POYA 寶雅

2021 永續報告書
Sustainability Report

POYA 寶雅 | *Make life Amazing!*
為妳打造 精彩生活

About the Report

Poya International Co., Ltd. (hereinafter to be referred as Poya) has published our Sustainability report (previously as "Corporate Social Responsibility Report") each year since 2014. With the disclosure of Environment, Society, and Corporate Governance aspects for the company, we hope to take this opportunity to represent our policy measures, results of corporate social responsibility and future plans for the sustainable development of the Company to our stakeholders.

The report is in accordance with the core options of the Global Reporting Initiative. A comparison table is attached in the appendix to this report for reference.

Period and Scope Covered by the Report

The purpose of this report is to disclose our results on sustainable development with reply to the mateiral topics concernered by our stakeholders through our significant analysis.

This report covers the period from January 1st to December 31st , 2021, which is consistent with the audit report confirmed by accountants, and some information can be traced back to the relevant performance before 2021.The boundary of the report includes Poya's headquarter, retail locations in Taiwan. Poya has all operations in domestic market with no overseas branch or retail locations.

Report Management and External certification

The correctness of each chaper is verified by the head of each department. Poya's Sustainability Management Committee examines and approves the sustainability report, and reports the annual implementation results of corporate social responsibility to the board of directors each year. Both Chinese and English versions are available at the company's website (http://www.poya.com.tw/) and on MOPS.

Poya entrusts PwC Certified Public Accountants (PwC) to perform independent limited assurance for the selected indicators 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. The assurance report is attached to the appendix of this report.

Contact for this report

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Message from the Management

Poya has been established for over two decades since the inception of Poya in 1997. As a customer-oriented company, Poya continues to improve customer satisfaction through store optimization, a rich portfolio of high value-added products, and implementation of omni-channel strategy. Poya also enhances our brand service force through internal training mechanisms, enabling Poya to be closer to all aspects of customers' lives. In recent years, Poya has accelerated our store expansion pace with addition of our new brand – Poya Home. On the way to grow our retail business, Poya also spares no effort to create value for our shareholders, employees and community, by the implementaiton of corporate social responsibility.

In 2021, Poya continues to expand our footprint and reaches out to the community, enabling us to meet the needs of customers on a timely basis by shortening the distance and connecting with our customers. We also continue to expand our scale and optimize product mix for our new channel-Poya Home, leading the Taiwan home improvement market into a new chapter by our Home Center market position. Upon the outbreak of the pandemic in late May 2021, Taiwanese government was forced to lift the covid alert to level 3, restricting the social activities of people. This headwind inevitably resulted into decreasing consumer spending and boded ill for operational performance of Poya. Poya, thereby, accelerated our OMO strategy. With the launch of POYA PAY in January 2021, Poya enables the digitabl payment for consumers at our physical shops. To create an OMO shopping experience, Poya also advanced our own online shopping platform, POYA BUY, to June 2021, orinigally scheduled to debut in the third quarter, owing to the outbreak of pandemic.

In the face of uncertainty by the external environment, Poya aims to improve the operational performance by the continuing differentiation of market positioning, the enhancement of services and product assortment plan. In response to the pandemic, Poya has developed our omni channel strategy. By the end of 2021, we operated 324 stores, including 290 POYA and 34 POYA HOME. The operating revenue and profit after tax in 2021 were NT$17.5 billion and NT$1.8 billion respectively.

Meanwhile the company is committed to strengthening corporate social responsibility and promoting ESG through the Sustainability Management Committee (former Corporate Social Responsibility Management Committee), so as to incorporate the elements of sustainable governance into the core of corporate culture and decision-making. We outline our core sustainable principle as follows: corporate governance, products, employees, environment, and community, in line with the Unitied Nations Sustainable Development Goals, SDGs.

Poya keeps implement corporate governance. In accordance with the Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the Board of Directors shall be considered in a diversified and independent manner. The appropriate policy on diversity should be based on the Company's business operations, business model and development needs. It is advisable that the policy includes, without being limited to, the following two major criteria: 1) basic requirements and values: gender, age, nationality, etc., 2) professional knowledge and skills: professional background, professional skills and industry experience, etc.

The management objectives and implementation of the board diversity policy in 2021 are summarized as follows: (1) To enhance the criteria of basic requirements and values with our internal goal of above 20% seated by female directors, the Company plans to increase our female directors to our board in the future. Currently we have one female director out of seven directors (including independent directors), with a female director ratio of 14%. (2) With respect to professional knowledge and skills, for a sound corporate governance, the Board of Directors as a whole shall have the competencies to exercise operational judgment, accounting and financial analysis skills, administration capability, crisis management capability, leadership and decision-making capability, industry knowledge and international markets perspective, etc. The current composition of the Board of Directors already possesses the required professional qualifications. With respect to independence of the Board of Directors, the Company has three independent directors out of our seven board of directors, representing 43% of the total number of directors; only one director is currently an employee. The three independent directors does not involve any matters affecting their independence under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and are not interested party directly or indirectly to the Company. The independent directors are able to keep their independence within the scope of their duties and responsibilities. The directors, Chen Jian-Zao and Chen Fan Mei-Jin, are spouses, and director Chen Zong-Cheng is the son-in-law; The Company plans to add one additional independent director in the future to comply with the regulations of the competent authorities. Poya strengthens and improves the functions of the board of directors through the diverse background of independent directors and continuous improvement of functional committees. Realizing the environmental and climate change issues, Poya continues to adopt latest energy saving equipment and implement e-system, including the replacement of lighting system from traditional lights to LED light bulbs in 2017, the establishments of distribution centers in Kaohsiung and Taoyuan in 2017 and 2019 respectively, and the installation of solar panel in Kaohsiung distribution center, to effectively save the energy and carbon reduction. With energy saving programs, the average electricity consumption of Poya per store has improved year by year. The average electricity consumption was 273,766 kWh in 2021, which was down 1.2% from 2020. (Note: The average electricity consumption in 2020 is different from the previous report due to the retrospective adjustment by the inclusion of data for our Taoyuan Logistics Center)

With respect to the social participation, in 2021, Poya sponsored "Tainan Public Health Centers" gift vouchers to encourage the promotion of vaccination；sponsored "Tainan hospital" to purchase the mammography vans to support medical institutions；sponsored "Joy Caring Association Taipei-Moon Festival Lucky Bags", "Genesis Social Welfare Foundation", and "Tainan Jhao Rih Public Charity" to assist the disadvantaged in caring for community；Sponsored "Foundation for Taiwan Masters Golf Tournament", "Softball Association", "Kaohsiung Entrepreneur Association", and "Global Federation of Chinese Business Women". The total amount of donation for the above activities was NT$ 1.02 million. Poya expects to devote itself to Taiwan by actions with our sincere gratitude to the customers' support.

Employees are the vital assets of the Company. We consider employees are the key to the sustainable operations of the company. Poya provides a safe and comfortable working environment for employees, establishes a fair and complete salary and welfare system, emphasizes the cultivation, development and training system, and improves the communication channels between employers and employees.

Poya aims at becoming "A more preferred Poya by the customers", and will continue the work on sustainable development of the Company in the fields of environment, society and corporate governance. We love Taiwan so much and value the limited resources of the Earth. We hope our contribution to the community and environment can be served as an example for all and invite everyone to join us.

Poya International
Chen Zong-Cheng, General Manager

Pandemic Prevention

Given the recurrent outbreak of Covid-19 since 2020, the economy was negatively hit. In May 2021, Taiwan experienced a cluster infection for the first time, resulting in a surge of Covid infections. On May 19, 2021, Taiwan officially entered the level 3 Covid alert. Poya immediately launched a pandemic prevention plan to protect the safety of consumers and employees. In addition to cooperating with the government to implement the real-name system, the company provides alcohol disinfection at the entrance of the store, distributes masks and goggles to front-line employees, and the checkout counter pulls up transparent canvases; at the head office, an alcohol disinfection mechanism is also installed with implementation of temperature measurement daily. The company requires colleagues to wear masks during working hours, increases the frequency of ventilation in buildings, enables employees to take turns coming to the office, and suspends non-essential business trips and visitors to protect the health of employees. In addition to providing a safe working environment, Poya also provides employees with vaccine leaves and subsidies (the first two doses) and purchases pandemic insurance for employees to encourage vaccine administration.

In cope with pandemic impact, Poya initiates and makes good use of digital payments to reduce contact. Poya launched POYA PAY in January 2021. The online platform, POYA BUY, which was originally scheduled to launch in the third quarter, was also advanced its debut to June 2021 due to the outbreak of the pandemic, providing consumers with an online shopping channel. Despite challenges faced by the pandemic, Poya will sail through the difficulties due to pandemic, with customers, employees and suppliers.

There are three aspects for Poya's pandemic prevention measures:

Financial aspect

1. Start the rent negotiation plan
2. Confirm only necessary marketing schedule activities
3. Reduce inventory per store

Operational aspect

1. Simulated logistics and distribution under lock down situation to maintain the stability and smoothness of distribution
2. Support of merchandise and human capital from Neighboring stores
3. Once notified, start the disinfection standard operating process

Employee Care

1. Assist colleagues to clearly grasp pandemic prevention information
2. Provide masks to frontline staff on duty
3. At Level 3 alert, provide free test for employees in pandemic hotspot such as taipei-keelung metropolitan area, and employees can go out for test during work hours
4. During Level 3 alert, the head office employees take turns coming to the office and working from home according to the business needs of each department
5. Provide employees with vaccine leaves, subsidies, and pandemic insurance

The Human Resource Division has also formulated a pandemic prevention plan as follows:

Item	Content	Explanation
Employee pandemic insurance	• If a statutory infectious disease is diagnosed, a fixed amount of medical insurance will be paid • For inpatient diagnosis and treatment of statutory infectious diseases, the daily insurance premium for hospitalization shall be paid; for admission to the negative pressure isolation room or intensive care unit, the payment shall be doubled • During the quarantine period, the insured's accommodation expenses for staying in the epidemic prevention place, the expenses for meals and daily necessities necessary for basic daily life, etc., the quarantine notice and the original receipt of expenses should be checked • Insurance benefits for statutory infectious disease isolation expenses are paid during quarantine	It will take effect after the insurance company notifies the company
Self-funded vaccine subsidy	• Subsidy amount: The maximum subsidy per person per dose is NTD 600 • Application process: 1. Head Office: All departments compile the roster at the end of each month and attach the receipt certificate to the Human Resources Division 2. Branches: All Branches compile the roster at the end of each month and attach the receipt certificate to the Human Resources Division	Subsidize the first two doses of the vaccine
Vaccine leave	• Number of days of paid leave: 2 days for each dose (on the day of vaccination and the next day) • Reason for Absence: pandemic vaccination leave • Attached: Pandemic Vaccination Card	The first two doses of the vaccine

Meeting the SDGs

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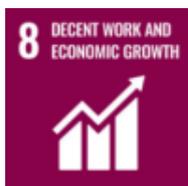
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Identification of Stakeholders and materiality assessment

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01 Identification of Stakeholders and materiality assessment

Poya values the stakeholders' opinions. We communicate with stakeholders through a variety of channels to understand and identify issues that our stakeholders are concerned with. We confirm the materiality of the topics and then evaluate the internal and external boundary to ensure that important sustainability information has been fully disclosed in this report.

1.1 Identification Process of Material Aspects

Stakeholder Identification
- According to the five principles in "AA1000 SES Stakeholder Engagement Standards", identifies the following stakeholders of Poya through Sustainable Development Committee discuission.

Material Aspects Inspection
- Sustainable Development Committee collects the concerned issues through a variety of communication channels.
- Sustainable Development Committee selects key issues which are highly relevant to Poya based on the GRI standards.

Materiality Analysis
- Sustainable Development Committee analyzes the degree of stakeholders' concern to each issues based on the questionnaire.
- Sustainable Development Committee analyzes the impact of each issues on sustainable operations.
- Sustainable Development Committee collects stakeholders' degree of concern on issues and impact on the company's sustainability, identifies and sorts out the important issues.

Reorganize and Disclose
- Sustainable Development Committee determines the boundary of the report by identifying the internal and external impact caused by the material issues based on GRI standards.
- The execution results of material and substantial issues, communication channels and frequency are incorporated in this report.

1.2 Poya's Stakeholders and Communication Channels

Pursuant to the AA1000 Stakeholder Engagement Standards (SES), Poya employs the five principles, which are dependency, responsibility, influence, diverse perspectives, and tension, to identify the following stakeholders of Poya by our Sustainable Development Committee:

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Poya has set up a stakeholder section on the corporate website. (https://www.poya.com.tw/en/financial_reports.html), with customer service mailbox and hotline available. We aim at understanding the needs and expectations stakeholders have of the company through a variety of communication channels.

The following table shows the concerns and communication channels of Poya's stakeholders:

Stakeholder	Concerned Issues	Communication Channel and Frequency
Investor	☑Operational and financial information ☑Corp. Governance ☑Shareholders' Equity ☑Social Charity ☑Legal Compliance	▪MOPS (according to regulations) ▪Investor Conference(16 times in 2021) ▪IR Email(reply in real time) ▪Shareholders' Meeting(annual) ▪Office website(at least once a month)
Employee	☑Remuneration and Welfare ☑Talent Cultivation ☑Human Rights and Equality	▪ABC Conference (monthly) ▪Internal Meeting (monthly) ▪Training Course(at least once a quarter) ▪KPI Assessment(at least once a quarter) ▪Email (reply in real time) ▪Communication Software/Notes/Connections (reply in real time) ▪Labor-management meeting(quarterly)
Customer	☑Customer Service ☑Supplier Appraisal ☑Supplier ESG assessment ☑Legal compliance ☑Human Rights and Equality	▪Questionnaire/Market Research (irregular) ▪AD/DM (monthly) ▪Official Website (reply in real time) ▪Email (reply in real time) ▪0800 Hotline (reply in real time) ▪Communication Software (reply in real time)
Supplier	☑Supplier Appraisal ☑Supplier ESG assessment	▪E-Platform (real time) ▪On-site assessment and New Product Presentation (irregular) ▪Review Report and Communication Meeting (irregular) ▪Audit Management (irregular)
Government	☑Corp. Governance ☑Legal Compliance	▪Conference held by Competent authority(irregular) ▪Communication with Supervision agency(according to regulations) ▪Correspondence policy by relevant authority (according to regulations)
Banks	☑Corp. Governance ☑Legal Compliance ☑Operational and financial information	▪Business visits and meetings (irregular)
Media	☑Corp. Governance ☑ Legal Compliance ☑Customer Service ☑Supplier Appraisal ☑Supplier ESG assessment	▪Interview activities (irregular) ▪Press release (once a month)
Community and NGO	☑ Social Charity ☑ Climate Change and Greenhouse Gas Emission	▪Community Care (irregular) ▪Community Charity (irregular) ▪Activities in Local Community (irregular)

1.3 Analysis and Ranking of Substantial Issues

Figure 1.1 shows the Matrix of Material and Substantial Issues. The company priorities the material issues in the report by the degree of concern and frequency stakeholders hold toward each issue, whether it is material to the company and the level of impact to the company.
To those material and substantial issues, detailed information will be addressed in the report. Other related topics but with fewer concern or lower impact shall also be briefly disclosed in the report. Or some topics would be replied through Poya's sustainability development official website or other communication channels.

Stakeholders' degree of concern

Operations and Finance
Shareholders' Equity
Supplier Appraisal
Customer Service
Corporate Governance

Remuneration and Welfare
Talent Cultivation
Legal Compliance
Climate chance and Greenhouse Gas Emission

Social Charity
Human Rights and Equality
Supplier ESG Assessment

Low

Level of impact on sustainability

Figure 1.1 Matrix of Material and Substabtial

1.4 Material Aspects and Boundary of the Report

The report covers the scope of Poya's headquarters and the branches nationwide as the internal boundary. The external boundary includes customers, suppliers and local community. The material aspects and boundary of the report shall be determined by analyzing that whether each aspect causes substantial impact internally and externally.

