activities of PharmaEngine in Taiwan.

External assurance / Assurance

The statistical data disclosed in this report were based on financial statements certified by PricewaterhouseCoopers (PwC) Taiwan. Limited assurance about the partial information of this report was conducted by PwC Taiwan in accordance with the Assurance Engagements Other than Audits or Reviews of Historical Financial Information of the SAE1 principles, published by the Accounting Research and Development Foundation, and the said assurance report can be found in the appendix 4 of this report.

Date of Issuance

2021, Report Year/ September 28, 2022 (2020, Report Year/ May 5, 2021)

Feedback

If you have any questions about 2021 PharmaEngine Sustainability Report, you are welcome to contact us and help us continue to improve.

Contact us>>>

Contact person： Chi-Hsing, Chang , Vice President

Address： 11F, 10 Minsheng E. Road, Sec. 3, Taipei 104, Taiwan

Tel： 886-2-2515-8228

Messages from the President & CEO

As the COVID-19 pandemic continued having significant impact in Taiwan as well as the world in 2021. PharmaEngine, Inc. maintained its innovative momentum and continued to grow the company with a high level of resilience, fulfill the unmet medical needs, and implement sustainable corporate social responsibilities through a flexible operation model and its professional management team.

Looking back the past two decades, PharmaEngine has kept its original intention and uses rigorous science as the cornerstone for new drug research and development (R&D). 'Integrity' is the starting point and foundation for new drug R&D as it is typically a long journey for more than 10 years. All aspects of drug R&D require our team to discipline themselves with the highest standards of integrity to help and build a sense of safety and trust between caregivers and patients. Therefore, PharmaEngine is approaching with the complex R&D process in a cautious manner, by following the GCP (Good Clinical Practice) and GMP (Good Manufacturing Practice) and adhering to the ethical principles of the Helsinki Declaration. And these codes, which governs our daily practices, are the faiths that PharmaEngine believes in from the past and will carry into the future.

As a member of a global enterprise, we constantly search for ways to bring health and happiness to mankind. In order to do so, we need to constantly balance and optimize the balance between promoting social justice to give back to the society and maintaining a sustainable enterprise. We believe through the post-marketing experience of ONIVYDE® in more than 40 countries and the supports of external experts that PharmaEngine can realize our social accountability of a biopharmaceutical corporate in environmental, social, and governance (ESG), such as： Externally, to conceive the indications or therapy extension of ONIVYDE® or new projects with international partners or medical experts, leading in green supply chains for our whole R&D and manufacturing process gradually, cultivation of talents for new drug R&D in academic, and strategic incubation of new start-up teams; Internally, Continuously provide a suitable working environment for employees with transparent management system, self-growth opportunity and the humanistic spirit of giving back to the society, etc. We hope that through the process of continuous correction and optimization, PharmaEngine will fulfill the commitment and match the expectations from the society at the same time.

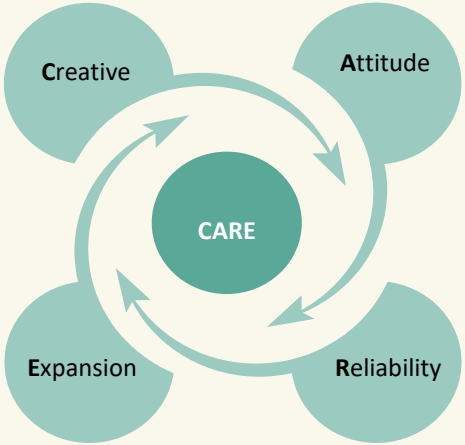
Looking into the future, PharmaEngine will keep the integrity as the foundation, flexible operation and professional ability as the main focus, and human centered approach as the core, promote new drug R&D activities that align with the spirit of ESG, deepen international cooperation, leverage global R&D resources, accelerate new product development and commercialization, establish a globally competitive and diversified product portfolio, and set out to achieve the obligation of sustainable social responsibility ultimately.

President & Chief Executive Officer of PharmaEngine, Inc.
Dr. Hong-Ren Wang

1- Sustainable Development Strategy

1.1 Sustainable Strategy Blueprint

Core Value



Stakeholders

- In-license or Out-license partners
- Shareholders and Investors
- Suppliers and CRO
- Customers
- Government Agencies
- Employees
- Media
- Communities
- Charity Groups

Action Items

Cooperation with Industry

Actively innovate in R&D and strengthen the sustainable actions of internal operations and partners

Build a Green Life

Pay attention to initiatives on environment and climate issues and improve business practices

Care for and be a Friend to Society

To drive the social change to employees and human rights issues

Key Issues

- Innovative R & D
- Information Security
- Corporate Governance
- Environment Protection
- Industry Co-Prosperity
- Social Engagement
- Talent Education

SDGs Goal

Sustainability Promotion Group

Board of Directors
Targets and performance supervised

Convener
Strategy drafting and execution

Executive Secretary
Job coordination

Corporate Governance
- Integrity management
- Internal audit
- Securities act compliance
- Information disclosure
- Investor relations maintenance

Environmental Sustainability
- Environmental protection
- Environmental compliance
- Green consumption

Employee Care
- Employee compensation and Benefit
- Training
- Labor Relations
- Occupational safety and health
- Human rights policy

Social Involvement
- Social welfare
- Customer management

Product Service
- Product safety
- Quality management
- Drug regulation management
- Supply chain management

1.2 The Procedure for the Negotiation of Major Themes

The Procedures for the Negotiation of Major Issues

1 Thematic Collectio

- External issues
  >>International covenants and Regulations
  >>Requirements of stakeholder
  >>Guidelines for sustainability reports
- Internal issues
  Performance indicators by sector

2 Identification of Stakeholder

- GRI Standards considerations
- Corporate social responsibility Policy
- Business philosophy and vision
- Short and long-term business plans

3 Thematic Boundaries

- Assess the boundaries of consideration

4 Response and responsibility

- Board resolution
- Senior executive meeting resolution
- Resolutions of departmental meetings

5 Feedback and review

- Stakeholder feedback
- Reference to benchmarking corporate practices
- Reports at relevant conferences and review

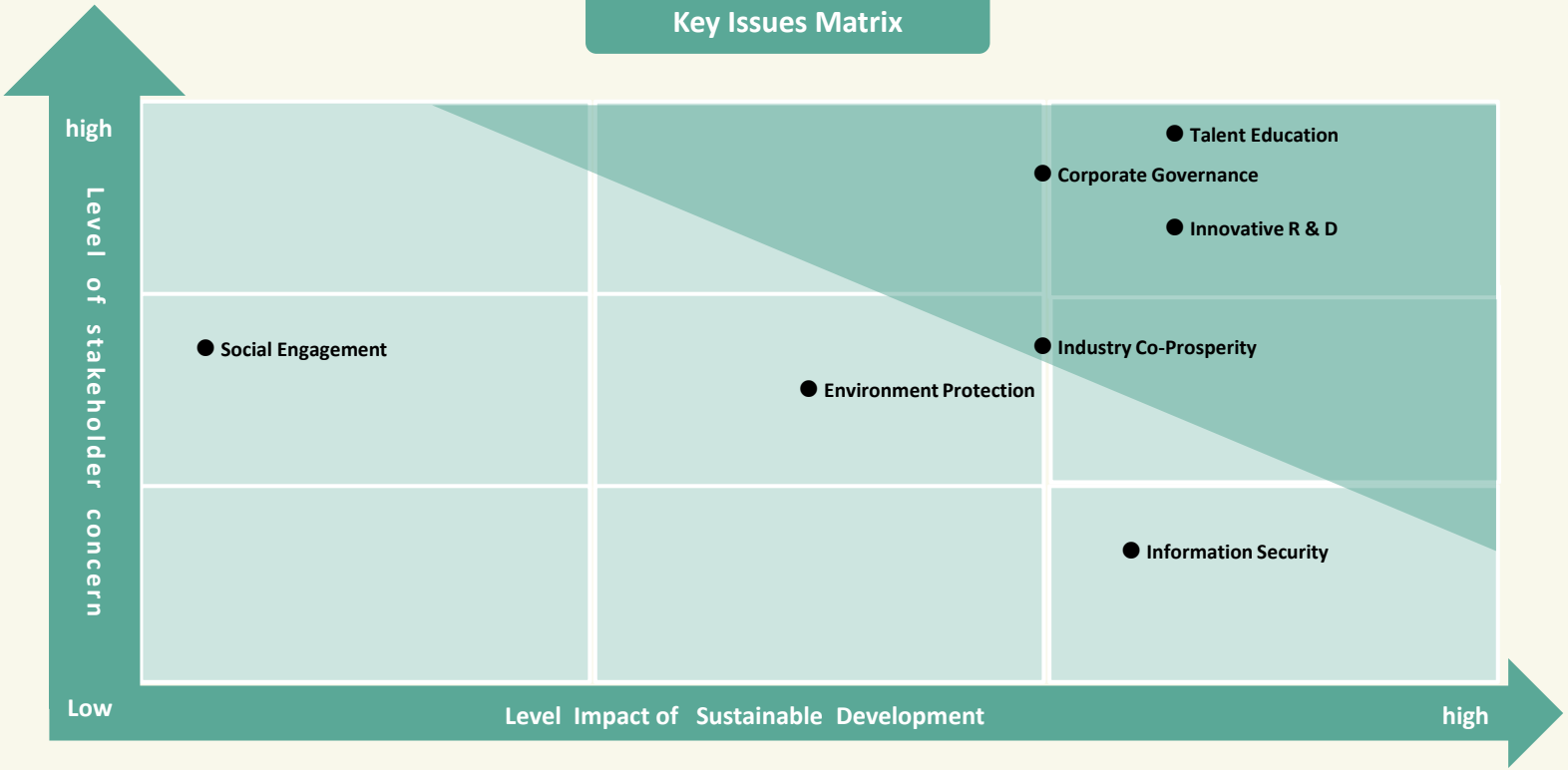
6 Improvement

- Resolving improvement measures at various meetings and as a topic for next year

Major Themes and Boundaries

Key Issues	SDGS	Management policy	Border line	
			internal	external
Innovative R & D	**SDG8** Decent Work and Economic Growth	● Continue to develop competitive and diverse unmet need drugs ● Ensure product quality, safety and compliance	● PharmaEngine ● Employees	● Investor & Shareholder ● Suppliers & CRO ● In-license or Out- license partners
Information Security	**SDG9** Industry, Innovation and Infrastructure	● Set up secure information security equipment and management processes	● PharmaEngine ● Employees	● Investor & Shareholder ● Customers ● In-license or Out- license partners
Corporate Governance	**SDG16** Peace, Justice and Strong Institutions **SDG17** Partnerships for the Goals	● Incorporate ESG into operating policy ● Strengthen the auditing mechanism and strictly prohibit misconduct that endangers the Company ● Strengthen internal communication and operation model	● PharmaEngine ● Employees	● Investor & Shareholder ● Customers/ Media ● Government agency ● In-license or Out-license partners
Industry Co-Prosperity	**SDG17** Partnerships for the Goals	● Drive suppliers or other cooperative units to actively make ESG actions	● PharmaEngine ● Employees	● In-license or Out-license partners
Environment Protection	**SDG7** Affordable and Clean Energy **SDG12** Responsible Consumption and Production **SDG13** Climate Action	● Reduce the waste of energy resources and introduce effective energy and resource improvement equipment or policies ● Introduce circular economy to reduce waste ● Strengthen the initiatives on climate and environmental issues, and enhance the recognition of colleagues and cooperative units	● PharmaEngine ● Employees	● Customers ● In-license or Out- license partners
Social Engagement	**SDG3** Good Health and Well-Being	● Caring about social and human rights issues, and continuously tracking follow -up results ● Care for patients and medical institutions, and construct friendly social services	● PharmaEngine ● Employees	● Customers/ Community ● Charity group
Talent Education	**SDG4** Quality Education **SDG8** Decent Work and Economic Growth **SDG10** Reduced Inequalities	● Focus on employee career growth and plan a clear functional development blueprint ● Protect human rights and create a good environment.	● PharmaEngine ● Employees	

Key Issues Matrix



Identification and Communication of Stakeholders

The Company's Stakeholders include Shareholders (Investors), Employees, In-license or Out-license partners, Customers, Suppliers & CRO, Charity groups, Communities, Government agencies and Media.