Aspect	Material topic	Internal		External		
		Head Office	Branches	Customers	Suppliers	Community
Economy	Economic Performance	■	■			
Economy	Market Status	■	■	■		■
Economy	Procurement Practices	■	■		■	
Economy	Anti-Corruption	■	■		■	
Economy	Anti-Competition	■	■	■		
Environment	Energy	■	■			■
Environment	Water consumption	■	■			■
Environment	Greenhouse Gas Emission	■	■		■	■
Community	Employment	■	■		■	
Community	Occupational Safety and health	■	■		■	
Community	Training and Education	■	■			
Community	Diversity and Equal Opportunity	■	■			
Community	Non-discrimination	■	■	■	■	■
Community	Child Labor	■	■		■	
Community	Forced and Compulsory Labor	■	■			
Community	Human Rights Assessment	■	■	■	■	■
Community	Customer Health and Safety	■	■	■		
Community	Marketing and Labeling	■	■	■	■	

About Poya International

02

02 About Poya International

2.1 Corporate Profile and Industry Overview

Established in Taiwan, Poya was founded by Mr. Chen Jian-Zao. Poya has developed into a nationwide chain stores selling for the cosmetics and grocery products in Taiwan. Poya has continued to upgrade its store format to provide a better shopping experience to our customers based on our "customer first" spirit. Also, Poya has devoted to provide a various product offerings. Thanks to our product mix optimization as well as the enhancing product display at our shops, we, thereby, meet our customers' expectations by providing one stop shopping experience with the most convenient and professional shopping destination. Poya has emerged as the first company in Taiwan listed on GTSM as a "cosmetic and grocery specialty retailer"

The target customers of Poya are the females aged between 15-49 years old. To satisfy the shopping demands of the female customers, Poya offers the mass market product at an attractive price. Poya, as such, expands the product assortment centered by female customers.

With the continuing expansion, Poya introduced the hardware department store channel "Poya Home" in 2019. With the core concepts of "affordability, simplicity and convenience", Poya Home provides home improvement solutions to our customers in daily life through comfortable shopping environment, broad product selection and friendly service platform. The product line includes domestic and international brand professional hardware, repair accessories, household items, daily necessities, personal care, leisure food and beverages, etc., hoping to provide customers with the best consumption experience. Leveraged by our experience and resources, we believe the market potential for Poya home as our next growth driver for our company.

Corporate Profile	
Chairman	Chen Jian-Zao
CEO	Chen Zong-Cheng
Date of Foundation	March, 1997
Date of Listing	September, 2002 (Code:5904)
Capital	NTD 1.09 billion in 2021
Number of employee	4,535
Operations Center	3F., No. 2, Sec. 1, Fuxing S. Rd., Zhongshan Dist., Taipei City
Address of Administration office	No.74, Sec. 3, Minzu Rd. West Central Dist. Tainan City
Total stores	324 (Poya 290, Poya Home 34)

(Information updated as of December 31, 2021)

Main products of Poya

Skin Care & Cosmetics	Daily Merchandises	Trendy underwear and socks	Delicate and personal supplies
• Including domestically well-known brands of skincare and cosmetic products displayed over-the-counter, dermatology and cosmetology counter, and open-shelf affordable cosmetic care products.	• Including household items, daily groceries, and bathing, etc.	• Including well-known underwear counter and personalized and popular underwear and socks.	• Including snacks, stationery, leather goods and accessories, etc.

Poya's Industry outlook

Poya is a general merchandise retailer operating in non-specialized stores with a variety of merchandise. According to the report compiled by the Ministry of Economic Affairs, retail sales in Taiwan grew 3.3% to 4.0 trillion in 2021. Of which, retail sales in non-specialized stores rose 0.8%. Retailing in non-specialized stores include the wholesale and retail sales of comprehensive merchandise. The retail sales in non-specialized stores are retail stores engaging in the sales of various series of products in a non-specific exclusive form, such as supermarkets, convenience stores, hypermarket, department stores and other retail sales in non-specialized stores. The compound annual growth rate (2016-2021) of Taiwan's retail sales in non-specialized stores grew by 2.3%. In 2021, the retail sales in non-specialized stores were mainly affected by the pandemic. Super markets and hypermarket chains are necessities for people's livelihood, maintaining a growth of 8.0%/6.6%; department stores were negatively hit by the pandemic with lower traffic, presenting a decline rate of -3.2%, which has not been seen since the financial crisis; other retail sales in non-specialized stores were mainly affected by the significant downturn in the performance of duty-free shops with fewer inbound and outbound tourists, and has declined for two consecutive years. Each type of store sales percentage see figure 2.2, and Poya belongs to retail sales in non-specialized stores. Leveraged by our unique market position supported by a rich product portfolio of skincare & cosmetics products and delicate personal goods, Poya has established a modern and comfortable shopping space with one-stop shopping experience to our customers. Thanks to our expansion strategy, the market share of Poya in the general merchandiser field has continued to rise.

Other retail sales in non-specialized stores 8.17%

Hypermarket 18.73%

Convenienc e stores 27.75%

Department stores, 26.30%

Supermarket 19.05%

■ Selling of higher-end branded products, such as cosmetics and clothes.

■ Selling of household product, fresh foods and so on.

■ Selling of comprehensive products in large-size package, such as fresh foods and commodity within the space comprising shopping area and warehouses.

■ Selling of convenience products like fast foods and drinks.

■ Other retail sales in non-specialized stores out of the four above categories.

Figure 2.2 2021 Sales Percentage in General Merchandise Retailing Industry (Source: Ministry of Economic Affairs)

2.2 Operational Strategy

Due to the outbreak and repetition of the pandemic, Poya's operations have been negtively affected since 2020. In May 2021, under level 3 alert which decreased traffic, Poya's revenue rarely declined. However, Poya continues to strengthen our competitiveness, accelerate the pace of digitalization, and provide consumers with a more convenient OMO shopping experience. As the pandemic eased, the store expansion plan has resumed in the second half of the year.

In 2021 Poya focused on

Digital Transformation
Through our OMO strategy, Poya integrates online and offline members.Poya launched POYA PAY in January 2021. The online shopping platform POYA BUY, which was originally scheduled to launch in the third quarter, advanced its debut in June 2021 due to the outbreak of the pandemic.
Through marketing activities, Poya leads customers from online to offline, enabling customers to pickup the online orders at our physical shops, convenience stores, or home delivery.

Store Expansion
By the end of 2021, there were 290 Poya stores in Taiwan. With the rapid development of shopping malls in Taiwan and more mature store expansion strategy, Poya continues to penetrate to shopping malls, and lower-tier cities with smaller store format. Therefore, we have lifted the overall expansion target from 400 stores to 500 stores to increase our market share and enhance competitive advantages.

Private Brand Development
With increasing awareness of personal care, in 2021, Poya cooperated with TCI Co.,Ltd. for the first time to launch i-beauty health supplement drinks. Poya will continue to enrich the product portfolio with more private-label products.

Poya Home focused on

Digital Development
The main customer base of Poya Home is family customer aged 26 to 44, which is complementary to Poya's. To provide consumers with convenient choices, Poya Home launched e-commerce platform in August 2021, focusing on home products, and providing service of pick up at dual-brand store by leveraging our advantages of online and offline network.

Expansion Plan
Since the launch of Poya Home channel in 2019, Poya Home has steadily expanded its stores network each year. By the end of 2021, there were 34 Poya Home stores in Taiwan.
Short term goal: focus on central and northern Taiwan with market potential
Mid-term goal: Continue to expand store network to increase brand awareness
Long-term goal: After the brand awareness is established, accelerate the store expansion pace

Product Assortment
Since the development of Poya Home, we have continued to optimize the product mix to meet customer needs. In the short term, we will focus on increasing the number of SKUs of NFMCG products to adjust the product mix; with the increasing scale, we will increase the mid-to-high end products as our medium and long term goal.

2.3 Financial Information

In the face of uncertainty by the external environment, Poya aims to improve the operational performance by the continuing differentiation of market positioning, the enhancement of services and product assortment plan. In response to the pandemic, Poya has developed our omni channel strategy. By the end of 2021, we operated 324 stores, including 290 POYA and 34 POYA HOME. The operating revenue and profit after tax in 2021 were NT$17.5 billion and NT$1.8 billion respectively.

Please find the detailed operational information, annual shareholder report and our financial reports on Poya's official website, MOPS or the following website:

https://www.poya.com.tw/en/financial_reports.html

Total Store Number and Net Sales of Poya

(Billion NT$)

Fiscal Year	Net Sales (Billion NT$)	Store Number
FY2018	14.1	201
FY2019	15.8	235
FY2020	17.5	281
FY2021	17.5	324

稅後淨利 （單位：百萬元）

	2019	2020	2021
稅後淨利	1,887	2,110	1,840

資產報酬率 （單位：%）

	2019	2020	2021
資產報酬率	14.03	10.35	8.14

EPS （單位：元）

	2019	2020	2021
EPS	19.31	20.97	18.25

權益報酬率 （單位：%）

	2019	2020	2021
權益報酬率	44.6	45.78	37.50
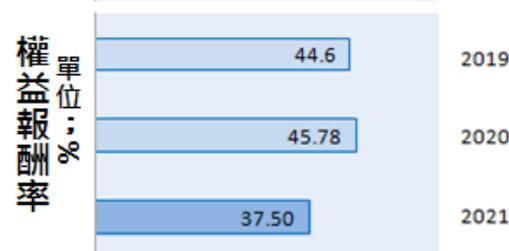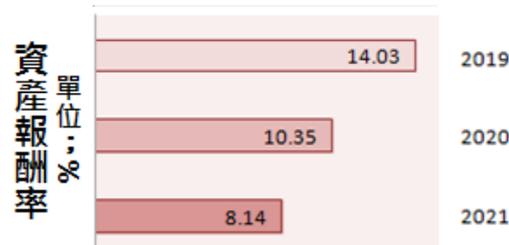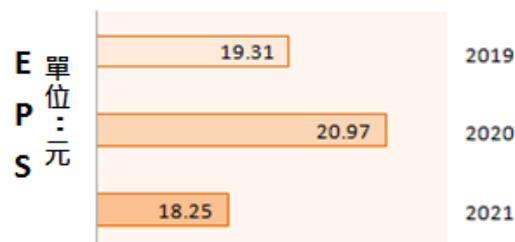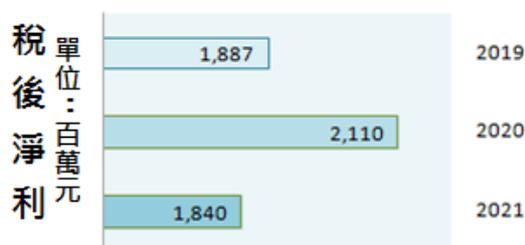
2.4 Sound Corporate Governance

Sound corporate governance is crucial to the stable corporate development of a business. Poya has built a sound and rigorous corporate governance structure to ensure sustainable business operation. (Please refer to Figure 2.1 on Poya's organizational chart)

Poya has set up the corporate governance system proactively since 2014. Poya has also voluntarily established the Independent Directors, audit committee, Remuneration Committee, and nominating committee to strengthen the structure and operation of the board of directors; Poya has voluntarily published and disclosed our annual Sustainability report (CSR report); Poya has proactively implemented e-voting at shareholders' meetings and adopted case by case voting. Through the multiple voting channels, Poya can increase the attendance rate of shareholders to exercise voting and participation in corporate decision-making. In addition to various codes of conduct in compliance with the regulations of the competent authorities, Poya also amends relevant regulations in accordance with competent authorities. Poya enhances shareholders' rights and realizes its effective structure of corporate governance based on responsibility of work in transparency way. Poya was not fined for violating the Company Act, the Securities and Exchange Act, and other laws and regulations in 2021.
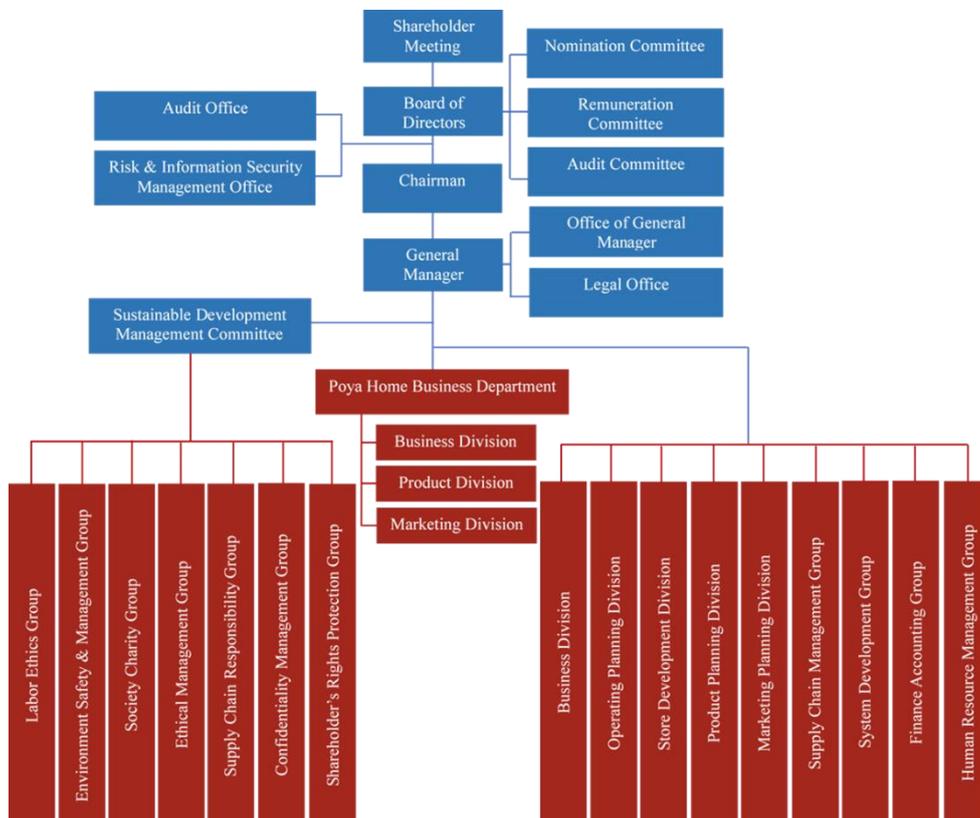
Please refer to Poya's website (http://www.poya.com.tw/) for the policies and executions of corporate governance, and the following documents on: Articles of Incorporation, Rules of Procedure for Board of Directors' Meetings, Procedures for Election of Directors, Audit Committee Charter, Remuneration Committee Charter, Nominating Committee Charter, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Social Responsibility Best Practice Principles, and Guidelines for the Adoption of Codes of Ethical Conduct.