Stakeholder	 Shareholder (Investor)	 Employee	 In-license or Out-license partner	 Customer
Material Topics	● Business Performance ● Corporate Governance ● Risk Management ● Information Disclosure and Transparency	● Talent Education ● Labor Relations ● Human Rights ● Employee Welfare Programs ● Workplace health and Safety	● Industry Co-Prosperity ● Business Performance ● Risk Management ● Legal Compliance	● Innovative R & D ● Product Quality and Safety ● Customer Rights ● Privacy Protection ● Customer Complaint
Channels for Communication	● Shareholder`s Meeting ● Investor Conference ● MOPS ● Stock Agency ● Information Disclosed Online ● To Answer the Investors by Telephone or E-Mail ● Announce Financial Statements and Annual Report Regularly	● Labor Conference ● Internal website ● Annual health check ● Employee feedback line and mailbox ● Regular fire safety propaganda in building	● By E-mail ● Regular visits ● Occasional meetings	● By telephone or E-Mail ● Regular checkup on warehousing ● Held patient meeting ● Regular participation in medical associations ● Held academic seminars ● Information disclosed online ● Regular checkup on transportation companies
2021 Important Activity	● Held institutional Investors` Conference and Road Show 4 times ● Held Shareholder`s Meeting 1 time and Board of Director Meeting 8 times	● Held Labor Council 4 times ● Promoted “Employee Leave and Travel Subsidy Program” ● More than 50 pieces of information about employee benefits and training were announced	● Held group meeting regularly	● Patient Association ● Product introduction in Medical Centers and Hospitals ● 2021 World Pancreatic Cancer Day activities

Stakeholder	Suppliers & CRO	Charity group	Community	Government agency	Media
Main issues	● Supply chain management ● Anti-corruption	● Social Engagement	● Environment Protection	● Legal compliance ● Labor relations ● Public Policy Engagement	● Business performance ● Legal compliance
Channels for Communication	● By telephone or E-Mail ● Unscheduled manufacture site meeting ● Unscheduled supplier visit and audit	● Unscheduled charity events ● ESG Report ● Massage regularly for the visually impaired	● Building Management Center ● Participating in fire drills	● Compliance the formulation of related specifications ● Competent authority meetings and seminars ● Advocacy of decrees and the promotion of related system	● Press release ● Spokesman system ● Information disclosed online ● Investor relations department
2021 Important Activity	● visit and audit once ● Audited by email ● On-line meeting	● Visually impaired message ● Volunteer activity of " Do One Thing for Tamsui River " ● Held ESG campaign twice ● A total of 24 employees participated in public welfare activities, and the service hours totaled 192 hours in 2021	● Participated fire drill once	● Contact the authority by telephone or E-mail	● Material information and press release were issued 35 times

Responses and responsibilities to stakeholders

In the sustainable development of the enterprises, we must constantly communicate with interested parties to understand the needs of stakeholders as the reference of the company policy and plan development. The company should always listen to the opinion feedbacks of the stakeholders as a follow-up to improve the subject during the policy and plan implementation process.

The Company also presented and communicated on its “communication with stakeholders” during the Board of Directors meeting on November 1, 2021. It covered the purpose of communicating with stakeholders, the engagement procedure of major topics, major issues concerning stakeholders, identification of and communication with stakeholders, exchange with stakeholders, and reflections upon and improvements of communication with stakeholders, etc.

Stakeholder Contact Information

Stakeholder	Contact person	Telephone	E-mail
Shareholders and Investors / Customers / News media / Government agencies	Chi-Hsing, Chang, Vice President (Spokesperson)	(02) 2515-8228	chihsing.chang@pharmaengine.com
Employees / Communities /non-profit organizations	Melody Lin, Director, Human Resources	(02) 2515-8228	melodylin@pharmaengine.com
Authorized partners	Roger Hsieh, Associate Director, Business Development	(02) 2515-8228	roger.hsieh@pharmaengine.com
Suppliers	Peter Wu, Senior Director, Marketing & Sales	(02) 2515-8228	peter.wu@pharmaengine.com
Whistleblower Hotline	Tony Hong, Associate Director, Audit	(02) 2515-8228	audit@pharmaengine.com

2- Business operation and Governance

2.1 Company Profile

The core of PharmaEngine's operation revolves around the development of new drugs, focusing on the operation strategy of Virtual Pharmaceutical Company to develop new drugs, to achieve a light asset structure, reduce the risk of new drug development, and accelerate product development and launch and then achieve a mutually beneficial and win-win situation with partners.
The core competencies of the company are new drug evaluation capabilities, negotiation of licensing introduction, formulation of new drug development strategy and execution plans, and external licensing negotiations. Through international cooperation, the R&D resources have been maximized. It has now developed into a full range of new drug R&D company. The goal is to become the most professional and innovative new drug development company in Asia.

Primary brands, products, and services

The company is mainly engaged in the development of new drugs.
ONIVYDE® has received marketing approval in more than 40 countries, including Taiwan, US, EU, Australia, Canada, South Korea, Japan, and China. In addition, the second-line small cell lung cancer phase II/III studies and the first-line pancreatic cancer phase II/III studies of ONIVYDE® are finished.
PEP07, a checkpoint kinase 1 (Chk1) inhibitor, which targets the DNA Damage Response (DDR) network, is currently in the pre-clinical stage.

Scale of reporting Organization

Name	PharmaEngine, Inc. (Stock Code： 4162)
Location of organization' s headquarters	11F, 10 Minsheng E. Road, Sec. 3, Taipei 104, Taiwan
Employees	32
No. of operational locations	1
Net sales (2021)	654,835 (Thousand NTD)
Paid-in Capital	1,465,968 (Thousand NTD)
Product	安能得®(ONIVYDE®)

(Dec. 31, 2021)

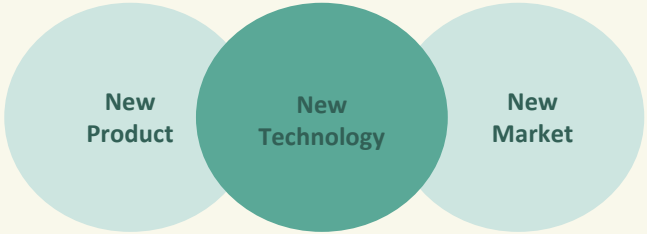
Nature of ownership

The company is established under the laws of the Republic of China and it complies with the laws and regulations of the Republic of China on corporate governance, environmental protection, labor, human rights, products, and accounting.
The main operating activities are concentrated in Taiwan, but have been extended to Europe, the Americas, and Asia through preclinical or clinical trials of new drug development.

Markets served

New drug development project	Sales (Provide) region	Customer and beneficiary type
安能得® (ONIVYDE®)	Authorized the right to develop and sell ONIVYDE® product in Asia (excluding Taiwan) and European region to Ipsen S.A.). Sales in Taiwan will be handled by the Company	ONIVYDE® is a novel, stable encapsulated form of the marketed chemotherapy drug irinotecan in a long-circulating nanoliposome for the treatment of patients with metastatic adenocarcinoma of the pancreas who have been previously treated with gemcitabine-based therapy.
PEP07	PharmaEngine and Sentinel Oncology entered into an exclusive collaboration and license agreement for SOL-578.	PEP07 acts as a checkpoint kinase 1 inhibitor (Chk1 inhibitor) in the DDR mechanism. It could be applied in AML , MCL and metastatic solid tumor.

Note：Nowadays, the company do not happen that the Company products and services had been prohibited on their specific markets. Also none events presented and related to the main issues of stake holds questions or public discussions.



Corporate (PISTI)

People

attitude
professionalism
continuous improvement

Speed

efficiency
effectiveness
time-to-market

Integrity

ethical
honesty
trustworthy

Innovation

process
product
organization

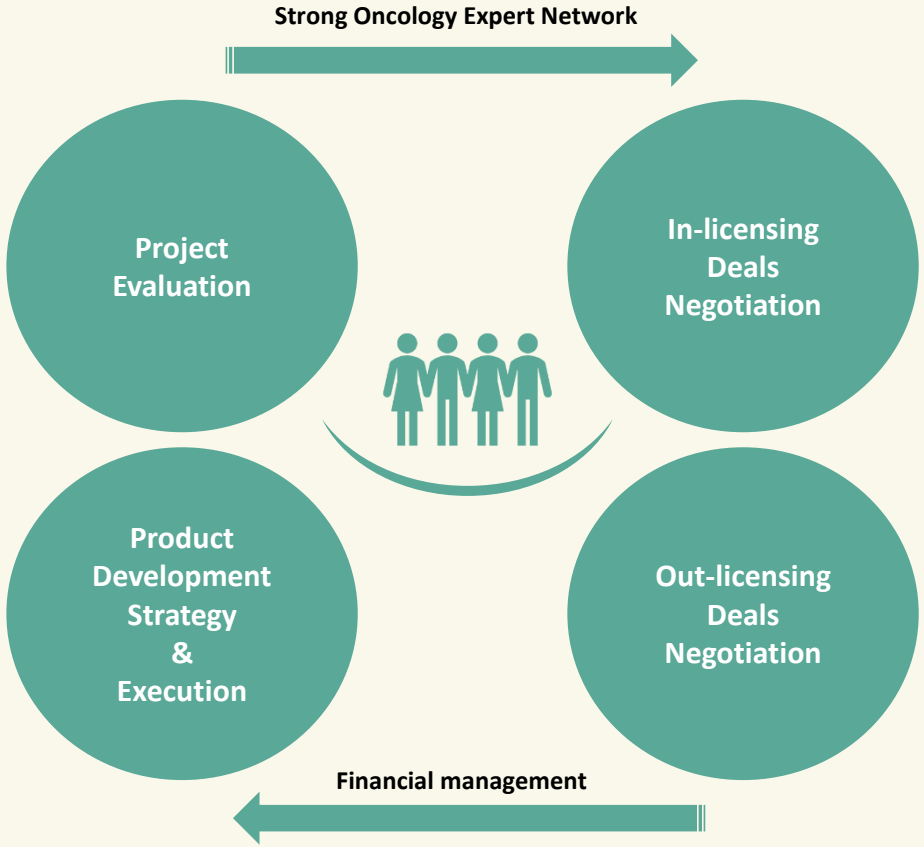
Teamwork

communication
sharing
respect

Strategy

- Focus on new drug research and development mode
- Establish a new competitive and diverse drug product line
- Establish a cohesive international R&D team
- Strengthen international cooperation in the use of global new drug development resources
- Accelerate the completion of new drug development and marketing

Core Competence



Business plan

Short-term business plan

Administration and management

- Aggressively recruiting international talents
- Integrating international resources and selecting eligible partners to establish a long term collaboration relationship for our global new drug development plan

Marketing Planning of ONIVYDE®

- Cooperate with international partner to obtain the insurance reimbursement approval in China to enlarge the market in Asia area
- Accomplish marketing and sales planning in Taiwan

Project Development

- **Project of ONIVYDE®**
  Completing the clinical studies for the expansion of product life cycle of Onivyde ®
- **Project of PEP07**
  >>Advancing preclinical studies for efficacy of PEP07
  >>Completing the clinical development plan for PEP07 project
- **R & D strategy**
  >>Aggressively in-licensing the new drug projects which meet the criteria of business strategy and core competence of PharmaEngine
  >>Accelerating the launching of new drug product by way of international collaboration

Long-term business plan

- Establish a competitive and diverse drug product line
- Continuous global layout

Financial performance

Unit： Thousand NTD

Item / Year	Operating Revenue	Operating cost (Operating Cost and Expenses)	Operating Income	Non-operating Income and Expenses	Profits before Income Tax	Profits for the Year	Basic earnings per share (EPS) (NTD)
2020	1,056,012	246,307	809,705	(57,230)	752,475	604,281	4.15
2021	654,835	292,146	362,689	182,706	545,395	426,031	2.95

Direct economic value generated and distributed

Unit： Thousand NTD

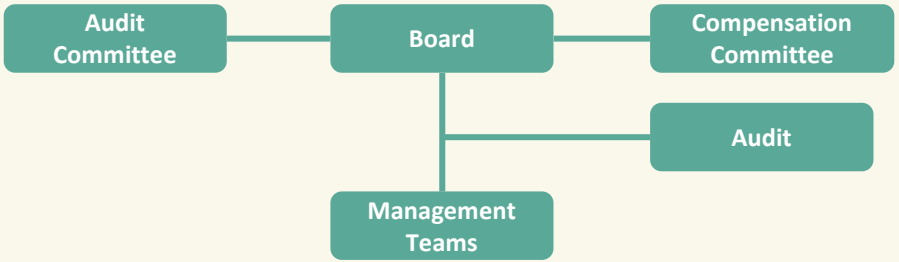
Stakeholders	Calculation of economic value	2020	2021
Shareholders	Cash Dividend	72,833	363,992
Employees	Payroll, employee stock options, labor and health insurance, pension, Director's remuneration and other employment costs	110,139	109,381
Government	Corporate income tax	99,348	200,650
Licensors and Contract Research Organization	Drug development cost	37,933	76,551

Note：in Year 2021，it is not any financial assistance received from government.

2.2 Corporate Governance

The company builds a corporate culture and sound development for integrity management and provides a reference framework for good business operations. It also handles regular businesses in accordance with the principles of the listed companies' corporate governance practices and will maintain good corporate governance concept in its daily operations. In addition to reducing the possibility of corporate financial crisis, it also protects the rights of investors and creditors and fosters long-term quality and competitiveness of good companies.

Organizational Governance Structure



The Company passed the resolution at the board meeting on May 2, 2019 on the appointment of Vice President Chi-Hsing Chang of the Corporate Development Department as the supervisor of corporate governance, responsible for related corporate governance businesses, safeguarding shareholders' interests and strengthening the functions of the Board of Directors. His main duties are to provide the information required by the Directors and Independent Directors for the carrying out of business and the latest development of the laws and regulations related to the operation of the Company to assist the Directors and Independent Directors in complying with the laws and regulations, and to assist in the preparation of the meeting materials for the Board of Directors, Audit Committee, Remuneration Committee and shareholders' meetings, handling the related preparation works for convening meetings, and issuing the meeting minutes, handle company registration and changes thereof, regularly review and revise various regulations related to corporate governance, and handle announcement declarations as required by the relevant regulations of listed companies and regularly report to the Board of Directors on the implementation of ESG and integrity operation, and all related operations are in accordance with the Company Act, Securities Trading Act, "Corporate Governance Best Practice Principles" and other relevant laws and regulations and in line with the spirit and requirements of corporate governance.

Implementation by the Board of Directors

At present, the Board of Directors set up nine directors, (including three independent directors). All members have working experience required for measurement science, biochemical, organic chemistry, medicine, pharmacology, biotechnology, accounting, law, corporate management and corporate governance, and are in line with the policy of diversification of board members. The board of directors has set up three independent directors who are not employed by the company or related companies and who are not operational personnel. The Board of directors convenes at least once a quarter, In 2021, the Board of Directors held eight meetings in total.

Abiding by Guidelines for Ethical Behaviors

In order to align the conduct of the company' s directors and managers with ethical standards and make the company' s stakeholders more aware of the company' s ethical standards, according to the " Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/ TPEx Listed Companies ", relevant guidelines are set to regulate directors and managers to prevent conflicts of interests, avoid opportunities for personal interests, maintain confidentiality, fair trade, protect and properly deploy company assets, and comply with decrees etc.

Avoidance of Conflict of Interest by Board Member

The directors of the company adhere to a high degree of self-discipline. For conference matters that they have an interest in their own or the legal entities they represent, and are detrimental to the interest of the company, they may state their opinions and answer to the questions, and they must not join the discussion and voting. They should avoid participating in the discussion and voting. At the same time, they should not act on the other directors to exercise their voting rights. There were no motions that incurred avoidance of interest of board member in 2021.

Director Training Arrangement

To enhance the professional knowledge of the directors and implement corporate governance, · The company introduced the management teams and the company profile to the newly Boards.
the company proactively provides information on the related professional curriculum to the directors, encourages them to participate in various professional courses, and follows the requirements of “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies”, the further educations are arranged based on the regulated hours.
In 2020, total number of training hours for all directors was 81 hours.

Board of Directors Effectiveness Evaluation

External evaluation

In November 2021, the Company entrusted the Taiwan Corporate Governance Association as an external organization to evaluate the efficiency (including performance) of the Board of Directors in 2021 (December 1,2020 to November 30, 2021). The Association not only reviewed the relevant documents provided by the Company for evaluation, but also appointed three evaluation experts to the Company for on-spot visit on Jan. 21, 2022, interviewed the Chairman, President, independent directors, the supervisor of corporate governance the supervisor of Finance & Administration and Audit and issued the performance evaluation report of the efficiency of the Board of Directors on March 8, 2022. The evaluation results have been completed and reported at the board meeting on May 2, 2019. The general comments and recommendations of the evaluation results are summarized as follows：

- It is recommended that the Company consider reducing one seat of non-independent director and increase one seat of independent director for the composition of the next Board of Directors. It is also recommended that the Company consider setting up a non-statutory functional committee.
- It is recommended that the Company formulate an integrated "Risk Management Policy and System" that is more in line with the Company's needs.
- It is recommended that the Company optimize the disclosure of corporate governance information on the website, set up a corporate governance section on the official website, and regularly review and continuously update it to facilitate the reference of shareholders and other stakeholders.

Internal Evaluation

Internal assessment results of the performance evaluation for the Board of Directors, the Compensation Committee, and the Audit Committee were reported in the Board of Directors' meeting held on March 8, 2022. Recommendations for improvement and reminders are compiled and reported as follows.

- Under the leadership of the new chairman, the current Board of Directors has smooth communication and harmonious interaction.
- The directors actively participate in the Board of Directors, implement corporate governance, and safeguard the rights and interests of shareholders.
- The newly-elected independent director has served as an independent director for about 5 months and still need to be familiar with the Company‘s business.

The operation of audit committee

In order to promote corporate governance, improve the function of audit supervision, and strengthen the management function, the company established the “Audit Committee” in June 2016. The members of the committee are served by three independent directors, and all members select an independent director to serve as the convener and chairman of the meeting. According to regulations, the meeting is held at least once a quarter. In 2020, the Audit Committee held five meetings in total.

The main purpose of the operation of the audit committee is to supervise the following

- Internal control system and related policies and procedure
- Audit Committee performance evaluation self-assessment
- Experience, independence, and performance evaluation of CPAs
- Corporate risk management and information security
- Audit of financial statements and the accounting policy and procedure
- Related party transactions by managers and directors, if any, questionnaires and possible conflicts of interest
- Regulation Compliance
- Delegation, dismissal, or rewards of CPAs
- Fulfillment of responsibilities of Audit Committee
- Appointment and dismissal of financial supervisors

Independent director communication

- The company' s financial supervisor, internal auditor and certified accountant actually participate in the board of directors. Independent directors can contact the company' s financial supervisor, audit supervisor and certified accountant at any time, and provide advice through the board of directors and record it in the minutes of the meeting.
- The internal audit supervisor attends the Audit Committee and reports auditing business as required. If the auditor has any questions or instructions after reviewing the audit report, he will contact the audit supervisor by e-mail or make an inquiry by phone or inform him for handling the matter. Certified accountants report on quarterly meetings of audit committee on the results of the quarterly audit or review of financial statements, as well as other communications required by relevant laws and regulations.
- The members of the Audit Committee of the Company communicated well with the certified accountants. The communication channels between the internal audit supervisors and the certified accountants and the Audit Committee were smooth. The independent directors can understand the company' s operating status and auditing situation through the audit reports regularly provided by the Board of Directors and the Audit Committee and auditing units. Independent directors can communicate well with certified accountants through various reports and various channels (phone, fax, and email etc.)

The Operation of Compensation Committee

In order to implement corporate governance and improve the salary and remuneration system for directors and managers, the company has established Organizational Procedures of Salary and Compensation Committee in accordance with Article 14(6) of the Securities Exchange Act and Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the TWSE or TPEx. And on December 29, 2011, the board of directors decided to establish a Compensation Committee. In 2021, we held five meetings in total.

Main Responsibilities of Compensation Committee	● Regularly review the organization rules of the Remuneration Committee and propose recommendations on amendment. ● Establish and regularly review the policies, systems, standards and structures of salary and remuneration. ● Establish and regularly review the performance evaluation standards for directors and managers, annual and long- term performance targets. ● Regularly assess the attainment of the performance goals of the directors and managers of the Company, and determine the details and amount of individual salary and remuneration based on the evaluation results obtained from the performance evaluation standard. ● The proportion of short-term performance bonuses issued to directors and senior managers and partial changes to the payment time of salary and remuneration.

Directors' Compensation Policy

Payment policy for directors' compensation	When the directors of the company perform the duties for the company, regardless of the company' s operating profit and loss, the company has to pay the remuneration regardless of the company' s operating result. The board of directors is delegated with the authorization to decide on the remuneration based on the extent of their participation in and contribution to the company' s operations, with reference to the level of industry peers. The level of compensation is comparable to that of most companies in the same industry. In accordance with the provisions of Article 25 of the Articles of Incorporation, if the company is profitable for the year, it shall be subject to a resolution of the Board of Directors and set aside no more than 2% for the compensation of directors.	**Directors' compensation payment procedures**	The compensation for executing the business is reviewed by the Compensation Committee and submitted to the board of directors for approval. Annual earning distribution by compensation committee based on the value of each director' s participation in and contribution to the company, a proposal for earning distribution will be proposed and submitted to the board of directors for approval.

Corporate governance results

Year	Evaluation results	PharmaEngine Score	The Average score of ranking 6%~20%
2020	6%~20%	74.2	73.71
2021	6%~20%	87.5	77.11

The mechanism for employee's participation in providing suggestions to the highest management

The day-to-day operation and management of the company attaches great importance to teamwork. All members of the organization have any opinions at any time can use the company' s e-mail, conference or face-to-face meeting for coordination and communication. In case of important issues, employees can also provide advice to the highest management through formal labor-management meetings, company routine conferences, attending the board of directors for reporting, and performance appraisal interviews.

Maintain shareholders' equity

In order to protect shareholders' equity, ensure the proceedings and increase information transparency and timeliness of disclosure, the company follows the spirit of corporate governance, including：implementation of electronic balloting system, shareholders voting on case-by-case, uploading relevant documents to Market Observation Post System within a specified time, providing shareholders with diversified voting channels to fully exercise their rights and specifically improve the effectiveness of corporate governance.

★For each year, the company uses its resources and reference benchmarking corporate practices as the basis for improvement in the next year

The Major Suggestions

Item	Major suggestions	Improvement
1	Has the Company set up a non-statutory functional committee with at least three members, more than half of the members are independent directors, and at least one member has the professional competence required by the committee, and discloses its composition, responsibilities and operations?	To be improved
2	Does the Company release material information in English at the same time?	Improved in 2022
3	Has the Company published the annual financial reports within two months after the end of the fiscal year?	To be improved by 2024
4	Does the Company upload the English version of the annual financial report to MOPS 7 days prior to the annual shareholders' meeting?	Improved in 2022
5	Does the Company disclose the interim financial report in English within two months after the filing deadline for the Chinese version of the interim financial report?	Improved in 2022
6	Has the Company's financial report been approved by the Board of Directors or submitted to the Board of Directors 7 days before the deadline, and the financial report will be announced within 1 day after the approval date or the submission date?	To be improved
7	Has the corporate social responsibility report prepared by the Company obtained third-party verification?	To be improved

2.3 Ethical Corporate Management and Ethical Code

In order to prevent the risk of corruption and bribery, the company has established “Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" as a code of conduct for directors, independent directors, senior managers and all practitioners.

Compliance

The company complies with all statutes and regulations, and does not commit any bribery, does not make political donations and political lobbying, does not do unfair competition, acts of antitrust and monopoly to avoid illegal activities.

★In 2021, the company did not have been fined for violating the laws and any punishment record.

Educational training related to ethical corporate management

Advocacy and education of all employees is carried out by the HR, to organize educational training related to ethical business management. In 2021, 168 persons cumulatively received 465 hours of educational training related to ethical business management issues (including courses for legal compliance for ethical business management, drug safety and health management and inspections, accounting system and internal control etc.).

The precautionary measures cover

- Bribe and bribery
- Provide illegal political contributions
- Inappropriate charitable donations or sponsorships
- Provide or accept unreasonable gifts, hospitality or other improper benefits
- Infringement of business secrets, trademarks, patents, copyrights and other intellectual property rights.
- Engage in unfair competition.
- Products and services to directly or indirectly damage the rights, health and safety of consumers or other stakeholders when they are developed, procurement, manufacturing, providing or selling.

The Company shall specify the precautions regulations for actual controller when conducting business

- Provide or accept the criteria for determination of improper benefits
- Provide processing procedures of legal political contributions
- Provide processing procedures, amount donated standards of appropriate charitable donations or sponsorships
- Regulations for avoiding the conflict between benefits and duties related, and its declaration and processing procedures
- Regulations for confidential and sensitive information obtained through business.
- Regulations and processing procedures for suppliers, customers and business transactions involving misconduct actions
- Processing procedures for identifying the violation of the ethical corporate management policies
- Disciplinary punishment against violators

2.4 Anti-Corruption Policy

The Company understands that the risk of greed exists to some extent, and it may also affect the company' s business integrity. Therefore, any greed, bribery and extortion are strictly prohibited.

Bribery Risk Analysis

Department	Bribery risk analysis		
	High risk	Medium risk	Low risk
President & CEO Office		●	
Audit			●
Clinical & Regulatory Affairs		●	
Research & Development		●	
Corporate Development		●	
Marketing & Sales	●		
Finance & Administration		●	

Actions taken for Corruption and Bribery

When the company' s auditors perform internal audit works, they will perform professional duties to prevent frauds thorough investigation. They maintain a vigilant attitude towards possible frauds, errors, omissions, waste, and conflict of interests. Any serious illegality or violation of regulations is considered and precautions are taken. If there is any suspected or detected fraudulent situation, it will promptly notify the appropriate supervisor to investigate and deal with it; for related corporate governance systems, internal control systems and management practices that are more likely to have risks of corruption and bribery, they are included in annual audits. The project will focus on auditing items, and based on the annual audit plan formulated by the risk assessment management operation, the focus and frequency of audits for routine checks will be improved with reference to the past findings of various units.

If there are any unlawful cases where complaints are filed, the auditors will, after careful review, report to the appropriate supervisors and the Board of Directors. The Company have done a good job of preventing the relevant fraud or corruption risk.

★Since the establishment of the company, there have been no incidents of corruption or bribery. If any unlawful incident occurs, the facts will be immediately ascertained, and the relevant employees involved in the investigation will be dealt with according to law.

2.5 Risk Assessment and Crisis Management

The company combines corporate operation management and risk management and follows the regulations of the competent authority and the company' s operating strategy to formulate risk management measures.

New drug development risk management

The company' s R&D risk management projects include evaluation and introduction of new projects, implementation of project management, quality management, process development control, pharmacology and toxicology research management, clinical research management, regulatory inspection and registration management, project results management, new product development and document maintenance and preservation operations.