1 Sound corporate governance and legal compliance

2 Strengthen the structure and function of Board of Directors

3 Implement corporate social responsibility

4 Maintain the shareholders' equity with fair treatment for every shareholder

5 Enhance the information transparency
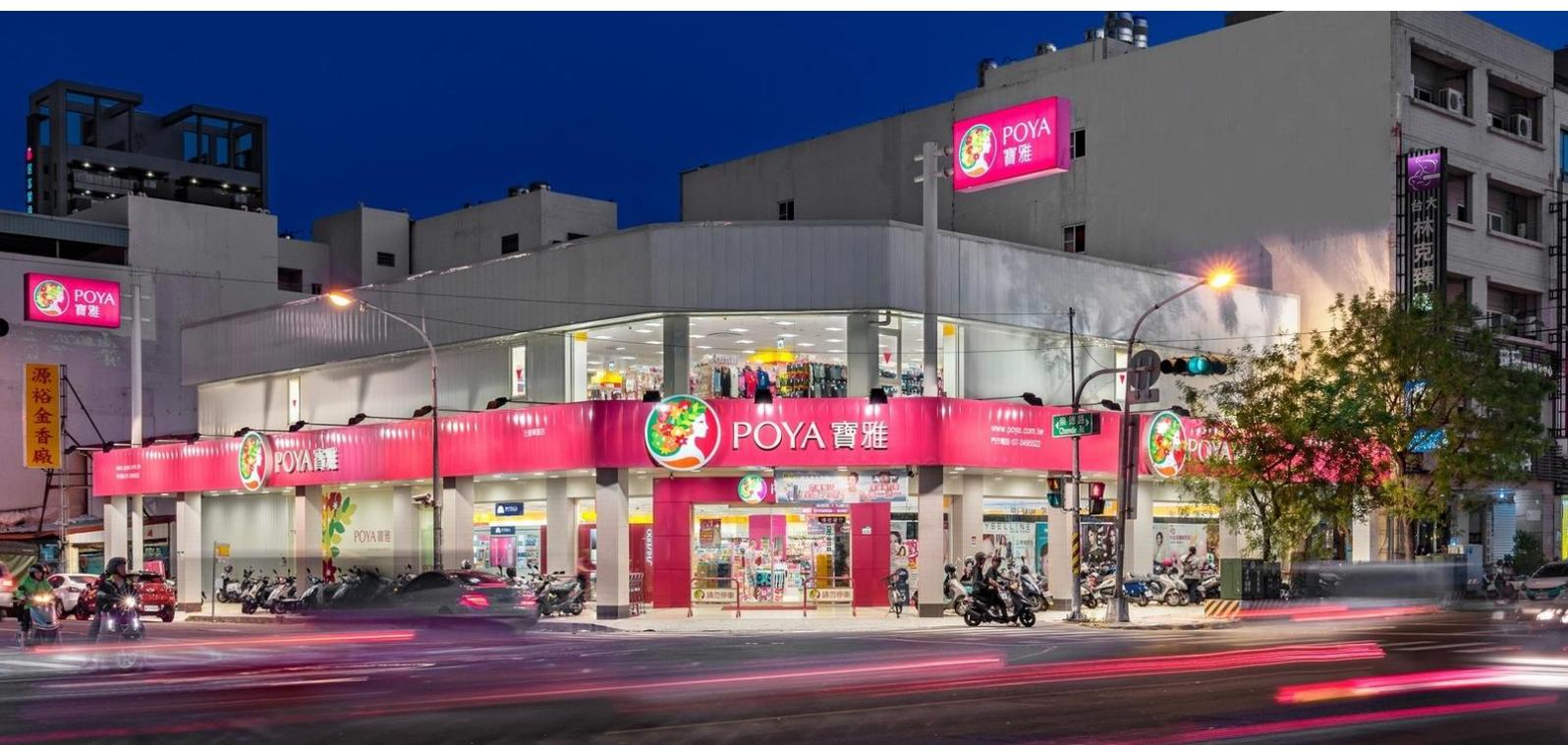
Strengthen the structure and Function of Board of Directors

To enhance financial information disclosure, managerial performance and stability, and the Company's sustainable development, the board of director is the highest governing body of the company. The Audit committee, Remuneration Committee, and the Nominating committee have been set up under the Board of Directors. Our general manager serves as the chairman for the Sustainability Management Committee (former Corporate Social Responsibility Management Committee). By our top-down management and supervision, we ensure the sound operations of the corporate governance. In accordance with the Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the Board of Directors shall be considered in a diversified and independent manner and the appropriate policy on diversity should be based on the Company's business operations, business model and development needs. It is advisable that the policy includes, without being limited to, the following two major criteria: 1) basic requirements and values: gender, age, nationality, etc., 2) professional knowledge and skills: professional background, professional skills and industry experience, etc.

The management objectives and implementation of the board diversity policy in 2021 are summarized as follows: (1) To enhance the criteria of basic requirements and values with our internal goal of above 20% seated by female directors, the Company plans to increase our female directors to our board in the future. Currently we have one female director out of seven directors (including independent directors), with a female director ratio of 14%.

(2) With respect to professional knowledge and skills, for a sound corporate governance, the Board of Directors as a whole shall have the competencies to exercise operational judgment, accounting and financial analysis skills, administration capability, crisis management capability, leadership and decisionmaking capability, industry knowledge and international markets perspective, etc. The current composition of the Board of Directors already possesses the required professional qualifications.

With respect to independence of the Board of Directors, the Company has three independent directors out of our seven board of directors, representing 43% of the total number of directors; only one director is currently an employee. The three independent directors does not involved any matters affecting their independence under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and are not interested party directly or indirectly to the Company. The independent directors are able to keep their independence within the scope of their duties and responsibilities. The directors, Chen Jian-Zao and Chen Fan Mei-Jin, are spouses, and director Chen Zong-Cheng is the son-in-law; The Company plans to add one additional independent director in the future to comply with the regulations of the competent authorities. Poya effectively strengthens and improves the function of the Board of Directors of the Company through the diverse backgrounds of independent directors and the continuous improvement of functional committees.

Please refer to the charts below for the current positions taken by the Board members within Poya and other companies. For the backgrounds and diversity of Directors, please refer to the annual report issued on our official webpage for investors: http://www.poya.com.tw/

Chen, Jian Zao Chairman
Chairman of Dou Chin Investment Co., Ltd.
Supervisor of Poya Investment Co., Ltd.
Chairman of Chen Ching Investment Co., Ltd.
Chairman of Gao Heng Investment Co., Ltd.

Chen, Fan Mei Jin Vice Chairman
Chairman of Poya Investment Co., Ltd.

Chen, Zong Cheng Director and General Manager
Chairman of Maersk Investment Co., Ltd.

Wu, Lin-I Independent Director
Chairman, Li Xin Emporium Co., Ltd.
Chairman, Fullon Hotels & Resorts
Director and Vice Chairman, Yamay International Development Corp.
Vice President, Chairman and General Manager, Peng Cheng Construction Corp.
Chairman, Hi Mall

Li, Ming Hsien Independent Director
Associate Professor, National Cheng Kung University
Vice Director, Zhi Cheng Accounting Firm
Independent Director, Scino Pharm Taiwan, Ltd.
Independent Director, Brogent Technologies Inc,
Chairman, Chien Hsing Information Co., Ltd.
Independent Director, All Ring Tech Co., Ltd.
Independent Director, Jinyuan President Securities

Liu, Zhi Hong Independent Director
Director, Thinflex Corporation
Independent Director, Symtek Automation Asia Co., Ltd
Independent Director, Sunny Pharmtech Inc.
Chairman, Chien Hsing Information Co., Ltd.
Director, Chien Lian Investment Co., Ltd.
Director, Shun Lai Business Consultancy Co., Ltd.

Chen, Ming Shian Director
Chairman and VP of Great China Business Dept., ST. Shine Optical Co., Ltd.
Director, Shine Optical Holding Groups Inc.
Director, Shine Optical (Samoa) Holding Groups, Inc.
Director, Shine Optical HK Limited
Director, 3D Global Biotech

*Remarks: The information was from 2021 Poya annual report. For the latest data, please refer to the Market Observation Post System.

The chairman does not take any other position of the management in Poya

The function of chairman and general manager is clearly defined and executed by different people for the implementation of sound corporate governance and the function of the Board.

The operations of Board meeting

The Board of Directors meets at least once a quarter and it shall call for special session in an emergency. The minutes of all meetings on records shall be retained as required. Convening a Board meeting can help the Directors understand the current business operation. The Board meeting provides guidance and advice based on the performance and strategies proposed by the management, so that the management policy can be implemented and adjusted accurately. Also, it helps to intensify the managerial function and the corporate governance. The board of directors convened 11times in 2021 with an attendance rate of 100%. For important resolutions of the Board meeting, please refer to the company's annual report.

Courses for further studies taken by the Directors

To keep updated knowledge of the Directors, Poya arranges regular courses for further studies for Directors every year. The courses cover corporate governance, CSR and related regulations. All the Board of Directors met the requirements of 6 hours for further studies based on the "Guidelines for Directors' and Supervisors' Further Studies Implementation made by Listed and OTC Companies." in 2021. The courses for further studies taken by the Directors could be referred to annual report.

Act on recusal of Board of Directors due to conflicts of interest

To fulfill the duty of supervision, when directors have a conflict of interest and act on recusal on the board meetings, it shall be implemented in accordance with Article 15 of Rules of Procedure for Board of Directors: "When the matters being discussed at the meeting have relations with the personal interests of a director or the interests of the corporation which a director represents, the director shall give detailed explanation about the vital content of the relations at the Board meeting. If such relations cause harmful impact on the interests of the Company, the director shall recuse himself in discussing and voting on the matters and leave the meeting when the discussion and voting is taking."

We included the names of the Director involving in conflicts of interests, important content of the conflicts, the reason and situation of avoidance from the meeting in [26] the Board minutes. Please refer to 2021 Complete Board meeting minutes on Poya's official website.

The remunerations of Directors

Profit distribution shall be determined by the corporate earnings in the previous year and be proposed by Board of members on the resolution meeting of shareholder meeting. Besides, the Remuneration Committee will evaluate the management performances of the Board according to corporate operating results, and thus the remunerations of Board members will be highly correlated to the corporate performances. According to the Articles of Incorporation of the Company, the remuneration for directors should be less than 6% of the profit after covering accumulated losses (which was the pre-tax profit after the distribution to employees' compensation and directors' remuneration.). Please refer to our annual report for Directors' remuneration in 2021. Poya plans to report the directors' remuneration at the general shareholders meeting in 2022, including the remuneration policy, the content and amount of individual remuneration.

Purchase of liability insurances for the Company's Directors

Uphold the principle of ethical corporate management, there is no lawsuit or violations of laws for the Directors of Poya international. The liability insurance for the Company's Directors was covered by the Company with annual check of the contents in a regular basis to make sure its integrity. Poya International purchased liability insurances for the directors and supervisors from Union Insurance in 2021 with the sum insured to be USD$5 million. The period of insurances was from October 1, 2021 to October 1, 2022.

Board performance evaluation

The Company has established the "Rules of performance evaluation of Board of Directors and conducted evaluations in accordance with the relevant regulations. The Company completes self-evaluation and peer evaluation with internal questionnaires by the end of the first quarter of the following year. The results reported to the Board of Directors, and disclosed on the Company's official website designed for investors. The company would continue to enhance by the proposed suggestions. The evaluation of the members of the Board, the Board of Directors, the Audit Committee, the nominating committee, and the Remuneration Committee for the year of 2021 was completed on January 24, 2022, and the results of the performance evaluation suggested "Effective overall performance of the Board of Directors ".

Measurement items for performance evaluation for Board of Directors:
Degree of participation in the corporate operations/ Improvement of the quality of decision-making by the Board of Directors/Board composition and structure/ Election and continuous development of Directors/ Internal control
Measurement items for performance evaluation for individual Directors:
Understanding of the goals and missions of the Company/Recognition of duties as Directors/ Degree of participation in the Company's operations/Management of internal relationship and communication/ Professionalism and continuing education/ Internal Control
Measurement items for Performance evaluation for members on the Functional Committees:
Degree of participation in the Company's operations/ Recognition of duties as members on the functional committees/improvement in the quality of decision-making by functional committees/Composition and election of functional committee members/internal control

Internal audit

The Company's internal audit is an independent unit under the Board of Directors. In addition to the routine report to the Board of Directors, the internal audit also reports immediately to the Audit Committee, the Chairman and the General Manager when necessary to implement the spirit of corporate governance.

The Audit Office prepares annual audit plans in accordance with laws and regulations and risk assessment results. In addition to performing various audit operations in accordance with the audit plans, the Audit Office also performs project audits based on regulatory changes and newly identified risks in order to conduct comprehensive risk management, improve operational performance, and further enhance the overall interests of the Company.

The results of the 2021 audit have been reported to the Board of Directors, and no internal control deficiencies or irregularities were found. The Audit Office only made suggestions on the operation process for the reference of each department to improve the quality of management.

Functional Committees

Poya has established Audit Committee, Remuneration Committee and Nominating Committee under the board to assist the Board of Directors to fulfill the duty of supervision. The Board of Directors, Audit Committee, Remuneration Committee and Nominating Committee operated by "Sample Template for Poya Co., Ltd. Rules of Procedure for Board of Directors Meetings, "Sample Template for Poya Co., Ltd. Audit Committee Charter", "Sample Template for Poya Co., Ltd. Remuneration Committee Charter" and "Sample Template for Poya Co., Ltd. Nominating Committee Charter" respectively. Audit Committee and Remuneration Committee are composed of 3 Independent Directors. The articles of each committee were passed by the Board of Directors with report of the events and resolutions to the Board of Directors in a regular basis. Poya expects to disclose the implementation and results of the internal performance evaluation of the board of directors and functional committees on the company website.

Audit Committee

☑ The Audit committee is to assist the Board to fulfill the supervision and exercise the duty required by Company Act, Securities and Exchange Act and other related rules. The Committee is consisted of 3 Independent Directors among whom 2 are financial experts. The Committee shall operate in accordance to Audit Committee Charter held at least once a quarter.
☑ The Audit committee convened 5 times in 2021 with the attendance rate of 100% by sound communications between Independent Directors, internal auditors, and CPAs.
☑ Poya expects to disclose the professional qualifications and experience of the members of the Audit Committee on the company website.

Nominating Committee

☑ The Nominating Committee is to seek, review, and nominate candidates for BODs, to develop the organization structure of the Board and each Committee, to make a performance assessment for the Board, the Functional Committees and each Director once a year, and to evaluate the independence of Independent Directors to fulfill the operations of the Board and to intensify the managerial mechanism. The Committee consists of 3 Independent Directors and 2 Directors and shall be under operation according to Nominating Committee Charter.
☑ The nominating committee convened 1 time in 2021 with the attendance rate of 100% by directors.

Remuneration Committee

☑ The Remuneration committee is to assist review of the remuneration of the Directors and managers in a regular basis to strengthen the corporate governance and risk management. The duty of the committee is to ensure that the remuneration arrangement does comply with the related rules and the appeal to the talents. The Committee is consisted of 3 Independent Directors and shall be under operation according to Remuneration Committee Charter.
☑ The Remuneration committee convened 5 times in 2021 with the attendance rate of 100% by independent directors.

The implementation of corporate social responsibility
Sustainability Development Committee

The Sustainability Development Committee (formerly called Corporate Social Responsibility Committee) is responsible for formulating and organizing the direction and target for the sustainable development of corporate social responsibility policy. The Committee is divided into seven functional groups, including Labor/Ethics Regulation Team, Environmental Safety/Management Team, Social Charity Team, Integrity Operation Team, Supply Chain Management Team, Business Confidentiality Management Team, and Shareholders' Equity Protection Team. The general manager serves as the chairman of the Responsibility Committee, shall review the annual performance of each functional team personally on irregular basis. Poya expects to report and disclose the composition, responsibilities and operation of the Sustainability Development Committee.

Description of Sustainability Development Committee：

✓ Chairman：The general manager

✓ Core members：Top manager of each division, such as Finance and Accounting Division, Audit Office, Human Resources Management Division, Marketing Planning Division and Product Planning Division.

✓ Functional Teams: Middle and junior managers of the relative divisions.

Poya has appointed Finance and Accounting Division as the dedicated unit (or concurrent duty) in charge of the proposal and implementation of Sustainability Development management policies and plans with Chiarman reporting to the Board of Directors on regular basis；Since 2014, Poya has voluntarily drafted and published the annual CSR report, renamed as Sustainability Report in 2021, to help stakeholders to understand the operations of corporate social responsibility.

2.2 Organization Chart of Sustainability Development Committee
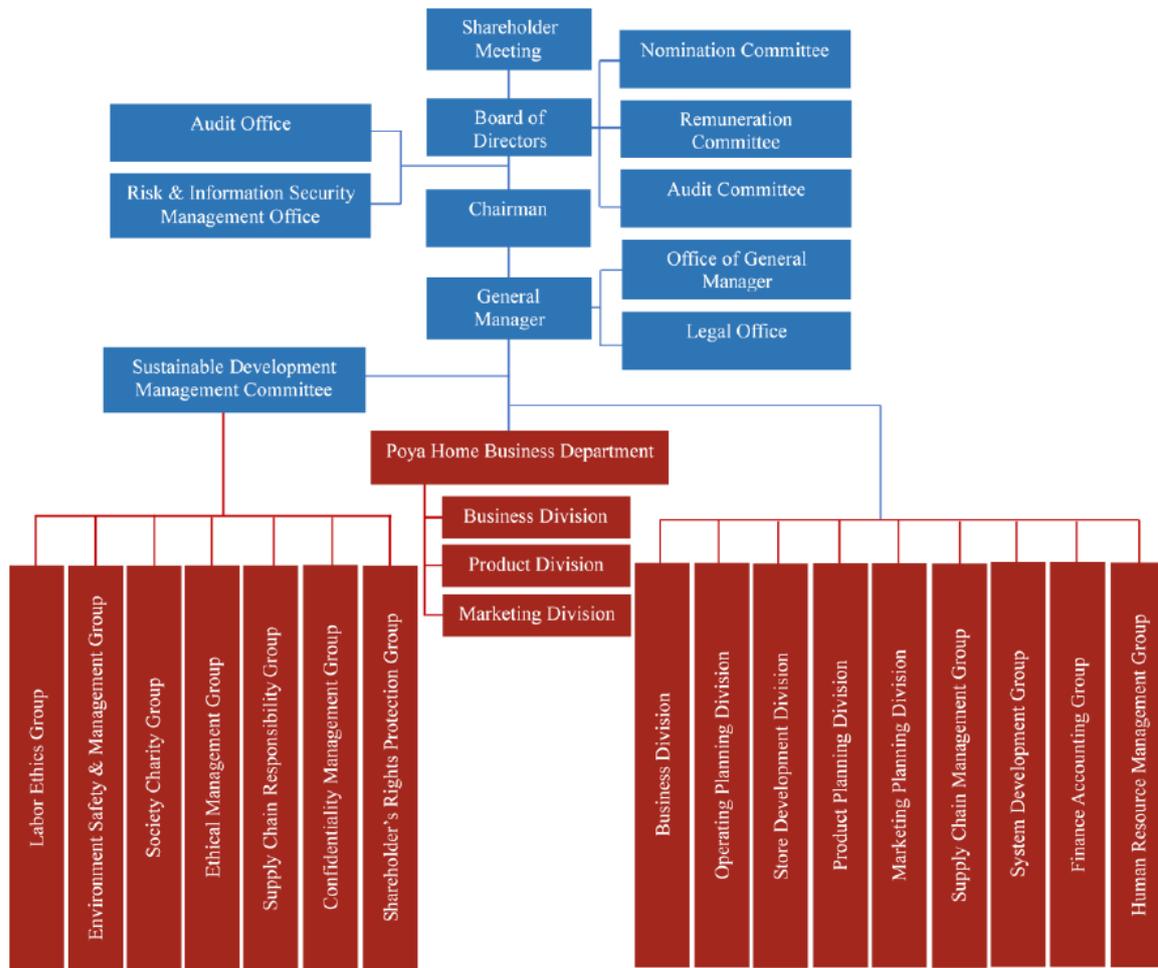
Risk management

In July 2021, Poya established Risk and Information Security Management Team, with the general manager as the chairman. This team is an interdepartmental team responsible for reviewing the governance, planning, supervision and implementation of information security policies of each business unit in order to build up information security defense capabilities and information security awareness among employees, and to report the implementation situation to the Board of Directors on a regular basis each year.

According to the assessment of business operations, risks can be divided into four aspects: economics risks, social risks, environment and other risks. We set up corresponding dedicated units based on the categorization of the risk. Fom here, we identify, evaluate, monitor, and respond to all risks. The primary risks and dedicated units are as follow:

Aspect	Risk Type	Risk Management Implementation Instructions	Accepting Units	Risk Management Strategy and Execution in 2021
Economics	Strategy & Operational Risks	Each division formulates operational and risk assessment plans, tracks operational performance in monthly strategy meetings, and makes adjustment in a timely manner to meet operational objectives in accordance with changes in market competition and consumer trends.	Business Planning Division Marketing Planning Division Finance and Accounting Division	1. Monthly interdepartmental strategy meetings are held regularly to discuss future strategy planning, set specific targets according to strategy goals, and review monthly whether the strategy direction needs to be adjusted. 2. In 2021, a total of 12 strategy meetings were held.
Economics	Finance Risks	The Finance and Accounting Division establishes strategies, procedures and indicators in accordance with laws and regulations and market changes, and regularly analyzes the status of risk changes and takes appropriate countermeasures to reduce the overall potential risks of the Company.	Finance and Accounting Division/ Audit Office	1. In addition to the favorable terms with the financial institutions on the interest rate, we balance with our bank loans level and interest expenses by repaying a portion of our bank loans each year out of our own cash generating capability. 2. Conduct effective financial planning and fund allocation on our weekly financial meetings.
Economics	Market Risks	Based on their functions, each business unit evaluates and analyzes important policies, laws and regulations, and technological changes, and takes appropriate measures accordingly to reduce potential business risks.	Board of Directors/ Office of General Manager	In 2021, the Board of Directors held 11 meetings to discuss decision making, budgeting, business performance, etc., and to formulate/revise the relevant regulations in accordance with the laws and regulations and to meet the management needs.
Social	Information Security	The Information Technology Division establishes information security and crisis management	Information Technology Division	1. Strengthen the information security training to enhance the information security concept of colleagues.

	Risks	procedures and information security management measures in accordance with changes in laws, policies and technology to reduce the impact of information system crashes, data corruption or intrusion on the company's operations. We also regularly analyze and evaluate risk changes and take appropriate countermeasures to reduce potential risks.		2. The Information Technology Division sets up firewall and anti-virus software security measures, and regularly checks and tests the system to build a complete anti-virus mechanism. 3. There's no information security incidents such as "data loss", "data leakage", "server attack", "server intrusion", etc. in 2021. Risk improvement status: 2 cases; threat, vulnerability and other risk identification status: 2 cases.
Social	Disaster Risks	The HR Division establishes procedures and indicators in accordance with the law, including contingency management methods and education training systems to reduce the impact of natural disasters on operations.	HR Division	Carry out various trainings in accordance with the company's annual education and training plan, strengthen the resilience of each unit, and minimize the impact of natural disasters on operations. In 2021, 1,889 employees participated in internal and external training, with a total of 13,518 hours. Poya also develops response measures for disaster risks. For more details, please refer to the website "Poya Climate Change Assessment and Response Measures".
Environment	Climate Risks	Each division assesses climate change risk according to their functions and propose measures to address them. Climate risk items include: excessive risk of related regulations, and physical risk such as increased extreme weather.	Each division	1. Poya disclosed carbon emissions each year, reviewed the changes from last year, and reviewed the water and electricity consumption of our stores for any abnormalities and reported them to the risk management team to establish specific targets and practices for environmental protection

and energy conservation, and to implement proper environmental management.

2. In order to cope with the power outage, flooding, increase in the cost of equipment repair or operation interruption caused by extreme weather, the company has set up contingency team to formulate a backup plan and equipment procurement plan in advance to ensure that contingency measures can be activated immediately in the event of a disaster.

Emerging risks

In addition to the above risk management framework, Poya has identified two emerging risks that have a huge impact on medium and long-term development as follows:

Risk	Ageing population	Infectious disease pandemic
Cause	In 2020, the number of births was lower than the number of deaths for the first time in Taiwan, entering an era of negative population growth. In 2021, not only the negative growth maintained, but the gap between deaths and births increased, and the population structure undergone major changes.	In the past two years, due to the impact of COVID-19 pandemic, the world has been greatly impacted, and consumers' lifestyles and shopping habits have undergone great changes.
Impact	The ageing population will end up with the decline of the labor ratio, which will be challenging for us on recruiting staff and rising wage costs in the future. The increase in the proportion of the elderly population will cause changes in the main customer groups in the long term, which will have an impact on the company's products and services.	In response to COVID-19 pandemic, the authority has issued a number of anti-epidemic measures, including crowd control, requiring stores to be cleaned regularly, employee health, and hygiene management, which have increased operating costs. Among them, quarantine policy affects personnel attendance, which in turn affects the stability of supply and logistics efficiency. During the severe epidemic period, consumers less visited the physical shops and shifted to online shopping, which affected the performance of physical retail.

Risk	Ageing population	Infectious disease pandemic
Response	In terms of recruitment, Poya has cooperated work study programs with many colleges and universities to create multiple employment channels. We have also introduced the SPACE MANAGEMENT system to stores to increase efficiency with lower reliance on labor; in terms of product development, Poya responses with product development plan with suppliers to meet the need of the growing proportion of the elderly.	Poya strictly follows the relevant laws and regulations on the prevention and control of infectious diseases. During the pandemic period, the back office take turns coming to the office and conducting the work-from-home measures, online meetings, etc. to maintain operations; Poya has introduced POYA PAY to our physical stores and various electronic payment tools to reduce the risk of contact and continues to strengthen the store disinfection operation. At the same time, all suppliers are required to cooperate in taking epidemic prevention measures. POYA speeded up on the debut of POYA BUY, online shopping platform, in June 2021, providing consumers with a more convenient OMO shopping experience. Poya will continue to optimize in the future and to be closer to our consumers.

The Audit Office prepares annual audit plans and self-inspection procedures and methods through risk assessment and legal regulations, and continuously controls the above potential risks through the execution of audit plans and self-inspection operations. The results would be reported to the Board of Directors on a regular basis.

Risk Management Process

Our risk management process is divided into five stages:

Identification	Measurement	Monitoring	Reporting	Response
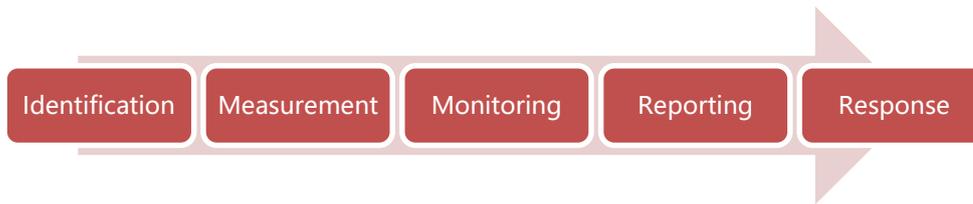
The description of each stage is as follows:

1. **Risk Identification**: The Risk and Information Security Management Team and all related divisions identify potential risks associated with operational activities through risk management meetings.

2. **Risk Measurement:** After evaluating each risk factor according to their job content, each related department shall establish an appropriate exposure assessment for risk management.

    (1) Risk assessment includes risk analysis and evaluation, which is used to assess the impact of risk on the Company by analyzing the likelihood of occurrence of risk events and the degree of negative impact if they occur, and to serve as a priority in the subsequent formulation of risk control and selection of response measures.

    (2) For quantifiable risks, rigorous statistical analysis methods and techniques should be adopted for analysis and management.

    (3) For other risks that are currently difficult to quantify, the likelihood of their occurrence and the extent of their impact are expressed through textual descriptions.

3. **Risk Monitoring:** Each division head shall monitor and control the implementation of risk management within the scope of responsibility and management process at all times and take necessary measures in a timely manner.

4. **Risk Reporting:** In order to adequately document the risk management process and the results of its implementation, the Risk and Information Security Management Team shall report the risk status to the Board of Directors at least once a year for management reference.

5. **Risk Response:** The following measures should be taken in response to the risks faced

    (1) Risk avoidance: Take measures to avoid activities that may give rise to risks.

    (2) Risk reduction: Measures are taken to reduce the impact and/or likelihood of the occurrence of the risk after it has occurred.

    (3) Risk Sharing: The transfer of risk to others, in part or in whole, ex: insurance.

    (4) Risk Acceptance: No measures are taken to change the likelihood of the occurrence and impact of risks.

Cyber Security management policy

(1) Information security governance: formulate the Company's information security management system, strengthen education training and information security infrastructure design and protection technology. Ensure the system availability of information, authority management and access control, and resist external threats.

(2) Compliance with laws and regulations: establish a compliance mechanism, regularly review and revise relevant operating practice to comply with information security standards.

(3) Specific management measures

Category	Related measures
System available	1. Monitoring system/network availability status 2. Data off-site backup to ensure complete information can be restored 3. Regular disaster recovery drills
External threat	1. Detect virus and malicious program attacks to prevent information damage 2. Host computer weakness detection and update measures
Authority management	1. Personnel account authority management and review 2. Regular inventory of personnel account permissions 3. Access rights Management for important computer facilities
Access control	1. Access control for information 2. Operational behavior track record 3. File encryption mechanism 4. Regularly conduct internal and external audits, and rent a telecommunications backbone network computer facilities that has passed ISO 27001 information security verification to ensure the availability of servers and network services
Education training	1. Propaganda: require employees to change passwords regularly to maintain account security 2. Lectures: irregularly implement information security-related education training courses for internal employees

There were no cyber security incident such as "data loss", "data breach", "server attack" and "server intrusion" in FY2021.

Ethical Corporate Management

Uphold with the ethical management, Poya formulated relevant policies to implement corporate social responsibility policies such as "Ethical Corporate Management Best Practice Principles", "Guidelines for the Adoption of Codes of Ethical Conduct" and "Procedures for Ethical Management and Guidelines for Conduct" for the Directors, managers and all the personnel to follow and to improve self-disciplined and integrity for the Company from Top-down perspective.

Poya conducts "Ethical Corporate Management" briefing at the monthly internal meeting to promote its concepts and policies. From this year, new employees are required to abide by the Company's Ethical Management Policy as employment conditions, and sign a statement of integrity (The content includes a commitment to integrity). The signing rate of new employees was 100% in 2021). Poya will impose a penalty on those who violate ethical conduct according to the severity of the violation. Poya will disclose the name and title of the violator, the date and details of the violation, and the actions we have taken. In 2021, Poya's employees did not have any violation of ethical conduct. For the cooperation with suppliers, Poya asks the suppliers for complying with its contracts based on principle of good faith, and prohibits them from breaking the public order or goods morals. If there is any violation on law or related food safety regulations lead to significant affect or damage on environment and community, the company shall have the right to terminate the contract. In addition, Poya is firmly against any form of corruption. To avoid any improper benefits received by any Poya employee, Poya makes clear requirements in "Guidelines for the Adoption of Codes of Ethical Conduct" that provision, promise, request, or acceptance of improper benefits in whatever form/name by a third party is prohibited. The Audit Office is authorized to be solely responsible for supervision. The new version of the supplier contract has added a third article of corporate social responsibility, which includes five major norms such as labor, health, environmental safety, ethics and fairness, and asks suppliers to abide by relevant laws and regulations such as food safety. Poya will work with our suppliers for the sustainable development.

If any external stakeholder finds any breach of integrity, the Company provides a free customer service hotline, e-mail, Facebook and investor service contact window so that each stakeholder can immediately respond to the management and provide comments. Once the company receives the message, we will send it to the corresponding special unit and request it to report the progress and do internal review within the specified time.

Maintain the shareholders' equity with fair treatment for every shareholder

Poya set up the investor relations team as a direct channel for the company to communicate with investors, and holds/participates investor conference to explain the company's operations and ensure the transparency and accuracy of information.

a. Official website for investors section on corporate governance.

Poya set up official website as investor section on corporate governance in both Chinese/English languages, providing a real time search with financial reports/annual reports, regulations, and resolutions passed by BODs or shareholder meetings. This allows our investors to have a full understanding of operations and strategies.

b. Set up the spokesman system and IR contact window

Poya appointed a share registration agent to handle related business and also assigned a company spokesman as well as acting spokesman in response to the suggestions and disputes from the shareholders. Additionally, Poya also set up the IR contact window to reply to personal investors.

c. Implement E-voting system

In order to maintain the shareholder equity, and have a full communications with shareholders, all the acknowledgements and discussions on annual shareholders meeting are voted case by case. Moreover, Poya has carried out the e-voting system since 2015 to improve the corporate governance. The e-voter turnout rate was 73% in 2021 with the total voter turnout rate up to 91%.
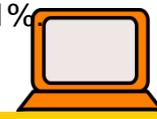
Enhance the information transparency

The investors rely on the information disclosed from the corporate to make the investment decisions and assessments. Therefore, information disclosure is an important part of corporate governance system. It is believed that the higher the transparency of corporate information, the higher realization of corporate governance. The increase of corporate transparency also could enhance the corporate value with lowering financing cost. Poya has improved the information transparency since 2014. In addition to the public information release followed by the regulations, Poya has voluntarily disclosed the performance. Please see below our disclosure of information:

--Voluntary disclosure--

①Disclosing the respective remunerations of the directors in the annual report voluntarily.