Risk Identification

Risk Item	Potential risks	Probability of occurrence	Degree of impact
Drug research	The timeliness, stringency and innovation of the R&D process do not meet the requirements for drug approval in various countries.	Medium	High
Accidents/ disasters	Earthquake/ Fire / Flood / Blackout	Low	High
Information Security	System Error	Medium	Medium
	Leakage of confidential information	Low	High
	Information system hacked	Medium	High
Legal Compliance	Infringement of the intellectual property rights of others, doubts about the safety of listed drugs	Medium	High
Tax/Finance	Huge changes in interest rates and exchange rates	Medium	Medium
Personnel	Talent loss / Poor health of employees/ occupational disasters	Low	Medium
Business management	Poor corporate image	Low	High
Political society	Great changes in government regulations and economic crisis	Low	High
Business	supply medicines unstably,/improper management of outsourced suppliers/Counterfeit Drugs	Low	High

Risk management responsibility

Department	Risk management responsibility
President & CEO Office	Responsible for leading company' s operating and business directions, through internal control and budget system planning with business performance audit, while participate in R&D planning and consultation. Its risk management responsibilities are mainly business decision-making risk, IP risk and product quality risk.
Audit	In charge of internal auditing process of the group. Its risk management responsibilities are mainly internal control and internal audit related risk management.
Clinical & Regulatory Affairs	Clinical Development： Responsible for planning and implementing of clinical trials, includes trial proposal preparation and submission, the selection of test center and the host, the selection of CRO, trials followed by ICH-GCP guidance, progress reports, test drug adverse reaction reports, statistical analysis reports and test reports, etc. Regulatory Affairs： Assist new project assessment and submission in regards to regulation requirements, responsible for product inspection and registration, and establish a good relationship with pharmacological organizations. Its risk management responsibilities are mainly the clinical trials and product inspection and registration risk management of R&D projects.
Corporate Development	Responsible for the planning and recommendation of the Company' s operation and development, the evaluation and introduction of the project, the planning and implementation of the external and foreign investment cases and maintain relationship among investors. Its risk management responsibilities mainly include the risk assessment of competitors in the development of new drugs, the risk assessment of newly introduced projects, and the risk assessment and management of sales markets after product launch.
Finance & Administration	Responsible for the company' s financial, accounting, administrative, general procurement, information management and maintain relationship among investors. Its risk management responsibilities are mainly related to the management of financial risk assessment and response strategy implementation, network information security and operational risk management.
Research & Development	Responsible for the relevancy of preclinical, the evaluation of the new project and manufacture, also project's overall planning and execution controlling. Its risk management responsibilities are mainly for preclinical animal pharmacology, toxicology and pharmacokinetics test related research, external R&D resources management, project planning and execution, and related risk management, and also risk management of new drug R&D, manufacturing, and analysis.
Marketing & Sales	Responsible for company' s products marketing strategy and rollout. Its risk management responsibilities are mainly product-related marketing or sales and account-related risk assessment management.

Opportunity

Taiwan' s current experience in clinical trials of new drugs remains an advantage in Asian countries. In addition to the extensive experience of clinicians participating in clinical trials of new drugs, the number of patients suffering from many diseases in Taiwan is also sufficient, so there is great opportunity for attracting international cooperation. If Taiwan companies want to invest in the development of new drugs in a short period of time and step into the international market, the easiest and less risky way is to cooperate with international biotech pharmaceutical companies.

Adopting the business model of “Virtual Pharmaceutical Company”, in addition to developing new drugs with international biotech companies, allocating resources and risks to accelerate the launch of new drugs and step outside of Taiwan market, companies could work together and combine the best product lines to make risk management easier, and companies can stop lower performance projects.

The ONIVYDE®, a new anticancer drug, has received marketing approval in more than 40 countries, including Taiwan, US, EU, Australia, Canada, South Korea, Japan and China, which fully demonstrates that the company‘ s commitment to new drug development efforts have gained the recognition of domestic and foreign medical institutions, professionals in new drug development field, as well as competent authorities .
The Company implements and maintains a good corporate governance system, attaches importance to corporate ethics and integrity management principles, and is committed to improving the Company‘ s internal system and capital structure, which have positive impacts on our corporate reputation and corporate credit rating.

2.6 Cyber Security

Purpose and Scope of Cyber Security

- Target：
  employees, suppliers, customers, and operation-related information software and hardware equipment
- Scope：
  To ensure information security of the Company, related regulatory systems, applied technologies, and data security criteria are defined and included as part of the management operation system in order to protect the privacy of employees, suppliers, and customers and maintain information security during business contact.

Cyber Security Risk Management Framework

- The Cyber Security Risk Management Group is convened and formed by the Vice President of Corporate Development. The Information Technology and the Finance & Accounting are responsible for planning and respective related business units will cooperate during implementation to ensure valid information and communication security management through the Company
- The Cyber Security Risk Management Group is responsible for defining the cyber security management policy and periodically reflecting upon and modifying it.
- Meetings are held periodically to discuss the implementation and the Board of Directors is reported to periodically each year on the implementation and it is discussed accordingly.

Cyber Security Policy

- Makes sure that the Company’ s operation is continued and the information technology service provided by the Company can be steadily used.
- Ensures the confidentiality, integrity, and usability of the information assets in the custody of the Company and protects the privacy of staff data.
- Prepares the information and communication security risk assessment and operation plan and implements information and communication security operating activities meeting applicable regulatory requirements.

★In 2011, the Company did not suffer any major losses due to major cyber security incidents. Regarding cyber security risks, the Company has discussed it with external cyber security technical experts and plans to improve the Company’s information security management system by obtaining ISO 27001 certification.

Cyber Security Specific Management Solution

Type of management	Operational measure
Authority management	Staff account management
	System privilege management
Access management	Internal data access control
	Analysis of operating records
Viral threat	Anti-virus and malware detection
System maintenance	Data backup measure
	Remote backup mechanism
	Disaster drill and data recovery

Cyber Security Control Measures

- The Company has various network security equipment (such as routers, switches and firewalls, etc.) in place to control or maintain daily operation of the Company, but still cannot guarantee the company's network will not be hacked.
- The Company currently reviews and evaluates the security precautions and periodically changes security settings to ensure network security. In order to reduce the risk of confidential data leaks, the Company's individual department has identified the key processes and confidential documents of each business and adopted corresponding measure such as adequate improvement of the related processes and enhancing computer hardware and software.
- From 2021, the Company began to plan for digital transformation, cyber security management and entrusting external cyber security technical experts. It is expected to invest 4,150 thousand dollars in 2022.
- Implementation status for the promotion of cyber security awareness in 2021：
  The Company has completed the cyber risk assessment report and conducted related promotion and training for 14 hours, which was participated by at least 2 people, including managers and employees, based on the content of this report.

2.7 Customer Relations

Launched Product

Pricing strategy

Fair and Affordable Drug Prices

The ONIVYDE® in Taiwan market is a fair and reasonable price, it is based on benefits to the all people, and comprehensively considers the best commonly used drugs prices in the current market, pharmacoeconomics, market competition (same indications already on the market, or clinical trials), the cost of ONIVYDE®, the "National Health Insurance Drug Dispensing and Fee Schedule" announced by the National Health Insurance Administration, and the international market prices, which is lower than the average drug price in the top ten advanced countries listed by the National Health Insurance Administration. Afterwards, the relevant prices will be adjusted in accordance with the " Operational Procedures of National Health Insurance Drug Price Adjustment ". In 2021, the price will be reduced by 1.83%.

● The latest two years of ONIVYDE® get insurance reimbursement in Taiwan as follow：

Item	2020	2021	Difference	Difference(%)
Per vial (NTD)	26,400	25,917	(483)	(1.83%)

Marketing Ethics

Professional and in line with International Pharmaceutical Marketing Ethics Essence

The ONIVYDE® is currently the main product of the company. It has obtained the drug license issued by Taiwan TFDA and was officially launched in Taiwan in June 2016 and received health insurance benefits in August 2018. In Taiwan, as of the end of 2021, more than 2,400 pancreatic cancer patients have been treated with the drug. We strictly follow the international pharmaceutical marketing ethics standards, and the company's marketing colleagues have received internal education and training about the regulations Guide to the Ethics of Pharmaceutical Marketing.

★In 2021, the company had not been fined for violating the health and safety of products and services. There was no fine imposed for information and labeling of product and service, or for regulations related to marketing communication. And there was no complaint for infringement of customer privacy and loss of customer information.

Protect the Rights of Consumers and Medical Institutions

Drug Safety Surveillance Management

The Company conducts safety monitoring and risk control for the post-marketing drugs and formulates the "Medicament Recall Practice" and " Pharmacovigilance Standard Operating Procedures" in accordance with the " Regulations for Medicament Recall " and " Guidance for Good Pharmacovigilance Practice " issued by the central health authority (Ministry of Health and Welfare) respectively.
Its risk management is aimed at the safety of patients' medication, establishes a Pharmacovigilance notification system, and implements the control and tracking of adverse reactions after the launch of new drugs, so as to avoid serious adverse drug reactions. Reduce or avoid the risk of drug use through risk control methods, pay attention to and monitor the possible adverse reactions of drugs, provide relevant consumers and medical institutions with relevant drug information, and clearly inform the possible risks and adverse reactions that may occur during the medication process.
In the case of Serious Adverse Event, the company must notify the central health authority within 15 calendar days. For other non- Serious Adverse Event, if they are listed in the pharmacovigilance monitoring items, they should be included in the regular safety report, and then reported according to the prescribed time limit. In addition, according to the drug safety information contract signed with the authorized and cooperative partner, the company will notify the authorized and cooperative partner within the time limit.
★In 2021, there has been no recall of any drugs sold in Taiwan due to safety issues.

Counterfeit Drug is Mmanagement

- The source of the product from the original manufacturer is directly dispatched through a locked container from end to end to our contracted warehouse for an incoming check with confirming the integrity of the container through a visual check and document check to prevent counterfeiting. The handling of the supply chain and distribution to the customers is also through a GMP/GDP certified contractor which is a professional distribution service provider focusing on healthcare products.
- For each product there would be a specific Item Code assigned, and for product of each batch a specific batch number would also be given according to information from the original manufacturer. The above unique numbers will enter the SAP system for identification of tracking for every procurement order, sales and shipping document, and other associated campaigns while the SAP system is validated according to a GAMP5 or equivalent stan
- When we are aware of a potential risk of counterfeit products, we would immediately suspend the distribution of the concerning batch of the product and quarantine them in an isolated area. The related work will be completed together with the contracted vendor for domestic distribution. Meanwhile, colleagues from the vendor would also check from the SAP system which customers received the concerning batch of product to alert them hold the sales and quarantine them. When a product recall is deemed necessary, we would initiate the activities and prepare a recall plan, and related documents for recall would be submitted to the regulatory authority.

Drug Injury Relief and Complaint Channel

- The company joined the Drug Relief Foundation system, each year 0.05% of the sales of the Company in the previous year is allocated as the drug damage relief to the Drug Relief Foundation, In addition, a product liability insurance of USD 10,000,000 is insured to protect patients from damages caused by drug defects or unknown adverse reactions.
- The company has established a stakeholders area on the websiteproviding relevant contact windows and complaint hotlines, and is responsible for consumer protection policies and complaints.

Supply Chain Quality Management

The Company does not participate in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program. We have an internal procedure to regulate the evaluation of and collaboration with the entities involved in the supply chain of a commercial product. To ensure the quality of the products as well as the operations in compliance with the GMP/GDP standard, we would mutually sign a quality agreement with these critical vendors associated with the supplies of products, global shipping, warehousing, secondary packaging, and domestic shipping to our clients, and we would also create an approved vendors list accordingly. On the other hand, a regular audit would also be carried out for each vendor to ensure the quality status.
★In 2021, the Company audited 2 CROs and 2 distributors.

Clinical Trial Drug

Protecting subjects in clinical trials to ensure their rights, safety and well-being	Quality policy	Notification for Adverse Drug Reaction on Clinical Trial	Checkpoints for Clinical Trial Execution
The company conducts clinical trials in accordance with the "Guidelines for Good Clinical Practice (GCP)" of ICH and upholds the ethical principles of medical research in the Declaration of Helsinki to ensure the rights, safety and well-being of subjects. We set up monitoring and auditing mechanisms at each stage For each participant who participates in human clinical trials, they will be fully informed and protected. In addition, the company provides relevant insurance for the clinical trials. If there is any physical harm due to participation in the trial, there will be clinical trial insurance to compensate the subject for damage.	The company upholds the spirit of innovation, manages new drug research and development projects, adheres to quality and focuses on total quality management. The company also complies with GMP,GDP, GLP, GCP and international regulations, and achieves new drug development research that meets the goals of safety, effectiveness, and consistent quality to enhance The development level of new drugs, promote the development of medicine and continuously improve the quality of medicines.	For the company' s clinical trials, if there is any serious adverse reactions caused to the subjects due to the drugs, regardless of the location in Taiwan or other regions, the company will notify Ministry of Health and Welfare or Taiwan National Adverse Drug Reaction Reporting System of Taiwan Drug Relief Foundation in accordance with the regulations.	For example, a Safety Monitoring Board, SAB or an Independent data Monitoring Committee, IDMC is set up in the trial to review the trial data and confirm the safety of patients before deciding whether to continue the trial.