②Preparing the annual CSR voluntarily since 2014, and renamed as Sustainability Report in 2021

--Information in CN/EN--

①Material Information

②Major resolutions of Board meeting

③Major internal regulations

④Financial statements

⑤Sustainability report

⑥Conference presentation

⑦Annual report, meeting notice, meeting agenda

--Information transparency--

①CN/EN official website

②Financial calendar

③Latest annual report and financial statements

④Registration agent and contact window offered

⑤Update relative information of Board meeting and disclose monthly operations

⑥Regular disclosure of changes in shareholdings of directors and supervisors

--Investor conference--

Poya participated in 16 conferences held by external institutions in 2021 and announced conference timetable and presentation copy on official website.

Product
03

3.1 Supply Chain Management
3.2 Product Management and Customer Service
3.3 Customer Relationship Management

3.1 Supply Chain Management

The source of Poya's goods is purchased from domestic manufacturers, and there is not direct import of goods, so there is no exchange rate risk. Currently, there are over 400 suppliers cooperating with Poya, including local/international corporations and small and medium-sized enterprises, etc. The biggest supplier accounts for less than 5%, indicating limited concentration risk from single suppliers. We also work with strategic suppliers to develop new products in response to changing needs from consumer and market demand.

Poya offers more than 60,000 products with wider selections for customers. In 2017, we introduced our automated logistics center to improve inventory efficiency and operational effectiveness. With our diversified product assortment as well as reasonable inventory management, Poya continues to establish our competitive advantage and differentiate ourselves from our competitors.

Interview
- The purchasing associates are responsible for negotiating and contacting with suppliers, and meet with them from time to time.

Quarterly Meeting
- Poya management team held a meeting every quarter with main suppliers to discuss future development and cooperation.

Factory Visit
- The purchasing associates will arrange the factory visit to know the suppliers' real situation from time to time.

Food Safety and Product Safety

Given our rich product portfolio with 60,000 items, each store has a regular inspection and random inspection mechanism every month. Unqualified products were fined by the authority mainly due to expired goods (there were two cases with the fines at NT$60,000 and NT$ 300,000 respectively, which have been paid within the deadline). After the incident, we have strengthened our inspection of products at our stores. Each store manager takes staggered shifts to regularly perform product inspections every month, to increase the frequency of random inspections. The morning shift staff increases the number of checks for nearly expired items to improve incoming and shelf inspection mechanism. Figure below shows the flowchart of monthly quality checks. When products are displayed on the shelves, the employees of store check the labels and the quality of products again. Besides, regional managers and audit division will examine product inspection in stores on a regular basis. If there are concerned products in store, Poya will remove and stop selling such product until the quality being confirmed. For those who are considered to violate our internal standard working process, the relevant divisions have reviewed and adjusted with no significant impact or damage. Poya does not sell any controversial or prohibited products.

Poya has established supply chain management process to ensure the product quality. Before signing a contract with suppliers, Poya shall review the related information of the suppliers and conduct factory visit to understand the environment, production process, and the operational situation. Poya requires our suppliers to comply with related regulations, such as the Commodity Labeling Law. Through the inspection and audit mechanism of the purchasing department, Poya ensures the product quality. In recent years, with the rise of environmental awareness, Poya also encourages suppliers to carry out third-party certification and reduce packaging.

Inspection ➡ **Notify** ➡ **Return** ➡ **Track**

Business Division	Product Planning Division	Stores	Business Division
Monthly Quality Inspection	• **Stop Selling Concerned Products** • **Notify Store to Accept Return**	**Return products**	• **Track Return Rate** • **Track Abnormal Suppliers & Products**
Store Reaction			
Business Division Random Inspection		**Logistic System**	
Audit Division Inspection		• **Accept Return Products** • **Stop Distributing Products**	
Auditors to Store Random Inspection			

Suppliers Cooperation

Poya follows the market trend, and develops the owned or exclusive products with suppliers by sales analysis and customer focus interview.

To increase the suppliers' interests in developing new products, Poya will sign a contract of minimum purchase quantity with suppliers. Besides, Poya will provide customers' feedback to our suppliers to assist product development as well.

This should benefit to our customers, suppliers, and ourselves, as customers get the products they want with suppliers obtaining higher product sales and Poya enjoying sales performance and enhancing customer satisfaction. (Figure 3.1)
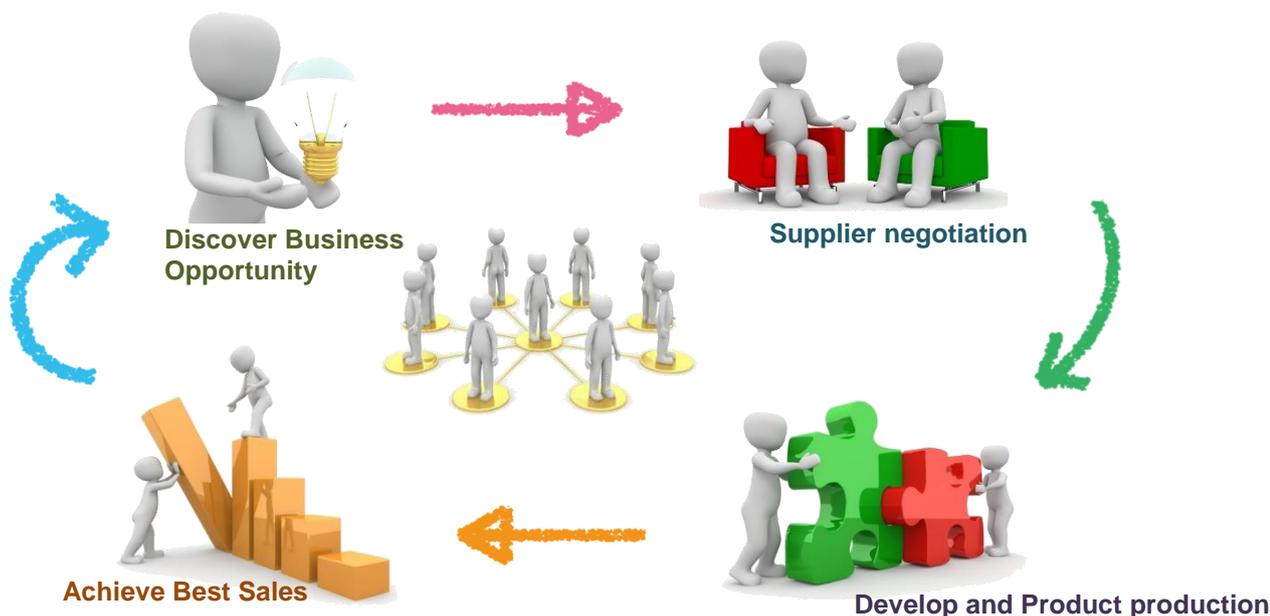
Figures 3.1 Suppliers Cooperation Model

Precise Ordering

We are dedicated to improve our accurate order system to avoid negative impact and operational risk as "massive order, massive return" to suppliers. Poya has established an automatic order system which will suggest optimal quantities according to the real-time stock for each shop. Our store staff will check the rationality of the order quantity based on different reports, which will be reviewed by the store managers.

SPACE MANAGEMENT

Poya has introduced the SPACE MANAGEMENT system since 2019, which can instantly grasp the sales performance of products in each store, then analyze the data to adjust the display of the products and improve the sales performance. Poya also uses the automatic ordering system to fully optimize the procurement process and improve the procurement accuracy of each store.

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The CSR Requirements for Suppliers

Poya is a personal beauty and daily store providing up to 60,000 products ranging from international and domestic beauty and skin care products, open-shelf brands, medical beauty products, health supplements, various headwear and socks, underwear, accessories, daily necessities, leisure food and beverage from various countries, and brand counter, etc. With our dedication to customer service, Poya provides the most professional, convenient, extraordinary shopping experience to our customers with a rich portfolio of product selections and shopping space. In addition to pursuing the display of products in the store, Poya also spares no efforts in product selection meeting the corporate social responsibility requirements:

1. The textile bathing products without dying, bleaching, and chemicals additives: Poya will seek qualified suppliers with production procedure meeting the requirements when planning the merchandise.

2. The restriction over the product ingredient: It is prohibited to change the ingredient or add chemical solvents which are harmful to the human body for the own-branded OEM skin care products.

3. Local procurement: Poya aims to source the featured products domestically in Taiwan. For example, most of our socks sold at Poya shops were procured from the factories in Shetou, Changhua, which is the major production base of Taiwan socks.

4. Dedication of CSR by our main suppliers such as P&G, L'Oreal, Johnson & Johnson, Nice etc. The great examples are: P&G is devoted to implement its environmental protection policies into every project, realizing the sustainable principle into daily life; Johnson & Johnson has always conducted a stringent safety procedures to ensure the safety and quality for all the infant and personal care products; Nice has obtained the ISO-9001, 14001 certificates, meeting the environmental management system standards.

Poya has required suppliers for complying with its contracts based on principle of good faith, without breaking the public order or goods morals. For detailed supplier corporate social responsibility specifications, please refer to the Company's official website. Poya also advances our supplier management policy, requiring suppliers to follow the regulations of environment, occupational health and safety, labor and human rights, etc to implement our CSR requirement for suppliers. If there is any violation of law or related food safety regulations with significant impact or damage on environment and community, the company shall have the right to terminate the contract. If there is damage or disruption to reputation, Poya would seek further compensation. The new version of the supplier contract has added the third article of corporate social responsibility, which includes five major norms such as labor, health, environmental safety, ethics and fairness, and abides by relevant laws and regulations such as food safety. It is hoped that suppliers and Poya will work together towards the goal of sustainable development.

3.2 Product Management and Customer Service

Poya aims to become" A better Poya for the customers." We focus on providing safe and high-quality products to meet customer demand. We are also devoted to providing a comfortable, safe and convenient shopping environment. Judging from the trend of online and offline integration, Poya starts our e-commerce plan to fulfill diversified demands from customers.

Product Quality and Safety

To understand customers' demands and get better satisfaction, Poya interviews representative customers and shops with them in POYA stores. (See Figure. 3.2) Poya replaces 20% to 30% of merchandise yearly. And our merchandise policy emphasizes on introduction of safety, quality and consumer-friendly products. In suppliers' contracts, Poya clearly requires suppliers to ensure product quality with no acceptance on counterfeit, and to comply with related laws and regulations. At the same time, Poya performs regular inspections in stores and warehouses, and removes those concerned products which are near expiration date, damaged, defective or incomplete labeling. Employees of business division and audit division inspect physical stores from time to time. Any concerned products will be removed from shelves and stop selling immediately until the concern dismissed.

Products Labeling

Poya strictly requires our suppliers that all products should abide by the Product Labeling Law, which helps consumers to get sufficient information to use items properly. Imported products should label the instructions in Chinese with proper and full content translation. Any warnings on the original label of imported products or services should be attached on the Chinese label. Poya checks the product labels regularly. If any concerns, Poya will inform our suppliers and request them to solve the problems. Also, employees in Business Division will track the performances of concerned suppliers, and replace those suppliers without improvement. In stores, all products come with price tags. Our store associates will update tags monthly according to the latest promotional price. Through that, we could provide customers adequate information and protect their rights.

Figures 3.2 Focus group meeting and

Store Safety	Store Management
High Quality Product	Product Safety
Store Construction	E-commerce Plan

Management Procedure of Product Quality and Safety

Product Introducing → **On sale** ┈┈▶ **Unqualified**

Business Planning Division	Business Planning Division/Audit Division	Remove from shelves and shop
1 Focus group meeting to understand customer demand 2 Annual product turnover rate: 20~30%	☑Perform random inspection ☑Ensure product quality ☑Regular check on labeling	Ask suppliers to improve when unqualified

Suppliers	Shopping Area	
1 Quality requirement 2 Counterfeit is prohibited 3 Comply with the related regulations 4 Meet Commodity Labeling Act	☑Regular inspection of stores and warehouse	

Make sure there's no concern

Back on Sale

Private Label

With core values of "health, beauty, and self-care", Poya cooperates with TCI Co.,Ltd. to launch our Private brand iBEAUTY in 2021 for the first time. Poya also successively launched POYA Snack rice cracker using 100% Taiwanese high-quality rice with no added chemical ingredients and POYA Care functional enzymes drink using local fruits and vegetables and exclusive R&D technology.
While insisting on innovation and pursuing product diversification, Poya strictly controls suppliers and raw materials, hoping that consumers can have safer choices when pursuing beauty and health, and take into account the environmental ecology and healthy brand image.

Store Constrution and Safety

Poya always keeps "Best Services with Customer Orientation" deeply in mind, and is committed to providing customers with sound services. In 2017, Poya introduced 5th generation stores, which added a makeup zone to offer cosmetics try on and derma areas to create a professional impression. In 2018, Poya introduced 6th generation stores with narrower shelves to house more SKUs in the same space to meet customers' one-stop shopping needs. In the past two years, we have continued to optimize and adjust the stores to match the development of different locations, such as stores at school district, residential area and shopping district to bring customers a better experience. In 2019, Poya Home was launched. Compared with the traditional hardware department store's messy display and limited products, Poya Home offers a large and bright shopping space to meet customer expectations.

In order to provide a safer shopping environment, the employees of Store Engineering Department will check up, review and maintain the store equipment regularly to ensure the store safety. Poya continues to improve the shopping environment and safety facilities of the stores every year, so that customers can have a better shopping experience.

⚠Store safety precaution：

☑ To prevent customers from any potential risk at our store in advance, Poya has strengthened staff on the concept of public and fire safety. We also insure customers for public accident insurance. If an accident occurs in any Poya store, the injured customer will be sent to the hospital accompanied by the store staff with application of insurance claims.

☑ Store Engineering Department will inspect and maintain store equipment regularly. If any breakdown or damage is detected, they will repair the equipment immediately.

There are grooves in the inner layer of the shelf to protect wires from falling off and being damaged.

We strengthen the structure of wall shelves to prevent the shelves from collapsing due to earthquake shaking.

Stores are equipped with extinguishers, fire hydrants, smoke-proof vertical walls, smoke exhausters, escape scuttles, and store location maps in stores.

Store Operation Checking System

Until the end of 2021, there were 324 stores including 290 Poya and 34 Poya Home. To sufficiently control service quality, Poya has set up the Store Operation Checking System for all stores. For those stores needed for improvement, Poya will focus on staff training and operation process modification to increase service quality and professional image.

Step 1
Service Quality Audit

By mystery shoppers, Poya reviews the store staff in product knowledge, consulting services, after-sales services and interaction with customers, etc., which ensures the standard fulfillment.

Step 2
Standard Operation Process (SOP) Check

Poya performs SOP checks to all stores monthly. The SOP checks include four aspects which are fundamental, display, company policy and inventory level. Based on the implementation status and degree of implementation of all aspects, Poya will score and grade stores.

Step 3
KPI meeting

There is a monthly meeting to review the performance of each store, led by general manager and participated by Finance and Accounting Division and other department heads. By the monthly meeting, we can confirm the problems and improvement direction by the cost and benefit analysis, and store operation report.

SOP Checklist
- ☑ Cleanliness
- ☑ Display
- ☑ Announcement
- ☑ Policy
- ☑ Order Management
- ☑ Shelves
- ☑ Inventory
- ☑ Warehouse

Step 4
Store Operation Assistance

For stores classified in C level, Poya will arrange the internal lecturer to assist the store operation, and track the results in monthly KPI meeting. The assistance will continue until the stores has improved significantly and the evaluation results meet the standards. Through the assistance system, we can effectively improve store managers' ordering skills, commercial area operation, and ability to analyze the profit and loss of stores, and share our operating experience to enrich our knowledge base.

The completed Store Operation Checking System effectively controls service quality, and cultivates excellent store managers and staffs. The followings are feedbacks from customers.

Longtan Zhongzheng Store
11/22 customer service staff received a call from customer Ms. Lee

I am your loyal customer, and visit regularly. I reported some problems in the store before, and recently found that there have been improvements and progress. I hope that your company can praise the well-performing employees - Mr. Li and Miss Zhu, and also hope that the store manager can call me back and let me know that my call and praise have really reached the store.

Tainan Jinhua Store
12/9 customer service staff received an email from customer Ms. Zheng

I would like to thank Ms. Yan, the cashier who helped me at about 7 pm on 2021/12/09. I wanted to buy a small medicine box for my elders, but there were only two left on the shelf. I asked if I could order or transfer the goods. Not only kind, but also she was very hard to help us check whether other stores have stock, which makes us feel warm, and please convey our gratitude on your behalf.

Zhongxiao Fuxing Store
6/20 customer service staff received an email from the customer Ms. Chen

This evening, because my handheld electric fan seemed to explode, my friends and I didn't know what to do, so I asked Poya for help. Later, the clerk borrowed a screwdriver and assisted me to take out the lithium battery of the fan. We all heaved a sigh of relief, and thank you very much for your kindness, if the fan explodes, I would not dare to think about the consequences.

Taipei Linjiang Store
9/23 customer service staff received a call from customer Ms. Zhu

Last night, I shopped at Linjiang store at about 9pm. Due to the large amount of purchases, the cashier Ms. Lu was very patient and explained to me how to pay and how to enjoy more discounts and bonus points. She was very considerate from the customer's perspective, and also handling returns very carefully, I hope your company can praise this employee well.

OMO Strategy

E-commerce has been developing in Taiwan for more than a decade, and has been accelerated in the recent two years due to the pandemic which changed consumer payment and shopping behavior. Since 2020, Poya has been planning a three-year OMO strategy, which will integrate online and offline to provide consumers with a more convenient shopping experience.

In early 2021, we launched Poya Pay mobile payment to provide functions such as checkout convenience, online DMs, member points accumulation, and promotion of marketing activities to enhance consumer experience; in mid-2021, we launched Poya Buy online shopping platform to meet customers' digital shopping needs, and integrate online and offline, in addition to home delivery and pickup at convenience store, customers are also able to pick up products at more than 300 Poya and Poya Home stores throughout Taiwan. Leveraged our advantage over established store network, we will continue to improve shopping experience for our customers by our omni-channel strategy.

Figure 5.4 Poya pay and Poya Buy APP

VIP	Golden Card
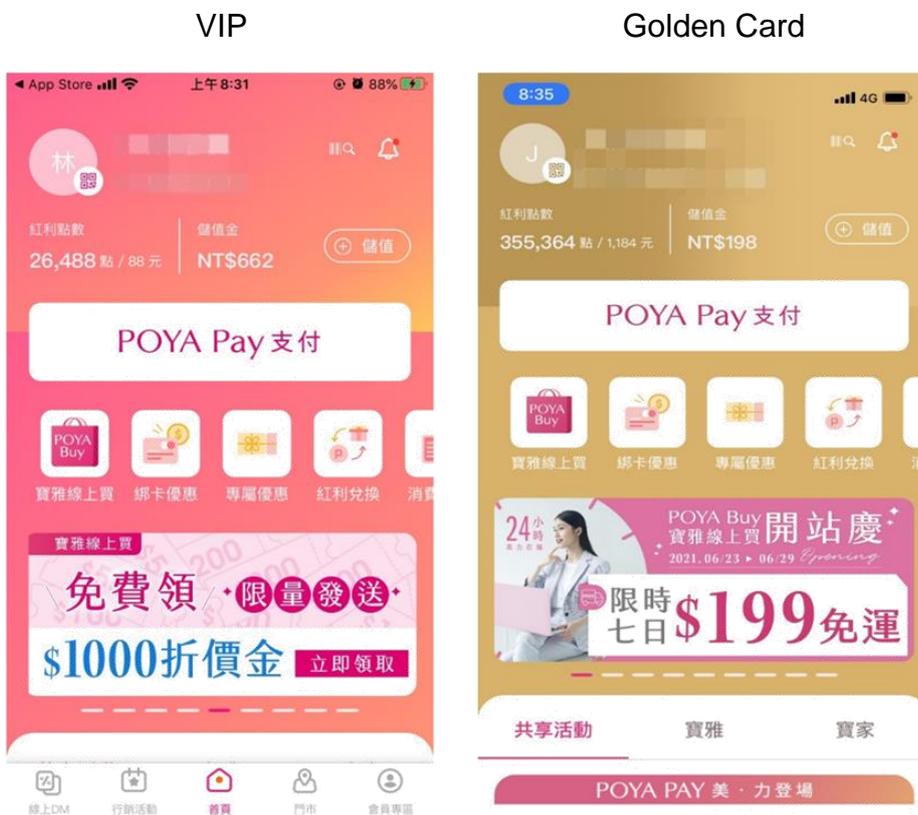
A Virtual Loyalty Card
Easy to reward points!
Can't find loyalty cards?
It's OK. Show App and
get reward points.

3.3 Customer Relationship Management

Membership Policy

Customers are the core of the retail industry, Poya attaches great importance to member management, and the number of members grows steadily every year. In 2021, the total number of members reached 7.4 million, an increase of about 13.8%. In response to the new wave of epidemic outbreak in 2021, Poya revised the original POYA APP in January 2021, and updated it to POYA PAY APP, which achieved: 1. Quick registration 2. Easy card binding 3. Convenient stored value 4. One-click payment, integrate different digital functions. Customers can directly connect to the POYA BUY online shopping platform and place the order. The number of APP downloads increased from 690,000 at the beginning to 2.12 million at the end of the same year, and the card binding rate also increased from 4.8% to 13.2%.

Through the big data analysis of the member database, Poya can more accurately grasp the customer's consumption behavior, including purchase frequency, shopping orientation, etc., and launch exclusive offers and services for them, and continue to improve customer loyalty through precise marketing. In addition, Poya can also analyze customer needs through member data, and improve the success rate of new products on the shelves. Through real-time dynamic adjustment, to meet customer needs.

The digital transformation process of enterprises involves a large amount of personal data of customers. Poya carefully protects and manages personal data. In 2021, there was no violation of customer privacy or data leakage.

Customer Personal Data Protection Management Policy

In order to protect the customers' personal information, the following customer personal data

protection management policy is established to fully protect information security through

rigorous technical and procedural management. In 2021, Poya had no information leakage.

To comply with the Government's "Personal Information Protection Act", we hereby declare the following points regarding the use and maintenance of customers' personal information.

◈ Collection, Processing and Use of Customer Personal Information

(1) Poya collects customers' personal information based on contract or contract-like performance, administrative management, information provision, statistical research and analysis, and other specific purposes necessary for Poya's business operations (please refer to the codes C001, C003, C011, C021, C038, etc. of the "classification of personal information of the Personal Information Protection Act" announced by the Ministry of Justice) (including personal information such as name, ID number, date of birth, gender, marital status, contact information, occupation, etc.)

(2) The personal information of our customers will only be used by Poya or its associated suppliers in Taiwan (including Penghu, Kinmen, and Matsu) for the aforementioned specific purposes in a lawful and reasonable manner. The period of time during which personal information is used is the period necessary to fulfill the aforementioned specific purposes or to conduct business.

(3) Customers could choice whether to provide the above personal information to Poya or not. However, if the personal information provided by the customer is incomplete, it may affect the fulfillment of the aforementioned specific purpose, as well as the customer's subsequent rights and interests. Customers consent to the use of electronic documents as a method of expressing written consent under the Personal Data Protection Act or other laws and regulations.

◈ The rights of parties in regard to customer personal data

Customers could reach POYA via the customer service e-mail, phone 0800-033-168, or our physical store to review or adjust their customer data; request POYA to stop collecting or deleting their personal information; or stop sending marketing data or information.

◈ Personal data protection management policy

Poya will try our best to protect customers' personal data with reasonable and legitimate technology and protection procedures. Meanwhile, we conduct comprehensive management on organization management, environment management, and operation management, and create a service environment that fully protects the security of personal information, so as to prevent personal information leakage.

(1) Organizational Management: Poya has set up a personal information protection team internally, with personal information risk assessment system, management mechanism and maintenance plan for personal information file security. There are plans on collection, processing and utilization procedures of personal information, and handling of personal information after business termination. We set up an emergency response procedure and a contact person for the interested parties exercising their rights. We also implement personal information protection training program for employees as well as related rewards and punishments to effectively execute the personal information protection management policy.

(2) Environmental Management: We apply necessary access control management according to the job content of the entities. The data storage centers shall be properly kept and equipped with disaster prevention equipment.

(3) Operation management: Define the scope of personal information, regularly check the company's personal information files and establish a list, set up authentication mechanisms, record mechanisms, and warning mechanisms on the related equipment of operating system, and regularly test the effectiveness and stability of the pre-disclosure mechanisms. Meanwhile, properly supervise the trustee externally, and listed personal information protection as an audit item. Any measures that may infringe on the rights of our customers will be improved immediately after we notice. We are always welcome to any advices for the improvement.

Employee Care

04

04 Employee Care

Employees are vital assets of Poya and the important factor for our accelerated growth. Therefore Poya offers employees reasonable and fair compensation and welfare system, comfortable and safe working environment, transparent promotional system and regular job training through our complete human resource system. This helps Poya to cultivate talents and grow together with us.

In addition, Poya values the importance of the protection of human rights and voluntarily follows international human rights standards. Specific management and practices include providing working environment with safety and dignity, prohibiting illegal discrimination in employment to ensure equal opportunities, prohibiting the use of child labors, prohibiting forced labor, assisting employees in maintaining work-life balance, providing the unimpeded appeal channels, and creating a friendly work environment through education and training. Poya also values the importance of gender equality. In 2021, female employees accounted for 77.1% of the total number of employees and the female executives accounted for 74.1% of total employees, an increase of 0.5% compared with 2020. It shows that Poya values gender equality in the working environment and talent utilization. Poya also provides benefits such as physiological leave, family care leave, and breastfeeding time in order to provide a friendly working environment for female employees.

4.1 Human Resources Overview

By the end of 2021, there were 4,535 members in the Poya family, with an average age of 29 years. With 77.1% female employees and 74.1% female executives, Poya values gender equality in its work environment. Poya regards all the employees at an equal base and avoids any discrimination owing to race, social class, language, thought, religion, political party, birthplace, gender, sexual orientation, marriage, appearance, age, disability and the status of member of labor union. Poya also hires female employees who want to re-enter the job market after marriage or parental leave.

In 2021, Poya hired 57 employees with physical and mental disabilities, accounting for 1.3% of the total number of employees, which was better than the legal requirement. Also, Poya hired 84 indigenous employees, accounting for 1.9% of the total number of employees.

Emplyee Structure(As of Dec.31,2021)

There were **4,535** employees in Poya

① By area：

North	491	1,374
Central	207	850
South	207	661
Kao-Ping	135	610
Total	1,040	3,495

②By Age：

<21 Yr.	91	273
21-30 Yr.	467	1,812
31-40 Yr.	340	949
41-50 Yr.	111	404
>50 Yr.	31	57

③By Education：

Junior and below	14	42
Senior	194	887
College	67	249
University	734	2,271
Graduate School	31	46

④By Position：

Senior Managers	57	83
Middle Managers	166	160
Basic Managers	265	1,152
Staff	552	2,100

*Female executives account for 74.1% of total executives (The ratio is the number of female executives /the total number of executives)

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⑤ By New Employees/Resigned Employees:

	New				Resigned			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	76	32	23	24	70	28	14	13
21-30 Yr.	226	79	57	58	224	67	58	75
31-40 Yr.	54	19	16	10	58	14	20	17
41-50 Yr.	12	4	2	5	25	5	1	7
>50 Yr.	0	0	0	0	0	0	2	1

	New				Resigned			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	236	98	76	76	219	72	58	44
21-30 Yr.	599	300	216	203	577	341	204	199
31-40 Yr.	150	52	41	43	160	59	48	43
41-50 Yr.	53	12	11	17	48	9	15	15
>50 Yr.	8	2	2	1	10	3	2	1

By 2021, there were 324 Poya stores. Thanks to our expansion plan, Poya has an increasing demand for talent. In terms of recruitment, Poya adheres to fair, open, impartial and efficient recruitment. We choose an appropriate person based on their professional ability and experience. On the other hand, in order to increase the customers' value and offer better services, Poya expects all of the employees to work with enthusiastic and grow with Poya. However, the rapidly changing and highly competitive working environment made some employees leave. The figure above shows the number of new and resigned employees classified by area, gender, and age. In 2021, the new entry rate was 63.8%, and the turnover rate was 62.3%, of which PT accounted for 47.0% of the total turnover. The new entry rate and turnover rate are calculated by dividing the number of employees in the category by the number of employees on December 31, 2021. The table below shows the absence rate calculation for 2021:

Item	Occupational Sickness Leave		Sick Leave		Personal Leave		Physiological Leave		Absence Rate
	People	Days	People	Days	People	Days	People	Days	
Female	35	182	1,588	3,271	458	900	951	1,556	0.52%
Male	13	22	300	686	137	234	0	0	0.08%
Total	48	204	1,888	3957	595	1,134	951	1,556	0.60%

Note：

(1) Based on the number of employees at the end of 2021.

(2) The number of working days in 2021 was 250 days; the total number of working days was 1,133,750 days (total people * annual working days).

(3) Absence rate = (days of occupational sickness leave + days of sick leave + days of personal leave + days of physiological leave) / total number of working days.

4.2 Occupational Safety and Health
Complete work environment

In order to improve the working environment, Poya's headquarter in Taipei relocated in 2018 with brand new working environment, pantries, and conference rooms, increasing convenience, mobility and enhancing the working atmosphere. Poya places microwaves in each store to offer a convenient rest space for employees. Poya also voluntarily creates a breastfeeding room with privacy and safety before government required. To enhance functionality and convenience of the environment, the area is equipped with refrigerator and sofa, which helps our employees to return back to work place after maternity leave.

Full-time employees of Poya are provided with Labor Insurance, Employment Insurance, and National Health Insurance as required by law, and are entitled to insurance benefits in accordance with the relevant laws and regulations. For the payment of employees' maternity, injury, disability, old age, and death, etc., the Company will also transferred the payment to Labor Insurance Bureau and National Health Insurance Bureau, in accordance with the Labor Insurance Act, the Employment Insurance Act, and the National Health Insurance Act.

Safety at workplace is part of company's responsibilities. Therefore, Poya regularly implements public safety inspections, labor safety training courses and employee health checks every year. Poya also executes fire safety inspections and maintains the facilities at all stores and the headquarters regularly. Furthermore, Poya also appoints professional technicians to all employee dormitories to inspect the safety of the public areas, home appliances, water heating facilities, and fire prevention equipment.

For the promotion of operational safety, Poya regularly offers the training courses of labor safety to related personnel of general administrative division every year. Poya hopes that the courses can help employees emphasize on their safety and also lower the probability of the accidents. In 2021, employees taking the course of labor safety with 1,128 hours in total.

In accordance with the relevant laws and regulations on occupational safety and health, the Company conducts safety and health work to prevent occupational disasters and protect the safety and health of employees. Poya will insure the related responsibility of any store construction or renovation for at least NTD 20 million and will also appoint a manager at the construction site to supervise and do the safety management. If there is any accident, the injured employee will be sent to the hospital accompanied by the manager with help of the application of the insurance claim. During the construction period (about two months), all construction sites will be surrounded by the guardrails to avoid customers from entering. The human resource management division is authorized as the management unit for accident statistics recording and reporting. Under various safety and health management programs, Poya had no internal or external employees died or injured in 2021 because of corporate facilities, policies or construction. There is no case of occupational diseases among employees in the same period.

2021Work Injury Statistics	
Total working days	1,045,412
Total working hours	8,363,136
Total lost working days	721

Types of Disability (people)	Total	52
	Death	0
	Permanent Total Disability	0
	Permanent Partial Disability	0
	Temporary Total Disability	52

Year	2021			
Type of injuries	During working hour		Car accident during commuting	
Gender	male	female	male	female
North	3	8	6	11
Central	0	0	1	3
South	0	2	1	3
Kao-Ping	1	1	3	9
Total	4	11	11	26

4.3 Training system and development

Poya emphasizes the cultivation and training of the talents. Through routine training and E-Learning platform, we provide employees with immediate learning and training, so as to improve the ability of employees. (See figure 4.1) Poya has an increasing demand on human resources as there are more and more new stores opening in the mid to long-term development plan. As such, Poya designs a complete and standardized training system which focuses on the master-apprentice model, and establishes the internal lecturer inheritance system to provide complete learning environment and platforms. We hope to assist employees to complete the training courses in the short period to well-perform on their work for getting job promotion. It creates win-win situation.

53 lessons were provided in 2020.
1,770 employees were participated.