★The company only conduct human clinical trials in Taiwan in 2021. There are no cases of clinical trials discontinued with CRO due to GCP violations.

2.8 Investor Relations

Shareholders' equities are valued by the company. The company has a full-time service team including spokespersons and stock registrar to ensure smooth communication with investors and quarterly views of investors to be consolidated into reports for the Board of Directors. The Company regularly reports to shareholders through annual shareholders' meeting on the business results, annual business plans, future development strategies and impact on industrial environment, and actively responds to shareholders' suggestions. Up to now, the relationship with shareholders is good and there is no dispute.

The disclosure of information is also an important part of investor services. In recent years, the company has invested a large amount of resources to meet the principles of completeness, promptness, fairness and transparency of information disclosure. In addition to the timely disclosure of relevant information at the “Market Observation Post System", we also set up an "Investor Zone" on the company' s website to provide relevant information and material information about the company' s governance to ensure transparency of information, thereby enhancing corporate image and safeguarding shareholders' equities.

★In 2021, the Company participated 4 times in investor conference organized by local and foreign securities and posted 35 messages on the MOPS . In such conferences and press releases , the Company reports the latest company operations, financial business status, and R&D progress to domestic and foreign institutional investors, so that the company information can be delivered more transparently, promptly and correctly to the public investors.

3- Happy and Friendly Workplace

3.1 Human Resources Overview

The company seeks sustainable development and growth of the company. Since its establishment, it has adopted humane management and has given full respect and attention to its colleagues. It has provided group insurance, regular health checks for employees, employees' on-the-job training, employees' study abroad, and rewarded senior employees and well-performed employees, etc. It also formulated a complete welfare practices, implements various welfare measures, and strengthens the overall care of employees and provides a happy, high-quality work environment.

Item		Total Number of Employees (person)				No.of Employees_ Beginning	No.of Employees_ New Recruitment	New Recruitment %	Staff Turnover	Staff Turnover %
		Managerial Officers	R&D Employees	Other employees	Total					
Male	2020	5	6	6	17	17	3	17.65	3	17.65
	2021	4	8	5	17	17	4	23.53	4	23.53
Female	2020	0	6	8	14	12	3	21.43	1	7.14
	2021	1	4	10	15	14	2	13.33	1	6.67

Item		No.of Employees_ Ending	Average Year	Average Job Tenure	Education level(%)				
					PhD	Master	College or equivalent	Senior high School	High school and less
Male	2020	17	48.98	8.36	2	7	7	0	1
	2021	17	47.54	9.08	4	7	5	0	1
Female	2020	14	41.46	5.32	1	5	8	0	0
	2021	15	41.55	4.85	1	5	8	0	0

Note 1： All employees are full time and workplaces are in Taiwan.
Note 2： All employees are employees of this nationality.
Note 3： The company has not yet established a labor union organization, so the group agreement is not applicable.
Note 4： Where the Company laid off a labor or voluntarily resigned by indefinite contract labor is ,10 days ago, 20 days ago and 30 days ago according to the working years of the labor, of advance notice according to the provisions of Article 16, paragraph 1 of the Labor Standards Act. In 2021, the Company has no laid off employees.

Talent Retention

In order to meet the global operation strategy and continuous new drug research and development, the company goes deeper into various professional fields to recruit biomedical and R&D talents, actively recruits pharmacy, clinical and global management talents. The talent recruitment adheres to the spirit of non-discrimination ,fair treatment, through diverse and open recruitment channels, and the criteria are work ability, core functions.

In 2021, the retention rate of high-level managers was 60% , the retention rate of R & D employees was 91% and the retention rate of the other employees was 86%.

The company has built a diverse workplace and employment opportunities. A female senior manager was on board in 2021.

The managers are required to conduct interviews with each departing employee to understand their reasons for leaving and room for improvement. We also provide talent retention programs to reduce staff turnover and stabilize the retention of outstanding talents.

Talent Selection, Cultivation and Reward System

Selection
Talent screening
Internal referral / recruitment
Evaluation tools

Appointment
Job Description
Induction Training

Cultivation
Knowledge sharing Session
On-the-job Training

Appraisal
Performance Appraisal
KPI System
Promotion System

Reward
Employee Compensation
Performance Bonus

3.2 Manpower Training and Development

In PharmaEngine, a full range of learning is not an empty slogan but a deep-rooted culture for the organization. The company has established “education and training procedures”. Under a well-developed education and training system, it plans out the whole series of education and training courses for the company' s organizational strategy and work needs in order to enhance the employees' ability of work.

According to the Company' s education and training procedures, each department sets a budget every year, carries out education and training during the year, strengthens the professional qualities of colleagues, and improves work efficiency and quality. Its training includes related training courses such as expatriate training, internal training and on-the-job training, and organizing the “ Reading Club” to give timely feedback on sharing experiences.

Corporate Education and Training System

Expatriate Training

Domestic training

Each department or employee prepares an annual budget for education and training. Employees can choose to participate in training courses held by domestic institutions. Those who exceed the budget limit may be subsidized by the company after the approval by the general manager on project basis.

Foreign training

In order to absorb foreign advanced professional knowledge, skills and training talents, the company will, depending on practical needs, assign personnel to participate in education and training courses organized by foreign institutions.

Internal Training

Pre-service training

The course content includes company vision and operational strategy, company operating model, company organization and function, introduction of technique, status quo of domestic and international pharmaceutical industry, clinical development research, pharmaceutical regulations, document management, R&D achievements management measures , intellectual property rights, administrative accounting process, information resources, ESG , prevent insider trading, benefits and obligations, and the main duties of each department.

Language Training

The company employs professional foreign teachers to teach in the company, and regularly arranges courses of writing and daily conversations.

Other In-House Training

We hold in-house education and training in the forms of holistic lecture and seminar based on actual needs.

On-the-Job Training

To cultivate high-level professional and managerial talents with international perspective and all-round strategic thinking. Employees who have officially worked for more than one year may voluntarily participate in relevant training courses such as medical related research institutes, MBAs or EMBAs established by domestic and foreign university research institutions (including supplementary education institutions).

The Training Curse Implemented

The Training Course Offered 2021 as Implemented

- Course Name
  Practice of drug development seminars, new drug R&D process and strategy, technology, laws and regulations, and future new approaches, risk analysis of impurities in drug elements and documentation, oral absorption of poorly soluble compounds and food impact seminar, AACR Annual Meeting, laws on international business negotiation, analysis of latest corporate governance policies and practice in the compliance of corporate governance staff, Carnegie sales class, ESG course - distance between sustainability and me, ESG course - daily practice of sustainability, prevention against insider trading & disaster prevention communication and communication on human rights, 31 in total.
- Annual education and training costs： NT$246 thousand dollars
- Total trainees： 168 people
- Total training time： 465 hours

The Training Situation Based on Employee Position and Gender Statistics in 2021

Items		Male	Female
Average training time (hour)	Managerial Officers	14.4	38.5
	R&D Employees	21.4	9.4
	Other Employees	3.3	14.4

3.3 Performance Review and Career Development

The company' s annual performance and development review is mainly aimed at supporting, encouraging, and assisting employees. Employees with outstanding performance can be affirmed with salary increase or promotion. The company further communicates with employees who perform poorly to enable them to understand and coach them to improve their work efficiency, so that all employees can adapt to their capabilities, give full play to their strengths, successfully complete the company' s overall goals, and achieve the win-win objective for the company and the employees. All employees of the company in 2021, participated in regular performance and development reviews.

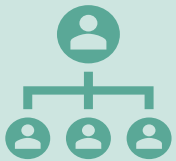
The Supervisor Evaluation

Annual Target

- The achieved annual target, accounting for 75% of the total.

Competency Adequacy

- The appraisal of competency adequacy, accounting for 25% of the total.



The employees perform their self-evaluations annually

- The annual employee self-examination includes the following seven items： performance of work results, degree of due diligence, knowledge and skills, degree of team cooperation, positive thinking, communication and coordination skills, and degree of job desire. In addition, employees with supervisor roles are charged with self-evaluation of their leadership management capabilities.
- Present post review and development
- Establishment of individual' s goal for next year

3.4 Employee Welfare Programs

Salary Policy

The salary policy of the company is based on the company' s overall salary in the market positioning, the results of industry salary surveys, the growth cycle of the industry in which the company operates, and consideration of the internal fairness of the company. The salary level of the company is based on the level of the job, the job attributes, and the difficulty of substitution to make different market salary positioning. Since the work of R&D supervisors requires a high level of professionalism and considerable work experience, the salary levels of R&D supervisors are located at P75 in the same industry, and the remaining positions are at P50. The level of salary payment is comparable to that of most enterprises in the same industry, and not varies by employees' race, religion, gender, nationality, age, or any legally warranted status, and the pays of all employees currently exceed the basic salary.

Comparison of the current standard starting salary of the minimum grades for men and women with the minimum salary in the place of operation

Unit：NTD

Title	Grade	Minimum monthly salary	Taiwan basic salary (implemented on January 1, 2021)
Specialist	3	30,000	25,250

Salary statistics of full-time employees who have not held supervisory positions

Unit： People / NT thousand

Item \ Year	2020	2021	Difference
Number of full-time employees	25	26	1
Average Salary / Year	2,348	2,034	(314)
Median salary/ Year	2,564	1,829	(735)

Note： The average salary in 2021 is lower than that in 2020, which is mainly due to the decrease in staff remuneration allocated in 2021 compared with 2020.

Retirement system

- The company has fully settled its employees 'seniority in the old system in 2014.
- Since the commencement of the Labor Pension Ordinance (hereinafter referred to as the new system) on July 1, 2005, the employees who has decided to adopt the new system or carry out the new system within the next 5 years, or new employees after the new system, the retirement pension will be calculated with the new system, that is, the provision of the pension system, the payment of its pension is categorized by scale of its monthly salary, allocated by the Company on a monthly basis with no less than 6% of the monthly salary as retirement pension, deposit at labor pension personal accounts.

Employee Reinstatement Rate and Retention Rate after the Completion of Parental leave

Item	Number of applicants for parental leave without pay in 2021	Number of employees that should reinstate from unpaid parental leave in 2021(A)	Number of employees that actually reinstated from unpaid parental leave in 2021 (B)	Reinstate-ment rate (B/A)	Number of employees that actually reinstated from unpaid parental leave in 2020 (C)	Number of employees that actually reinstated from unpaid parental leave in 2020 and has been in service for one year by the end of 2021 (D)	retention rate (D/C)
Female	1	1	1	100%	0	0	-
Male	0	0	0	-	0	0	-
Total	1	1	1	100%	0	0	-

Employees Welfare Measures

Competitive Bonus

- Annual Bonus
- Dragon Boat Festival and mid-Autumn Festival Bonus
- Employee Compensation
- Performance Bonus

Allowance

- Birthday gift
- Wedding gift
- Fertility gift
- Disease and hospitalization condolence money
- Disaster salvage subsidy
- Health inspection subsidy
- Domestic and international travel subsidy

Perfect Vacation System

- Special leave
- Family care leave
- Female physical leave
- Birth delivery (production) leave
- maternity leave
- paternity leave

Complete Insurance Plan

- Labor insurance
- Health insurance
- Group insurance

Diverse Employee Activities

- Birthday Party
- Domestic and international travel
- family day
- Year beginning party
- Reading Club
- Badminton group
- Relieving massage

▼World Pancreatic Cancer Day

▲Company Trip in Alishan, 2021

3.5 Friendly Working Environment

The company organizes employee safety and health education training from time to time to avoid accidents caused by ignorance. In addition, the company also strengthened related workplace environmental safety management, environmental sanitation maintenance, fire safety management, and employee health management to safeguard employees' personal safety.

Workplace Safety Management

- Stipulate "Employee regulation", specify safety management items for employees to follow.
- Implementation of access control, employees or visitors are required to swipe access card or validate.
- General health checkup allowance for every employees every two years.

Environmental Cleaning

- Office cleaning task：Twice every week
- Building disinfection task：Every odd month
- Disinfect the internal public areas of the building with alcohol at regular and fixed times every day
- Building rodent control inspection Every even month
- Drinking water inspection：Once every month
- Air conditioning filter replacement：Once every 3 months

Safe Working Environment

- The building where the company is located is completely set up in accordance with laws and regulations.
- The building where the Company is located entrusts a qualified fire engineering company to conduct annual fire safety equipment testing.
- The building where the Company is located is regularly disinfected and office cleaning are carried out and randomly carry out fire drill rehearsal, such as proper way of using fire extinguishers and fire hose and hire professionals to give lessons on CPR and AED.
- The Company gave 19 people a training course for disaster prevention, including fire and earthquake in 2021.

★In 2021, the Company has not experienced any occupational injury, occupational disease or fatal accident among its employees.
★In 2021, the company did not have duties with staff engaged in high risk or high incidence of specific disease.

3.6 Human Rights Protection

Human Rights Policy

The Company set its “human rights policy” and disclosed it on the corporate website in 2021 in compliance with the spirit of the International Human Rights Instruments and based on the characteristics in the biotech sector and follows international human rights treaties, such as the “Universal Declaration of Human Rights”, “United Nations Global Compact”, and “International Labor Organization Convention” as well as applicable requirements under the “Labor Standards Act” of Taiwan, which covers compliance with labor laws and regulations, the freedom of association, creation of an equal and friendly workplace, reasonable utilization of working hours, creation of a healthy and safe workplace, harmonious labor-management communication, and privacy protection. The Company also has the Attendance Management Regulations and Sexual Harassment Prevention and Control Measures as well as the Complaint-filing and Discipline Management Regulations, among other related management regulations, in place. The Company communicated on its human rights policy in 2021, which was attended by a headcount of 20 people in total.

★In 2021, the company did not file complaints related to human rights through formal mechanisms。

Labor Relations

The company but set up a labor meeting, which was held at least once every quarter. The topics of the meeting include labor welfare, safety and health, labor health, and agreement between labor and employer. The participating members include two representatives from the employee side and two from the employer side. The labor share of the labor meeting is one-half.

The Welfare Committees and the Director of Human Resources are also invited to attend the meeting.

Any new or revised measures of the company concerning labor relations have been finalized after the two parties have fully communicated and reached the agreement. Therefore, there is no dispute and the relationship between the employer and employees is harmonious.

Workplace Sexual Harassment Prevention

The company set its ”Harassment Prevention and Control Measures, Complaint and Punishment Management Measures "and has established a sexual harassment complaint channel to protect the complainant's information and protect the rights and interests of the complaining colleagues.

★In 2021, The Company did not file complaint related to sexual harassment.

4- Build a Green Life

The greenhouse effect has caused global warming, and the issue of environmental protection has received considerable attention year after year. The company is working hard to reduce energy consumption and prevent pollution on the subject of energy conservation and environmental protection.

4.1 Energy Consumption

The Company`s main energy consumption consists of the following areas：

Energy Consumption for Drug Development (indirect)

- the energy consumption needed to develop the new drug itself, including the energy consumption for infrastructure of the drug manufacturing.
- the energy consumption for relevant preclinical trials, animal experiments and human clinical trials during the new drug test process.

Energy Consumption of Logistics Operations (indirect)

It is mainly the energy consumption of transporting medicines via various ways, such as aviation, railways, highways, etc., as well as storage, custody, loading and unloading, and handling during the transportation.

Energy Consumption of Corporate Internal Operating Processes (indirect)

It is mainly the consumption of water (municipal water supply), electricity, paper, and personnel travel. These energy consumption are related to daily management, information and operation.

Staff Commuter Transport (indirect)

More than half of the employees commute to work by means of public transportation or riding a bicycle.

4.2 Green Operation

The Operation Water, Electricity and Waste

The main source of pollution in the company's operations is general domestic wastewater discharge and waste. In terms of the discharge of general domestic wastewater, there is no recycling and reuse. Instead, the domestic wastewater is discharged into the sewage sewers in Taipei City, and then discharged into the sewage treatment plant. Based on the data provided by the Taipei Water Department, the Company calculated the amount of water used over the past three years (2019,2020-2021); it was 859, 990.91 and 841.21 metric tons, respectively; and the amount of water consumed per capita was 29.62, 31.96 and 26.28 metric tons, respectively. Accordingly, the corporate water reduction policy was defined. Through continued involvement in the “Do One Thing for Tamshi River "campaign, colleagues are given the idea about environmental protection in the conservation of water; an annual reduction of at least 0.5% of water consumed is set to be the per-capita goal.

The Company calculated the amount of electricity used over the past three years (2019,2020-2021); it was 62,682, 62,180 and 57,705 cubic meters, respectively; Since 2021, the Company starts to record its total weight of waste. The total weight of the waste items is 136kg. It can be verified that the total weight of waste is not a major topic for the Company. But the Company still set the target of reducing its total weight of waste by at least 2% each year.

The Domestic Waste

Recyclable

- Flatten categories (newspapers, photocopying papers, magazines, etc.) and stereoscopic categories (all types of bottles, glass, iron, aluminum, etc.) are centralized by the building and commissioned to recycling companies for handling.
- Wastes with reuse value of resource, such as scrapped computer equipment, are collected and sent to the recycling companies for disposal or commissioned to public welfare units to be donated to vulnerable groups.
- Kitchen wastes are centralized by the building and commissioned to recycling companies for handling.

Non-recyclable

- The general household wastes are centralized by the building and transported for disposal.

Water, Electricity and Waste Statistics

Unit： cubic meters/KWH/KG

Item \ Year	2019	2020	2021
Water Consumption	859	991	841
Electricity Consumption	62,682	62,180	57,705
Total Weight of Waste	-	-	136

★In 2021 the company was not penalized by environmental agencies or involved in pollution disputes due to environmental pollution.

Greenhouse Gas

Due to the specific operational characteristics of the Company, the Company currently has office only and no production sites or laboratories. The only direct energy emission is a company car which emission of carbon monoxide was 2.8MT. The goal of direct energy emission is to reduce per capita carbon dioxide emission by more than 5% per year.

The indirect energy emissions, such as imported electricity, air conditioning and other indirect energy emission. Based on the Energy Bureau of the Ministry of Economic Affairs and the Taipei Water Supply Business data provided, over the past three years (2019-2021), the Company's total emissions of carbon monoxide were 33.47 MT, 31.71 MT and 29.02MT, average per person is1.15MT, 1.02 MT and 0.91MT, and by using these data to implement the Company energy-saving strategy and reduction of greenhouse gas strategy , such as air conditioning system are controlled centrally by the building, switch on during office hour and switch off after office hour. Partial lighting will be switch off during noon break and completely off after office hour. In addition, use multi-function printers with energy label.

The company counts greenhouse gas emissions in the past two years and formulates greenhouse gas emission reduction policies, in which the goal is to reduce per capita carbon dioxide emissions by more than 5% per year. The per capita carbon dioxide emissions in 2021 were 0.91 MT. Compared with the previous year, the per capita carbon dioxide emissions decreased by 10.8% and the greenhouse gas emission reduction target has been achieved.

★The company is located in Taipei City, which is not an ecological reserve or habitat and has no factory. It will not affect the ecology of conserved animals, and does not violate the environmental protection laws and major leakages. There is no hazardous waste output as defined by the Basel Convention.

Emissions of Carbon Monoxide

Item \ Year	2019	2020	2021
Total Emissions of Carbon Monoxide	33.47 MT	31.71MT	29.02MT
Average per Person	1.15 MT	1.02MT	0.91MT

4.3 Climate Change Strategy and Action

Climate Management Results and Goals

TCFD Core Elements	Climate Management Key Results	Development Goals
Governance	The Boards is the responsible unit for risk ,opportunity, decisions and supervising for climate change issues, and Sustainability Promotion Group is responsible for drafting strategies, evaluating, supervising and implementing climate-related issues and matters, and reporting to the Boards at least once a year.	● Continue to improve management teams knowledge about the related issues or initiatives on low-carbon drugs, science and global climate. ● The management teams strengthen the supervision of the company‘s continuous low-carbon implementation plans.
Strategy	The Company is committed to the new drugs research and green supply chains combined with AI, driving the environmental awareness of the biotechnology industry and achieve the goal of effectively reducing greenhouse gas emissions.	● Continue to promote low-carbon drugs and services ● To list net zero emissions as a long-term development goal
Risk Management	The Sustainability Promotion Group convenes sessions to identify risks and opportunities related to climate change, and establishes plans for major risks and opportunities to trace progress and results and achieve environmental goals	● Strengthen the negotiation mechanism with customers to improve the company’s influence.
Metrics and Targets	● To set and achieve carbon reduction targets ● The proportion of green materials in the company's products ● To establish a new experimental model for energy saving and carbon reduction and provide lower carbon drugs to the public	● To set the company‘s greenhouse gas reduction target, and regularly disclose the results. ● According to the strategic, gradually improve the existing experimental design, establish low carbon experimental model.

The current and future potential risks and opportunities of climate change

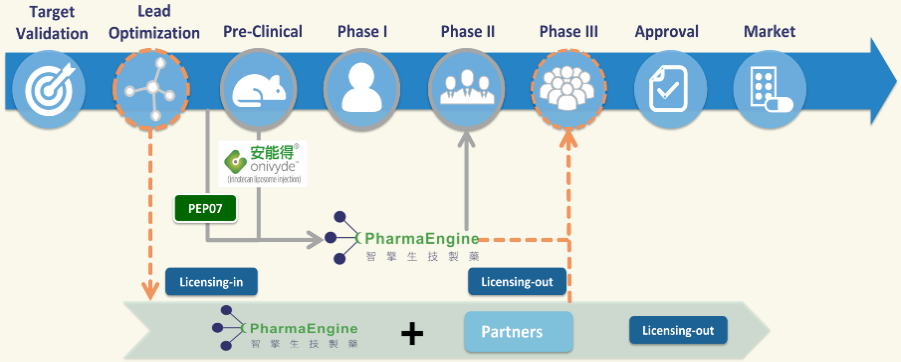
Since 2021, the Company has been identifying climate change risks, including the analysis of the direct or indirect impacts brought by extreme weather and the risks and opportunities brought by regulatory, technical, or market demand transformational impacts and other humanity, social aspects for the Company' s operational activities. Based on the analysis findings, the risk management strategy plan is created as the core of the climate change action and related opportunities are identified to mitigate risks and grab business opportunities. The evaluation results are hereby summarized as follows：

Type of Risk	Climate Change Risk Identification	Climate Change Opportunity Identification	Countermeasure
Source of Energy	Requirements for clean energy/ insufficient power supply/water shortage	● When equipment is added, we will cooperate with the government's subsidy policy, and apply for related energy- saving subsidies. ● To promote electronic management system	● Colleagues are encouraged to commute through public transportation tools or by driving electric cars or riding a bicycle. ● Promoted green consumption： Daily purchases of office supplies were based on products carrying the Green Symbol. ● Establish an electronic quality management system to ensure the operational efficiency of GxP activities at all stages. ● For purchasing self-owned offices, air conditioning, illumination, and water-saving equipment qualified for energy-saving subsidies will be purchased or solar power-generating equipment or building water recycling system will be taken into account and related subsidies will be applied with the government.
Products and Services	Low-carbon products and services	Low-carbon products and services are promoted in response to climate change	● Green packaging materials are introduced to products of the Company. ● Establish a new experimental model for energy saving and provide medicines with lower carbon drugs to the public.
	Find new business opportunities	The international society continues to value environmental protection awareness and the care for lives on earth.	● AI is applied to the research and development of new drugs in order to find their targets relatively precisely and reduce unnecessary animal experiments. ● To reduce unnecessary animal experiments and to take the initiative to implement the 3R spirit for experimental animals.

4.4 Supplier Management

The Value Chain of New Drug Development

New drug development business of PharmaEngine is concentrate on new drugs development that has market projections, by using Virtual Pharmaceutical Company Business Model on new drugs development, conducting preclinical trials, phase one, phase two and human clinical trials in phase three, lowering the cost of early period R&D and shorten the development timing, to connect the exploration stage of drug development till the completion of the product inspection and registration. Through numerous preclinical trials to explore the value of the new drugs and followed strictly to US FDA/European Union EMA standards throughout clinical trials from phase one to phase three, acquired certification of each countries and carry out product manufacturing, marketing and external licensing. New drugs development relevant chart of PharmaEngine Inc. as following：



Supplier relations

At present, the company' s general procurement suppliers are Ipsen and CRO (Contract Research Organization). In addition to the annual evaluation of major suppliers' quality, process, and service attitudes, the company's procurement unit also strengthens the management of delivery suppliers for key manufacturers. It also requires that procurement units and suppliers to maintain sound communication. When the company conducts supplier evaluations, we adopt fair and rigorous principles to check the services and quality provided by suppliers and require suppliers to comply with domestic environmental protection laws and labor safety and health regulations.

We are in accordance with internationally recognized guidelines to safeguard labor human rights and cooperate with suppliers that also comply with this principle. At the same time, in order to respond to and mitigate global warming, we expect to work with suppliers to reduce the energy consumption of related products or services. In the process of using and disposing of wastes, we will reduce energy consumption and carbon emissions to reduce environmental impacts, and work together to enhance corporate image and fulfill corporate social responsibility.

Renting or outsourcing business and entities that have a significant impact on the organization

- Renting ：The company currently rents offices in Taipei City and the leases expenses are in line with the general market condition.
- Outsourcing business：The company's sales of Onivyde® in the Taiwan market are produced by Ipsen. The preclinical trials and some clinical trials of the ongoing projects are entrusted to CRO companies to execute.

★ In 2021, there is no major changes to the organization and its supply chain.

5- Care for and be a Friend to Society

5.1 Social Service Activities

Health Education Seminars Held in Collaboration with Medical Institutions

The Company has organized many health education seminars in collaboration with medical institutions in Taiwan over the years.
The Company provides the correct treatment concepts and the latest treatment trends through information disseminated by professional personnel and health education by medical personnel, so that patients, their families, and the public can establish a deeper understanding of pancreatic cancer. Besides, the Company also offers a platform for mutual support, encouragement, and exchange of experience, so as to encourage patients to actively undergo treatment and never give up! PharmaEngine accompanies pancreatic cancer patients throughout their journey to fight cancer.