Figures 4.1 E-learning platform

Performance of education training in 2021：

Subject	Training hours	Number of classes	Number of Trainees	Total Hours
OJT Evaluation	7	28	965	6,755
Assistant store Manager Assessment	7	13	521	3,647
Section Manager Assessment	7	12	284	1,988
Total		53	1,770	12,390

Note: In 2021, due to the impact of the epidemic, some exams were changed to online exams, so the total class hours were less than last year.

Subject	Lesson	Number of Trainees	Total hours	Total Expense(NTD)
Basic Training	28	965	6,755	1,043,700
Supervisor Evaluation	25	805	5,635	

Complete training system and promotion system

Through a complete promotion plan and a standardized training mechanism, everyone in Poya has a fair opportunity of job promotion as long as the employee completes the essential trainings and is recognized as having contribution to their work.

Management | Section Manager | Assistant manager | Store Manager | Project Manager

Management Trainee
- One-month training·On-site operation training
- One-quarter training·Customer service training

Section Manager
- Counselor training·Customer service training
- Operation management training·Personnel management training
- Product marketing training

Assistant manager
- Operation management training·Customer relationship training
- Product marketing training·Personnel management training
- Commercial area operation training·Employee development training

Store Manager
- Apprentice training·Commercial area operation training
- Profit/loss training·Customer relationship training
- Operation management training·Employee development training

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Performance Management System

Poya has established a complete performance evaluation system, through goal setting, employees are align with the company's goals and follow the system to review their target achievement rate.

Poya does not use education or qualifications as the basis for promotion. Poya values employees' abilities and emphasizes "better performance, more rewards", giving employees the corresponding salary according to their abilities. The supervisors of each division shall make the evaluations for employees twice a year. The specific assessment is suitable for each job position. Employees conduct self-assessment for current working descriptions, key performance indicators of each department, and working objectives for the next period. The evaluation is the basis for promotion, compensation and pay raise. The system also helps employees to find their talents and suitable positions by goal setting and evaluation interview.

Figure 4.3 Nine levels of KPI

C1: Needs improvement	B1: With development potential	A1: Future leader
C2: Watch list	B2: Stable contributor	A2: Top performer
C3: Unqualified	B3: Qualified	A3: Trustworthy

Potential (vertical axis) / Performance (horizontal axis)
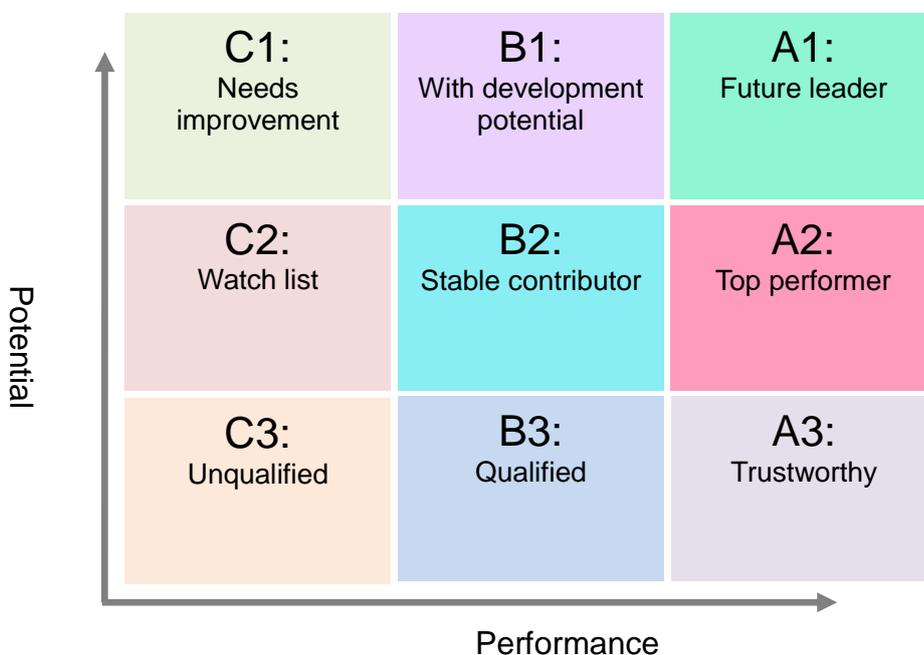
Retirement system

By allocating sufficient amount of pension fund, Poya has established a complete pension fund system to the employees. Poya adopts the old systems of retirement to formulate the Labor Retirement Regulation in accordance with the relevant provisions of The Labor Standards Act. After the actuarial estimation, 2% of the total monthly salaries will be allocated as reserve for the pension fund deposited at a designated account at the Bank of Taiwan (previously at Central Trust of China). The calculation of pension payment shall be paid in accordance with the provisions of the Labor Retirement Regulations. Employees who choose and apply for the new retirement system, in accordance with the provisions of the Labor Retirement Regulations, the calculation of monthly pension payment will be 6% of their respective monthly salaries, which allocated to their personal pension accounts.

Employee relations management

Communication

Poya complies with the provisions of various labor laws and devotes to upgrading employees' salary, welfare and work environment. The company also offers platforms such as oral report, monthly meeting, ABC conference, and E-platform included EIP, Notes, and Connections to make an effective, two-way communications with employees. The opinions from

Fair Work place

Poya actively promotes a working environment with healthy and gender equality. In order to prevent employees from sexual harassment, Poya devotes to improving the facilities in working environment, encouraging employees to participate in the seminar of sexual harassment prevention, and enacting the "guidelines on gender equality and sexual harassment prevention" to prevent the occurrence of sexual harassment incidents and protect victims. Moreover, Poya provides the grievance channels to accept the case of sexual harassment occurred during work and appoints coherent person to coordinate and handle it.

Grievance Mechanisms

Poya has established the grievance box, 0800 hotline and "grievance mechanism" to receive the opinions from employees. By establishing an organized communication and grievance channel, we address and response to employees' doubts and expectations reasonably. The employees can complain in the following methods: 1. Oral report: The person who accepts the oral report from employees has to make a record and report it immediately for processing. 2. Written report or grievance form: Employees can hand over grievance forms or written reports according to grievance procedures to express their opinions. The supervisor of each unit should make inspections or report it for handling, and report the resolution to the grievance right after received. In order to pursue the development of ethical corporate management, Poya encourages employees to report any violation, and anonymous reporting is stipulated in Rules of Personnel Management to protect the reporter and confidentiality methods is specified in Codes of Ethical Conduct. Relevant units will collect evidence and conduct in-depth investigation after receiving the report, and handle the reported case in a confidential way.

Protection of Human Rights

Poya regards all employees at an equal base and avoids any discrimination owing to gender, age, race, color, religion, political parties and disability. All employees in Poya deserve equal protection and treatment without discrimination. Poya shall abide by the relative rules and regulations to do any operating activity or to make any investment commitment, so no human rights clauses are included in the contracts. However, Poya puts much emphasis on human protection and requests all human right issues comply with the laws and regulations. Poya do not recruit child labors and there was no recruitment of child labors during the report period in 2021. Poya do not have any forced or compulsory labor since Poya always ensures that all employees offer services by voluntary with fair conditions of employment. Poya provides the employees with favorable welfares which are at a level comply with and even much better than the minimum level required by the local rules. Poya also provides annual leave, physiological leave, and paternity leave for the employees. Everyone in Poya will not be forced to work overtime and will have an overtime wage or necessary compensation if working extra hours. When Poya has a situation under Article 11 of the Labor Standards Law, it shall communicate with the employee in advance about the employment, and give notice before 10 days for those who have worked for more than three months and less than one year; 20 days for those who have continued to work for more than one year and less than three years; and 30 days for those who have continued to work for more than three years.

Poya's human rights policy

Poya complies with local laws and decrees in every stores in Taiwan, also treats full-time, part-time employees and interns with respect in compliance with "The Universal Declaration of Human Rights", "International Labor Standards", "The UN Global Compact" and "Business & Human Rights Resource Centre" voluntarily to enforce the conscious of human rights of employees and interested parties.

Human rights policy

- Provide working environment with safety and dignity
- Prohibit illegal discrimination in employment to ensure equal opportunities
- Prohibit the use of child labors
- Prohibit forced labour
- Assist employees in maintaining work-life balance
- Regularly review and evaluate related systems and actions
- Keep the independent complaint mechanism open to raise awareness
- Strive to avoid violating human rights with others
- Establish a comprehensive personal data protection management system to safeguard customers' privacy and rights

4.4 Employee Welfare and Care

Compensation system

Poya puts emphasis on the fairness of the compensation system regardless of age, race and gender. Every employee is treated based on equal pay for equal work and provided wage superior to government's minimum wage. However, Poya advocates the corporate culture of "better performance, more rewards", the salary adjustments will be given based on each employee's professional knowledge, position and job responsibilities and other objective conditions. Promotion and salary adjustments are made through regular comprehensive performance appraisals (The median salary of full-time employees in non-supervisory positions in 2021 has increased by 4% compared to 2020), in addition to providing business performance bonus based on individual performance, Poya shares operating results with colleagues in the form of shareholding dividends to create a competitive reward system. In addition, Poya also provides comprehensive welfare measures for employees, including subsidy for parties, health examination, festival gift coupon and birthday gift coupon, matrimonial gifts and subsidy for funerals, subsidy for hospitalization and other related benefits. All employees are provided with labor insurance and national health insurance by Poya, and enjoy the right to insurance payment in accordance with relevant laws and regulations. Poya has established a complete pension fund system to allocate sufficient amount of pension fund for the employees.

Category \ Year	2020	2021	Growth rate
Number of full-time employees not in supervisory positions	3,168	3,202	1.1%
Average salary of full-time employees not in supervisory positions (in thousands)	477	488	2.3%
Median salary of full-time employees not in supervisory positions (in thousands)	409	426	4.2%

*Remarks

1. All of Poya's stores are directly operated(non-franchised), with 90% of the manpower being front-line service personnel.

Due to the large scale store expansion, a high percentage of new employees and fresh employees are hired, which affects the average salary.

2. Poya will promote and adjust the salary every year according to the results of employee performance assessment.

3. All better than the minimum salary standard.

Average salary by gender in 2021

Gender	Area	Average salary by area	Average salary by gender	Average salary by area	Average salary by gender
Female	Central	35,673	38,092	79%	79%
	North	40,596		84%	
	South	38,222		73%	
	Kao-Ping	35,576		81%	
Male	Central	45,084	48,113	100%	100%
	North	48,495		100%	
	South	52,143		100%	
	Kao-Ping	43,903		100%	

The female employees accounted for about 77.1% of the total employees. In order to protect the rights and interests of employees, Poya offers menstrual leaves, family care leaves, maternity leaves, paternity leaves, breast-feeding time and the procedures of leave without pay. The breast-feeding rooms offered convenience, privacy and safety to our female employees in headquarter.

Menstrual Leave	Female employees may have the option to take one day-off per month for taking consideration of the body condition. It won't be calculated in sick leaves if total menstrual leaves in the whole year are less than 3 days. Half-paid is offered, and is not considered as absence, so it does not affect full attendance bonus and performance appraisal.
Family Care Leave	Employees can take family care leave if family members are vaccinated, or with serious illness, or with other severe accidents. The family care leave is up to 7 days within a year, and it will be calculated into personal leaves. Family care leave is not considered as absence, so it does not affect full attendance bonus and performance appraisal.

The reinstatement rate and the ratio of employees in maternity leave to total employees in 2021

To cope with government's policy, Poya implements parental leave without pay and guarantees reinstatement to the original position. If employees have the need of taking care of their families, they can take family care leave or Poya would assist them to transfer to other suitable positions or departments. The reinstatement rate of employees on parental leave in 2021 was 60%. Some employees were still on parental leave and had not reached the reinstatement time. In 2021, there was no employee resigned from their positions due to family factor or personal career planning.

Number of employees eligible for parental leave in 2021	17	114
The actual number of employees applying for parental leave in 2021	4	64
Application Rate	24%	56%
The estimated number of employees reinstated after parental leave in 2021	1	67
The actual number of employees reinstated after parental leave in 2021	1	40
Reinstatement rate	100%	60%

Note：Reinstatement rate =(Total number of employees actually reinstated after parental leave / Total number of employees who should be reinstated after parental leave)*100

Number of maternity leaves and paternity leaves from 2017 to 2021

■ Maternity Leaves   □ Parental Leaves

Year	Maternity Leaves	Parental Leaves
2021	114	17
2020	124	21
2019	92	17
2018	114	15
2017	123	23
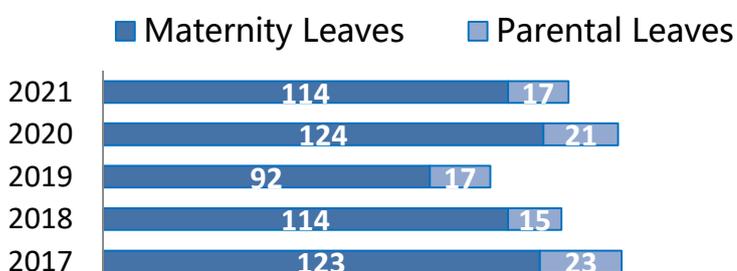
Employee Welfare Committee

Poya has established the Employee Welfare Committee according to the Labor Standards Act to handle the matters of employee welfare, and allocate the employees allowance to Employee Welfare Committee, including subsidy for parties, health examination, festival gift coupon and birthday gift coupon, matrimonial gifts and subsidy for funerals, subsidy for hospitalization and other related benefits.

The amount of welfare allowance increases in response to the better sales performance in recent years. The welfare systems and subsidy plans are under review and adjusted every year based on the economic situation by Employee Welfare Committee.

Dormitory

Employee stock dividend

Sales for employee

Maternity Leave

Subsidy for funerals and hospitalization

Festival and birthday gift coupon

Performance bonus

Year-end Party & bonus

Subsidy for gathering

Note：Due to the epidemic situation, the 2020 and 2021 year end party were changed to subsidies and were organized by each departments.

Environment

05

5.1 Greenhouse Gas Inspection
5.2 Programs of Water Consumption and Electricity Consumption
5.3 Waste and Sewage Treatment
5.4 Plan of Centralized Logistic Center

05 Environment

United Nations Intergovernmental Panel on Climate Change (IPCC) released the latest climate report in February 2022. The report pointed out that the phenomenon of climate change caused by human activities has caused negative impacts and irreversible environmental crises around the world.
Global warming will increase climate risks. As a member of the global village, Poya manages energy use and controls the current situation of greenhouse gas emissions by relevant plans in a hope to reduce greenhouse gas emissions, fulfill our corporate responsibility, and reduce environmental impact.

5.1 Greenhouse Gas Inspection

Poya has carried out greenhouse gas emission inspection annually since 2012, and disclosed the results in Sustainability Development report (CSR report) since 2014.

Poya effectively controls the emission of greenhouse gas generated from the usage of air-conditioners, motor vehicles for business and electricity from external supply by periodical inspection of greenhouse gas emission. Besides, Poya draws up and executes the plan of energy saving and carbon reduction. The reference of greenhouse gas emission inspection is listed at the chart below.

Period of the Report
✓ 1st Jan 2015~31st Dec 2021
✓ Inspected the Emission of Greenhouse Gas during such Period and Discloses the Contents and Results of Greenhouse Gas Inspection

Boundary of Organization
✓ Executed the Emission of Greenhouse Gas Inspection based on ISO14064-1
✓ Boundary of Organization for the Inspection:
  (1) Headquarters in Taipei and Tainan, North and South Logistics
  (2) 324 Stores (By the end of 2021)

Scope of GHG Inspection
✓ Scope 1 Direct Emission of Greenhouse Gas
  Source: Air-conditioners and Motor Vehicles for Business
✓ Scope 2 Indirect Emission of Energy Usage.
  Source: Electricity from External Supply

Carbon Emission from Stores

The store numbers of Poya increased to 324 in 2021. With the store expansion, the total carbon emission increased to 45,369 tons, and the average carbon emission per store is about 140 tons, decreasing by 2.4% compared to 2020. The 2022 carbon emission target for Poya is a 3% reduction from the previous year.