▲Health education seminar in Dec. 2020

▲Health education seminar in March 2021

Environment Action-
Do One Thing for the Tamsui River

In order to implement the United Nations SDG 14 "Life below Water" goal of reducing various marine pollution. PharmaEngine actively responded to the "Do One Thing for Tamsui River" a water conservation initiative hosted by Commonwealth Magazine in 2021. The CEO sent a letter to the company's colleagues on September 24, encouraging colleagues to actively participate in the public governance of the Tamshui River system. On September 29th, the "Tamshui River Cultural and History Tour" was held. By taking a ferry and walking, the professional guiders were explained the ecology of the river and the landscape changes of Guandu Nature Park, so that our colleagues could awareness of environmental protection, and learned how to protect the earth and participate in the public governance of Tamsui river systems in daily life.

PharmaEngine also plans to showing our colleagues a film "Confessions of a River Creature" on October 27, and hold a "Tamshui River Cultural and History Tour Photography Competition" , expected to incorporate the company's sustainable development concept in the daily behavior of all employees .

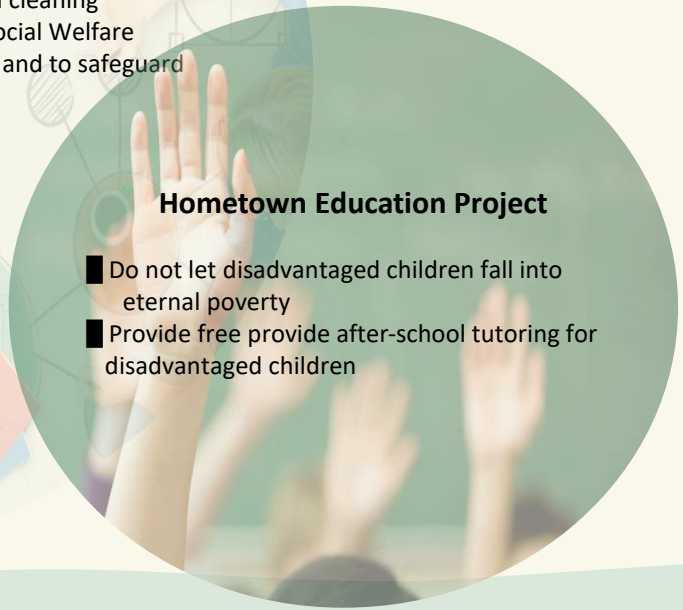
It also encourages all employees to fulfill our obligations as global citizens, and implement the following five major environmental protection commitments to protect the Tamshui River environment, along with the mission of the sustainable development for Taiwan's ecology.

1. **Take pictures of the Tamsui river and care about the health of the river.**
2. **Supervision to ensure no illegal dumping.**
3. **Green purchase**
4. **Inspire employees to actively participate in the public governance of the Tamsui River system and commitment to the river system.**
5. **Propose a creative action of the Company to do one thing for Tamsui river.**

Donated hand wash gift sets to Boyo Social Welfare Foundation

The Bo Young Social Welfare Foundation was established in 2002 to provide after-school tutoring for disadvantaged children, so that children in remote areas have sufficient learning resources and opportunities to enhance their future competitiveness.
Due to the COVID-19 pandemic in 2021, epidemic prevention resources became very important, and the Company has donated cleaning products including hand wash and soap to help Boyo Social Welfare Foundation in preventing viral and bacterial infections, and to safeguard health!

- Education in remote villages takes root and cultivates local strength.
- Continue to support disadvantaged children to get out of poverty on their own
- Let the people have a good competitiveness



Hometown Education Project

- Do not let disadvantaged children fall into eternal poverty
- Provide free provide after-school tutoring for disadvantaged children

Social participation activities over the years

Year	Activity
2011	CSR Report, Street Invoice Raising - Hope Foundation for Cancer Care
2012	CSR Report, 2012 Clean Up The World - Clean the Earth and and Protect Taiwan's Environment
2013	CSR Report, Jinshan Guoshengpu Beach - Clean up the Beach Activity
2014	CSR Report, Support for Visually Impaired Care Foundation, Farmland Consolidation and Habitat Maintenance, by Sankeng Friendly Farming
2015	CSR Report, Support for Visually Impaired Care Foundation, engaged in coastal cleanup activity "North Coast and Guanyinshan National Scenic Area - Linshanb
2016	CSR Report, Support for Visually Impaired Care Foundation, Street Invoice Raising - Sunshine Social Welfare Foundation
2017	CSR Report, Support for Visually Impaired Care Foundation, Supply Donation and Volunteer Service - China Andrew Charity Association
2018	CSR Report, Support for Visually Impaired Care Foundation, coastal cleanup activity in Jinshuiao, Keelung
2019	CSR Report, Support for Visually Impaired Care Foundation, the volunteer activities of the Genesis Social Welfare Foundation.
2020	ESG Report, Support for Visually Impaired Care Foundation, the supplies raising and food box packaging activities of the China Andrew Charity Association
2021	ESG Report, Support for Visually Impaired Care Foundation, participated in the “ Do One Thing for the Tamsui River”, initiative hosted by the Commonwealth Magazine

▲2019&2020 volunteer activities

5.2 Participation of Public Associations and External Initiatives

Participation of Public Association

Taiwan	● Taiwan Clinical Research Association (TCRA)： The company is a member and a member of the Supervisory Board. Apart from regularly participating in the monthly meetings organized by the Association, it also shares its experiences with others in the Association; and implements the R&D of clinical trials of new drugs in Taiwan. At the same time it also connects with the international development for global testing. ● BioTaiwan： The Company is a member, and besides regularly attending its exhibits, forums, and training, the Company also receives the latest daily updates in the biotech industry and occasionally participates in industry seminars to jointly work toward the development of the biotech industry.
Overseas	The company has participated in the annual seminars organized by the American Society of Clinical Oncology (ASCO) and the American Society of Clinical Oncology Gastrointestinal Cancers (ASCO GI) Symposium and published its briefing and clinical trial data. By participating in these international conferences, not only the company can conduct academic exchanges with professionals and share important medical information, it can also enhance its international visibility.

External initiatives

The Company has been actively publishing clinical trial results in international medical associations or well-known journals since 2011, attracting physicians and Scholars around the world to pay attention to pancreatic cancer and small cell lung cancer., and they can continue to obtain the latest research progress of the drug.

Published in International Medical Associations or Well-Known Journals

Year	Contents
2011	● PEP02 met the primary endpoints in phase II studies in gastric cancer and pancreatic cancer; results were presented as an oral presentation at the 2011 Gastrointestinal Cancers Symposium of the American Society of Clinical Oncology (ASCO). ● Presented "Phase II study of PEP02 for patients with gemcitabine-refractory metastatic pancreatic cancer" as poster presentation at 2011 ASCO Annual Meeting.
2013	● Published studies of nanoliposomal irinotecan (PEP02, MM-398) in gastric cancer in Annals of Oncology. ● Published studies of nanoliposomal irinotecan (PEP02, MM-398) in late stage pancreatic cancer in British Journal of cancer
2014	● Global phase 3 (NAPOLI-1) full data of MM-398 (PEP02) for metastasis pancreatic cancer study was presented orally at ESMO World Congress on Gastrointestinal Cancer.
2015	● Presented expanded analyses of Phase III MM-398 NAPOLI-1 study at the 2015 ASCO GI substantiated the positive results of MM-398 in combination with 5-FU/LV. ● Published the ONIVYDE® phase III NAPOLI-1 study data in The Lancet.
2019	● PharmaEngine's partners Ipsen and Servier announced positive initial results for ONIVYDE® as a second-line treatment for phase II/III small cell lung cancer, and announced that the trial had entered phase II patient enrollment.
2021	● PharmaEngine released the data of Phase II clinical studies of ONIVYDE® combination therapy in squamous cell carcinoma of the head and neck and the esophagus that has failed prior platinum-based chemotherapy or concurrent chemoradiotherapy in 2021 ASCO symposium (2021 ASCO).
2022	● PharmaEngine released the preliminary data of Phase I clinical studies of ONIVYDE® in combination with LONSURF® in treating multiple solid tumors in ASCO-GI 2022.

5.3 Industry-University Alliance

Since 2021, PharmaEngine has launched the "Share Industry-Related Experience Program" for senior students in pharmaceutical-related University in Taiwan. The Program includes Overview of the drug development, Preclinical development, Chemistry, Manufacturing and Controls (CMC) development, Clinical development, Marketing, Sales and Brand Management, Regulatory Essentials & Introduction of Patent Linkage, etc.,
To bring the angle of students a different perspective. The partner in 2021 is Taipei Medical University, benefiting about 60 students.
The Company looks forward to cooperating with more Universities and increase the popularity of PharmaEngine and establish a cooperation with medicine-related University.

Appendix 1 ： GRI Standards Content Index

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
GRI 102 ： 2016 General Disclosures				
Organizational profile				
102-1	Name of the organization	2.1 Company Profile	●	12
102-2	Activities, brands, products, and services	2.1 Company Profile	●	12
102-3	Location of headquarters	2.1 Company Profile	●	12
102-4	Location of operations	2.1 Company Profile	●	12
102-5	Ownership and legal form	2.1 Company Profile	●	13
102-6	Markets served	2.1 Company Profile	●	13
102-7	Scale of the organization	2.1 Company Profile	●	12
102-8	Information on employees and other workers	3.1 Human Resources Overview	●	36
102-9	Supply chain	4.4 Supplier Management	●	52
102-10	Significant changes to the organization and its supply chain	4.4 Supplier Management	●	52
102-11	Precautionary Principle or approach	2.5 Risk Assessment and Crisis Management	●	27
102-12	External initiatives	5.2 Participation of Public Associations and External Initiatives	●	57

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
102-13	Membership of associations	5.2 Participation of Public Associations and External Initiatives	●	57
Strategy				
102-14	Statement from senior decision-maker	Messages from the President &CEO	●	3
102-15	Key impacts, risks, and opportunities	2.5 Risk Assessment and Crisis Management	●	27
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	2.1 Company Profile 2.3 Ethical Corporate Management and Ethical Code	●	12 25
102-17	Mechanisms for advice and concerns about ethics	2.3 Ethical Corporate Management and Ethical Code	●	25
Governance				
102-18	Governance structure	2.2 Corporate Governance	●	18
102-19	Delegating authority	2.2 Corporate Governance	●	18
102-20	Executive-level responsibility for economic, environmental, and social topics	Messages from the President &CEO	●	3
102-21	Consulting stakeholders on economic, environmental, and social topics	1.2 The Procedure for the Negotiation of Major Themes	●	6

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
102-22	Composition of the highest governance body and its committees	2.2 Corporate Governance	●	18
102-23	Chair of the highest governance body	Please refer to 2021 Annual Report III. Corporate Governance Report P9	●	
102-24	Nominating and selecting the highest governance body	Please refer to 2021 Annual Report III. Corporate Governance Report P33	●	
102-25	Conflicts of interest	2.2 Corporate Governance	●	18
102-26	Role of highest governance body in setting purpose, values, and strategy	2.2 Corporate Governance	●	18
102-27	Collective knowledge of highest governance body	2.2 Corporate Governance	●	18
102-28	Evaluating the highest governance body's performance	2.2 Corporate Governance	●	18
102-29	Identifying and managing economic, environmental, and social Impacts	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-30	Effectiveness of risk management processes	2.5 Risk Assessment and Crisis Management	●	27
102-31	Review of economic, environmental, and social topics	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-32	Highest governance body's role in sustainability reporting	2.2 Corporate Governance	●	18
102-33	Communicating critical concerns	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-34	Nature and total number of critical concerns	1.2 The Procedure for the Negotiation of Major Themes	●	6

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
102-35	Remuneration policies	3.4 Employee Welfare Programs	●	42
102-36	Process for determining remuneration	2.2 Corporate Governance	●	18
102-37	Stakeholders' involvement in remuneration	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-38	Annual total compensation ratio	3.4 Employee Welfare Programs	●	42
102-39	Percentage increase in annual total compensation ratio	3.4 Employee Welfare Programs	●	42
Stakeholder engagement				
102-40	List of stakeholder groups	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-41	Collective bargaining agreements	3.6 Human Rights Protection	●	46
102-42	Identifying and selecting stakeholders	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-43	Approach to stakeholder engagement	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-44	Key topics and concerns raised	1.2 The Procedure for the Negotiation of Major Themes	●	6

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
Reporting practice				
102-45	Entities included in the consolidated financial statements	About the Report	●	2
102-46	Defining report content and topic Boundaries	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-47	List of material topics	1.2 The Procedure for the Negotiation of Major Themes	●	6
102-48	Restatements of information	About the Report	●	2
102-49	Changes in reporting	About the Report	●	2
102-50	Reporting period	About the Report	●	2
102-51	Date of most recent report	About the Report	●	2
102-52	Reporting cycle	About the Report	●	2
102-53	Contact point for questions regarding the report	About the Report	●	2
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	●	2
102-55	GRI content index	About the Report	●	2
102-56	External assurance	About the Report	●	2

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
GRI 103 ： 2016 MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its Boundary	1.2 The Procedure for the Negotiation of Major Themes	●	6
103-2	The management approach and its components	1.2 The Procedure for the Negotiation of Major Themes	●	6
103-3	Evaluation of the management approach	1.2 The Procedure for the Negotiation of Major Themes	●	6
GRI 201~206 ： 2016 Economic				
Economic Performance				
201-1	Direct economic value generated and distributed	2.1 Company Profile	●	12
201-2	Financial implications and other risks and opportunities due to climate change	4.3 Climate Change Strategy and Action	●	50
201-3	Defined benefit plan obligations and other retirement plans	3.4 Employee Welfare Programs	●	42
201-4	Financial assistance received from government	2.1 Company Profile	●	17

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
Market Presence				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.4 Employee Welfare Programs	●	42
202-2	Proportion of senior management hired from the local community	3.1 Human Resources Overview	●	36
Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	The Company didn`t perform relevant inspections during the year, it is not applicable		
203-2	Significant indirect economic impacts	The Company didn`t perform relevant inspections during the year, it is not applicable		
Procurement Practices				
204-1	Proportion of spending on local suppliers	4.4 Supplier Management	●	52
Anti-corruption				
205-1	Operations assessed for risks related to corruption	2.4 Anti-Corruption Policy	●	26
205-2	Communication and training about anti-corruption policies and procedures	2.3 Ethical Corporate Management and Ethical Code	●	25
205-3	Confirmed incidents of corruption and actions taken	2.4 Anti-Corruption Policy	●	26
Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Ethical Corporate Management and Ethical Code	●	25

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
GRI 301~308 ： 2016 Environment				
Materials				
301-1	Materials used by weight or volume	The Company has no manufacturing , it is not applicable		
301-2	Recycled input materials used	The Company has no manufacturing , it is not applicable		
301-3	Reclaimed products and their packaging materials	No such incident occurred during the year		
Energy				
302-1	Energy consumption within the organization	4.2 Green Operation	●	48
302-2	Energy consumption outside of the organization	4.2 Green Operation	●	48
302-3	Energy intensity	The Company didn`t perform relevant inspections during the year, it is not applicable		
302-4	Reduction of energy consumption	4.3 Climate Change Strategy and Action	●	50
302-5	Reduction in energy requirements of products and services	4.3 Climate Change Strategy and Action	●	50
Water 2018				
303-1	Interactions with water as a shared resource	4.2 Green Operation	●	48
303-2	Management of water discharge-related impacts	4.2 Green Operation	●	48

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
303-3	Water withdrawal	4.2 Green Operation	●	48
303-4	Water discharge	4.2 Green Operation	●	48
303-5	Water consumption	4.2 Green Operation	●	48
Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.0 Build a Green Life	●	47
304-2	Significant impacts of activities, products, and services on biodiversity	4.0 Build a Green Life	●	47
304-3	Habitats protected or restored	4.0 Build a Green Life	●	47
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.0 Build a Green Life	●	47
Emissions				
305-1	Direct (Scope 1) GHG emissions	4.2 Green Operation	●	48
305-2	Energy indirect (Scope 2) GHG emissions	4.2 Green Operation	●	48
305-3	Other indirect (Scope 3) GHG emissions	The Company didn't perform relevant inspections during the year, it is not applicable		
305-4	GHG emissions intensity	The Company didn't perform relevant inspections during the year, it is not applicable		
305-5	Reduction of GHG emissions	4.2 Green Operation	●	48

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
305-6	Emissions of ozone-depleting substances (ODS)	The Company didn't perform relevant inspections during the year, it is not applicable		
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Company didn't perform relevant inspections during the year, it is not applicable		
Effluents and Waste				
306-1	Water discharge by quality and destination	4.2 Green Operation	●	48
306-2	Waste by type and disposal method	4.2 Green Operation	●	48
306-3	Significant spills	4.2 Green Operation	●	48
306-4	Transport of hazardous waste	4.2 Green Operation	●	48
306-5	Water bodies affected by water discharges and/or runoff	4.2 Green Operation	●	48
Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	4.2 Green Operation	●	48
Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	4.4 Supplier Management	●	52
308-2	Negative environmental impacts in the supply chain and actions taken	4.4 Supplier Management	●	52

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
GRI 401~419 ： 2016 Social				
Employment				
401-1	New employee hires and employee turnover	3.1 Human Resources Overview	●	36
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.4 Employee Welfare Programs	●	42
401-3	Parental leave	3.4 Employee Welfare Programs	●	42
Labor/Management Relations				
402-1	Minimum notice periods regarding operational changes	3.1 Human Resources Overview	●	36
Occupational Health and Safety				
403-1	Workers representation in formal joint management– worker health and safety committees	The Company is only general office, it is not applicable.		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.5 Friendly Working Environment	●	45
403-3	Workers with high incidence or high risk of diseases related to their occupation	3.5 Friendly Working Environment	●	45
403-4	Health and safety topics covered in formal agreements with trade unions	3.6 Human Rights Protection	●	46
403-5	Worker training on occupational health and safety	3.5 Friendly Working Environment	●	45
403-6	Promotion of worker health	3.5 Friendly Working Environment	●	45

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business operations	3.5 Friendly Working Environment	●	45
403-8	Workers covered by an occupational health and safety management system	The Company is only general office , it is not applicable.		
403-9	Work-related injuries	3.5 Friendly Working Environment	●	45
403-10	Work-related ill health	3.5 Friendly Working Environment	●	45
Training and Education				
404-1	Average hours of training per year per employee	3.2 Manpower Training and Development	●	39
404-2	Programs for upgrading employee skills and transition assistance programs	3.2 Manpower Training and Development 3.4 Employee Welfare Programs	●	39 42
404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Performance Review and Career Development	●	41
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	3.1 Human Resources Overview	●	36
405-2	Ratio of basic salary and remuneration of women to men	3.4 Employee Welfare Programs	●	42
Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	3.6 Human Rights Protection	●	46

●Disclosed

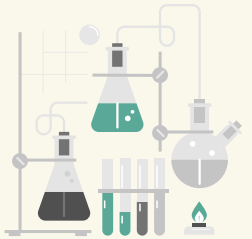
GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such incident occurred during the year		
Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	3.6 Human Rights Protection	●	46
Forced or Compulsory Labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No such incident occurred during the year		
Security Practices				
410-1	Security personnel trained in human rights policies or procedures	3.6 Human Rights Protection	●	46
Rights of Indigenous Peoples				
411-1	Incidents of violations involving rights of indigenous peoples	No such incident occurred during the year		
Human Rights Assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	No such incident occurred during the year		
412-2	Employee training on human rights policies or procedures	3.6 Human Rights Protection	●	46
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No such incident occurred during the year		

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	No such incident occurred during the year		
413-2	Operations with significant actual and potential negative impacts on local communities	No such incident occurred during the year		
Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	4.4 Supplier Management	●	52
414-2	Negative social impacts in the supply chain and actions taken	No such incident occurred during the year		
Public Policy				
415-1	Political contributions	No such incident occurred during the year		
Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	2.7 Customer Relations	●	32
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.7 Customer Relations	●	32

●Disclosed

GRI guideline titles	Disclosed item number	Disclosed item title	status	Section index
Marketing and Labeling				
417-1	Requirements for product and service information and labeling	2.7 Customer Relations	●	32
417-2	Incidents of non-compliance concerning product and service information and labeling	2.7 Customer Relations	●	32
417-3	Incidents of non-compliance concerning marketing communication	2.7 Customer Relations	●	32
Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Customer Relations	●	32
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	2.3 Ethical Corporate Management and Ethical Code	●	25



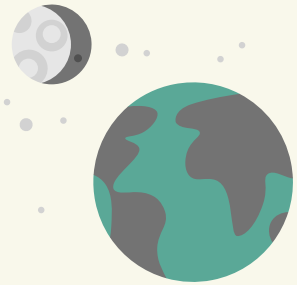
Appendix 2 ： SASB Index Table

Code	Accounting Metric	Nature	Referenced Chapter / Disclosure	Page
Topic ： Safety of Clinical Trial Participants				
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	qualitative	2.7 Customer Relations	32
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in ： (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	quantitative	No such information is available during the year	
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	quantitative	The Company conduct human clinical trials in Taiwan only and there was no monetary losses as a result of legal proceedings associated with clinical trials in any countries during the year	
Topic ： Access to Medicines				
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	qualitative	The Company has no such drugs currently	
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programmed (PQP)	qualitative	The Company has no such drugs currently	
Topic ： Affordability & Pricing				
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	quantitative	The Company has no such drugs currently	

Code	Accounting Metric	Nature	Referenced Chapter / Disclosure	Page
HC-BP-240b.2	Percentage change in：(1) average list price and (2) average net price across U.S. product portfolio compared to previous year	quantitative	The Company has no such drugs sale in USA currently (The U.S. market for Onivyde owned by Ipsen)	
HC-BP-240b.3	Percentage change in：(1) list price and (2) net price of product with largest increase compared to previous year	quantitative	2.7 Customer Relations	32
Topic：Drug Safety				
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	qualitative	2.7 Customer Relations	32
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	quantitative	No such information is available during the year	
HC-BP-250a.3	Number of recalls issued, total units recalled	quantitative	No such information is available during the year	
HC-BP-250a.4	Total amount of product accepted for take back, reuse, or disposal	quantitative	No such information is available during the year	
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	quantitative	No such information is available during the year	
Topic：Counterfeit Drugs				
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	qualitative	2.7 Customer Relations	32
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	quantitative	2.7Customer Relations	32
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	quantitative	No such information is available during the year	

Code	Accounting Metric	Nature	Referenced Chapter / Disclosure	Page
Topic： Ethical Marketing				
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	quantitative	No such information is available during the year	
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	qualitative	2.7 Customer Relations	32
Topic： Employee Recruitment, Development & Retention				
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	qualitative	3.1 Human Resources Overview	36
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for： (a) executives/senior managers, (b) mid level managers, (c) professionals, and (d) all others	quantitative	3.1 Human Resources Overview	36
Topic： Supply Chain Management				
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third party audit programs for integrity of supply chain and ingredients	quantitative	2.7 Customer Relations	32
Topic： Business Ethics				
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	quantitative	No such information is available during the year	
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	qualitative	2.7 Customer Relations	32

Code	Accounting Metric	Nature	Referenced Chapter / Disclosure	Page
Activity Metrics				
HC-BP-000.A	Number of patients treated	quantitative	2.7 Customer Relations	32
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	quantitative	2.1 Company Profile	12



Appendix 3 Summary of Subject Matter Assured

<table>
<tr><th>Subject Matter Information</th><th>Appliable Criteria</th><th>Page</th></tr>
<tr><td>The Company has conducted related promotion and training for 14 hours, which was participated by at least 2 people, including managers and employees.</td><td>The total number of hours of education and training completed in 2021 according to the company’s S. O.P. and the definition of cyber security.</td><td>31</td></tr>
<tr><td>In 2021, 168 persons cumulatively received 465 hours of educational training related to ethical business management issues (including courses for legal compliance for ethical business management, drug safety and health management and inspections, accounting system and internal control etc.).</td><td>The total number of hours of education and training completed in 2021 according to the company’s S. O.P. and the definition of ethical business management.</td><td>25</td></tr>
<tr><td>In 2021, the Company audited 2 CROs and 2 distributors.</td><td>In 2021, the total number of suppliers audited according to the Company's S.O.P. .</td><td>33</td></tr>
<tr><td>The Training Situation Based on Employee Position and Gender Statistics in 2021.
<table>
<tr><th colspan="2">Items</th><th>Male</th><th>Female</th></tr>
<tr><td rowspan="3">Average training time (hour)</td><td>Managerial Officers</td><td>14.4</td><td>38.5</td></tr>
<tr><td>R&D Employees</td><td>21.4</td><td>9.4</td></tr>
<tr><td>Other Employees</td><td>3.3</td><td>14.4</td></tr>
</table></td><td>The total number of hours of education and training completed in 2021 in accordance with the Company’s S.O. P., classified by employee position and gender</td><td>40</td></tr>
<tr><td>The retention rate of R & D employees was 91%.</td><td>The proportion of incumbent R&D personnel employed in 2021 to the employed R&D personnel at the end of 2020.</td><td>38</td></tr>
</table>

Appendix 4 ： Independent Limited Assurance Report 【Translation】

Independent Limited Assurance Report

To PharmaEngine, Inc.

We have been engaged by PharmaEngine, Inc. (“Company”) to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2021 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the “Subject Matter Information”) and the respective applicable criteria are stated in the “Summary of Subject Matter Assured” on page 79 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the “Scope and Boundary” on page 2 of the Sustainability Report.

Management’s Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Statement of Assurance Engagements Standards No. 1, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” in the Republic of China to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Subject Matter Information and performed selective testing including inquiry, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the 2021 Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Our assurance does not extend to information in respect of earlier periods or to any other information disclosed in the Sustainability Report for 2020.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, “Quality Control for Public Accounting Firms” in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria.“

Other Matter

The Management of the Company is responsible for maintaining the Company’s website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

Yu, Shu-Fen

For and on behalf of PricewaterhouseCoopers, Taiwan
September 28, 2022