Carbon Emission

235 stores   281 stores   324 stores

2019   2020   2021
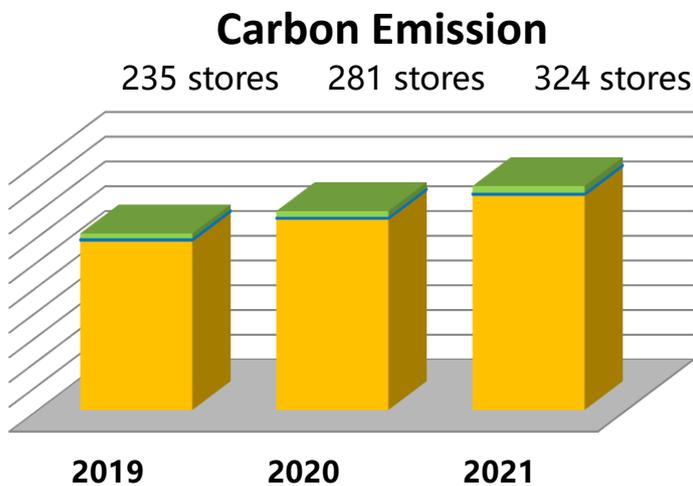
* Store data coverage rate of approximately 98%

GHG Inspection Methods：

① The Emission Coefficient Method is used for tracking the emission of refrigerant in accordance with the Greenhouse Gas Emission Coefficient Management Table of Version 6.0.4 and the latest GWP value of the sixth meeting of IPCC in 2019. Residential and commercial use air-conditioners are used as the emission factors for the calculation of refrigerant emission.

② The fuel consumption is calculated by the gasoline usage of the motor vehicles based on CO_2 emission factor of both fixed source and mobile source (fuel).

③ Carbon emission is calculated by the electricity usage based on the emission coefficient of the electricity from external supply in 2020.

Carbon Emissions by Category

By category, Poya's carbon emission is mainly derived from:

(1) Fugitive Greenhouse Gas Emission, mainly due to the increase in the number of air conditioners in larger store base.
(2) Emissions from transportation, which are mainly due to the demand of store expansion, store renovation and regular store inspection programs.
(3) Purchased electricity, which is mainly from the conversion of electricity used in store operations.

Type	Carbon Emission(ton)&(%)			Remark
	2019	2020	2021	
Fugitive Greenhouse Gas Emission	1,301 3.63%	1,481 3.67%	1,673 3.38%	Scope 1, the refrigerant escapes due to the use of air-conditioning equipment.
Fuel consumption of transportation	275 0.77%	214 0.53%	268 0.59%	Scope 1, the use of gasoline in official vehicles resulting in greenhouse gas emissions.
Purchased electricity	34,209 95.60%	38,616 95.80%	43,428 95.72%	Scope 2, the indirect greenhouse gas emission caused by purchased electricity for self-use.
Total Carbon Emission	**35,785**	**40,311**	**45,369**	

5.2 Programs of Water Consumption and Electricity Consumption

Poya emphasizes on environmental protection and promotes accurate concepts of water and electricity usage. We plan for water conservation, energy-saving, and paper saving through process improvement, equipment upgrades, and electronic platform.

Program of Water Conservation and Energy Saving

Poya is a retail firm, and our main source of water is from the Taiwan Water Corporation. The purpose of water use is general domestic water. Therefore, the water used by the headquarters and stores is only for the use of our employees and some customers. Poya does not cause significant and serious effect on water sources. Sewage is discharged into the river and ocean through sewers.

In 2021，the avg. water usage per store ↓6.7%!

Water usage from 2019 to 2021 (Unit: cubic meter)：

Year	Total	Average
2021	192,518	721
2020	217,137	773
2019	192,646	820

*Total water consumption includes the water consumption amount of headquarter, stores and logistics, excluding mall

*Average water consumption equals to the total water consumption divided by the number of stores in each year.

Substitution of Inverter Air-conditioners for Water Tower Air-conditioners

Poya started to introduce the new inverter air-conditioners (see Figure 5.1) in 2013 and adopted the inverter air-conditioners in all the new stores opened in 2014. Out of our current 324 stores, there is 93% of which use inverter air-conditioners to replace the outdated water tower air-conditioners. Poya will gradually replace the water tower air conditioners with inverter ones.

Adoption, inspection, and repair of Water Saving Equipment

Some Poya stores offer restrooms to our customers. In order to promote water-saving activities, Poya puts up posters in the restrooms (see Figure 5.2) of parts of Poya's stores and the headquarters as reminder to treasure the water resources. Besides, Poya purchases the toilet equipments with water-saving grades and sets up the water-saving devices, such as water-saving faucets.

The employees of Store Engineering Department will check up the water-supply equipments and drainage of the stores and the headquarters periodically. If there is any breakdown or damage, the equipment will be repaired at once in order to avoid any waste caused by water leakage.

Figure 5.1
Introduce new inverter air-conditioner in stores.

Figure 5.2
The headquarter implements water-saving devices and slogans.

Program of electricity consumption, energy saving and carbon reduction

Since 2012, Poya has been adjusted the electricity consumption in stores to actively promote energy saving and carbon reduction for signboards, store electricity and air-conditioning electricity, etc. In the first half of 2017, LED lighting was gradually introduced in the stores. With the continuous promotion of energy saving and carbon reduction measures, the average electricity consumption of a single store was 267,006 kWh in 2021, a decrease of 2.5% compared to 2020, 5.4% compared to 2019. (Note: The average electricity consumption in 2020 has changed from the previous report due to the addition of Taoyuan Logistics Center data for

Energy Saving Solutions

Automatic lighting sensors were installed in stores
The automatic lighting devices were installed in the storage of each store to implement the energy saving strategy.

See-through glass design at the second floor (Figures 5.3)
Adopt see-through glass to increase the natural lighting and decrease the usage of lightings in the daytime.

Signboards with light-sensitive controller
The light-sensitive controller will automatically turned on or off according to the intensity of the light.

The adoption of LED light bulbs (Energy-saving lamps)
The headquarter and stores use LED lamps, and regularly replace the expired energy-consuming lamps by batches on a regular basis to fulfill effective brightness and energy saving strategy.

Promotion of Energy-saving Concept (See Figure 5.4, 5.5)
Poya encourages not taking elevators below the fourth floor, turning off lights during lunch break, and turning off lights and fans when entering and leaving the warehouse.

Maintenance of Air-conditioners and Related Equipments
A. The temperature of air-conditioner keeps at 26~28 degrees (*For every increase of 1 degree could lead to the energy saving by 6%.)
B. Each floor for the Headquarter was equipped with curtains to block sunlight and reduce the energy consumption from air-conditioner.
C. Minimize the spare space of the stores to lower the usage of electricity and air-conditioners.
D. Increase the use of inverter air-conditioners to save electricity by 30%~35%.
E. Regularly clean the air-conditioner filters to increase the efficiency of air-conditioners.

Figure 5.3
See-through glass design at second Floor in Kaohsiung Sanduo

Figure 5.4
The slogan of turning off the lights at the store.

Figure 5.5
The headquarter promotes the slogan of taking the stairs.

Program of Paper Conservation

By implementation of E-management system since 2017, the headquarter uses E-filing of tax, E-voucher, E-salary slip and E-gift certificate for employees with stores reducing physical price tag, and E-signature for credit card verification, to reduce paper usage. In the middle of 2019, Poya upgraded APP with entertainment and user-friendly function to attract members to download it. Our goal is to enhance customer shopping behaviors and stickiness to our upgraded App, which can reduce paper consumption largely by use of e-DM. The amount of paper saved in 2019 is equivalent to 3,979 trees; the amount of paper saved in 2020 is equivalent to 2,381 trees, and the amount of paper saved in 2021 is as high as

...3,693 trees
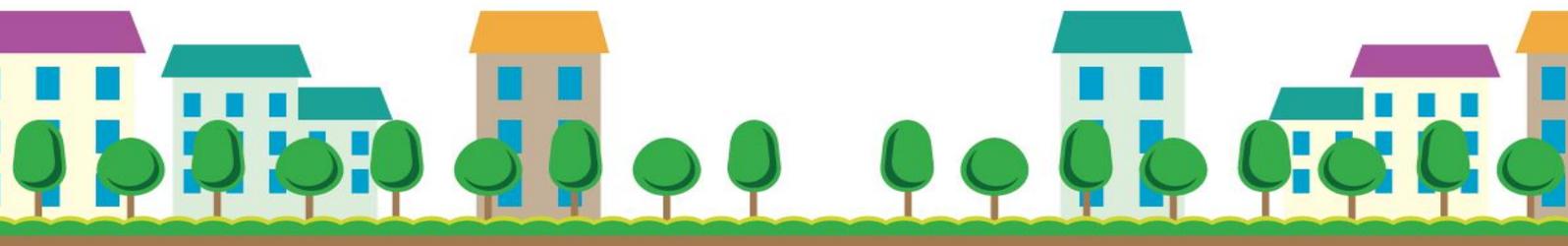
In order to improve Poya's governance effectiveness on climate change issues, we refer to the Task Force on Climate-related Financial Disclosures (TCFD) proposed by the United Nations Financial Stability Board, and take the proposed disclosure and management framework into consideration. Poya evaluates and considers the impact of climate change issues on the Company, and then formulates short, medium and long-term management strategies in the future.

Timeline	Risk	Potential impact	Financial Impact	Management Strategy
Short-term	Typhoon and catastrophic rainstorm	The occurrence of extreme weather events may affect traffic and revenue, deepen colleagues' concerns about the safety of commuting, and may lead to operating equipment damage; if the road is interrupted, it may affect product transportation.	1. Damaged equipment and repairs will result in asset impairment and increasing operating costs. 2. Fewer customers or out-of-stock due to transportation, which in turn affects revenue and reduces profits.	1. Planning of natural disaster asset insurance for stores to reduce the impact of financial loss caused by disasters. 2. In order to cope with the power outage, flooding, and the cost of equipment repair or operation interruption caused by extreme weather, Poya sets up an emergency response team and prepares a backup plan and equipment procurement plan to ensure immediate activation of contingency measures in the event of disaster.
Medium-term	Rising mean temperatures	1. Stores need to consume more energy to maintain the same air conditioning temperature. 2. Continued hot weather without obvious seasonal changes may affect the sales of seasonal products.	1. The increase in consumption of air conditioners increases operating costs. 2. Changes in seasonal product sales affect revenue structure.	1. Gradually introduce new inverter air conditioners to increase energy saving efficiency. 2. The use of LED energy-saving lamps and periodic replacement of expired energy-consuming lamps by batches can effectively reduce indoor temperature and maintain air-conditioning cooling efficiency.
Medium-term	Regulations	As the relevant government regulations and policies become more and more strict, Poya has voluntarily conducted greenhouse gas inspections, and gradually carried out verification related operations. It is expected that more policies and regulations will be faced in the	Failure to promptly respond to regulations, resulting in fines for non-compliance, will result in damage to goodwill and increased costs.	1. Continue to pay attention to relevant domestic and foreign laws and regulations to respond in advance. 2. Self-requires to meet the future trend of climate change issues.

Timeline		Potential impact	Management Strategy
		future, and the challenges encountered in implementation will need to be discussed at that time.	
Long-term	Geopolitics	If the supply demand mismatch caused by climate change may evolve into a political risk of competition for resources, the uncertainty of domestic and foreign political and economic trends and regional security may affect the Company's operations.	1. Political and economic turmoil at domestic and foreign will make people uneasy, which leads to conservative consumption behavior. 2. Supply chain shortages will affect revenue.	1. Actively accumulate a trustworthy brand image and cultivate member loyalty. 2. Establish a regular customer system, to reach out consumers activley. 3. Work closely with local suppliers to keep abreast of product trends.

Opportunities related to short, medium and long-term climate issues

Timeline	Opportunity	Potential impact	Management Strategy
Short and medium term	Develop new products	Thanks to increasing awareness of environmental protection, consumers realize that every consumption is equivalent to shape the future living environment. Price is no longer the primary consideration, whether the purchased products are friendly to the earth becomes the major issue.	In response to climate change, Poya continues to cooperate with suppliers to develop environmentally friendly products and reduces packaging to lower carbon emissions and enhance product competitiveness.
Medium and long term	Phase out hardware facilities	Once the hardware facilities exceeds the duration of service, the power consumption will increase sharply, increasing the operating cost, leading to an increase in greenhouse gas emissions, causing environmental impact.	1. In recent years, Poya has actively promoted energy conservation and carbon reduction. In 2017, LED lighting has been introduced into stotes successively. In the future, expired energy-consuming lamps will be replaced by batches on a regular basis to increase energy efficiency and save operating costs. 2. Cooperate with the replacement progress of Taipower smart meters, and to improve the power management of stores.

5.3 Waste and Water Resource Management
Waste management
Poya is a retailer that sells products to the general public. The source of waste is mainly from stores, logistics and the head office. The waste from the head office is mainly paper and household waste of employees. The head office has set up a recycling center for employees to sort and recycle waste, and the waste is mainly handed over to recycling operators, while the rest to the cleaning crew. The main waste from logistics is cartons for purchasing. The cartons are collected after unpacking and sold to recycling companies for disposal. Therefore, waste management is not a major issue for Poya and is handled in accordance with local government regulations.

Although waste management is not a major issue for Poya, Poya is still committed to reducing the waste generated during the service process in order to make a positive impact on community and the environment.

Recycling volume of waste cartons

	2020	**2021**
Total Carton Weight(Tones)	2,070	2,128
Poya's total revenue (in millions)	17,538	17,469
Carton Weight per million Revenue (kg)	118	122

* Poya's revenue increased, but the volume of cartons maintained a certain percentage

Sewage
The sewage is mainly from toilets and sinks, which is mainly discharged to the sewer through the water pipes. The above-mentioned sewage is not a major issue for Poya.

Sewage costs as a percentage of total costs

	2020	**2021**
Water charge (in thousands)	3,075	2,831
Total cost (in thousands)	4,922,568	5,340,180
Percentage	0.06%	0.05%

Waste and sewage management
1. Promote to colleagues and customers to save water and reduce packaging, etc.
2. Promote garbage reduction and self-prepared tableware
3. Implement garbage classification and recycling

5.4 Plan of Centralized Logistic Center

Before the introduction of the logistics center, suppliers had to pick up and deliver the goods to each Poya store through the trucking fleet or by themselves. With the expansion of Poya stores, many small and medium-sized suppliers had difficulty to meet the demand with labor shortage and insufficient delivery capacity. Therefore, Poya gradually planned the establishment of centralized logistic center to meet operational needs. Kaohsiung logistic center operated in July, 2017. The north logistic center was also on schedule to operate in January, 2019. The south and north warehouses can support the delivery of 200 stores respectively, providing the support to our long term expansion plan. With our centralized logistic center, suppliers can simplify the multiple trips to one single delivery to Poya's logistics center. This should help suppliers to grow with Poya with improving efficiency.

Our operation efficiency has improved every year by our increasing efforts on process improvement after the implementation of the self-management logistics management system.

Poya launched a new hardware department channel "Poya Home" in the middle of 2019. Given the different product assortment work at warehouse, we set up a logistics center for Poya Home, next to Poya's north logistic center in end 2019. Currently, the capacity of POYA HOME's logistic center can support up to 90 stores, and we will gradually expand it to meet the store expansion plan in the future.

Because Poya adopts cross docking to collect and distribute products, we centralizes the work at our DCs by replacing the multiple trips from suppliers to our individual stores. Therefore, it effectively brings down the carbon emission, exhaust gas emission and energy consumption. The goods received from the manufacturers are unloaded and inspected at the logistics center, and the packaging cartons are properly disposed of, resulting in a recycling rate of nearly 100%. Thanks to our logistics center, Poya could "deliver at night, display on shelves on the following day" (see Figure 5.6), which allows stores to place order in small quantity with more effective inventory. The store associates can be focusing on serving clients, improving the display, and shopping environment, instead of tedious workflow. In addition, in response to the government's promotion of renewable energy, the Kaohsiung Logistics Center has invested in the solar power generation project, which can generate more than 2 million kilowatts of electricity per year and reduce carbon emissions by an average of 1,250 tons in 2021, which is equivalent to the carbon reduction effect of 3.2 Daan Forest Park, and can also reduce the temperature of the logistics center.
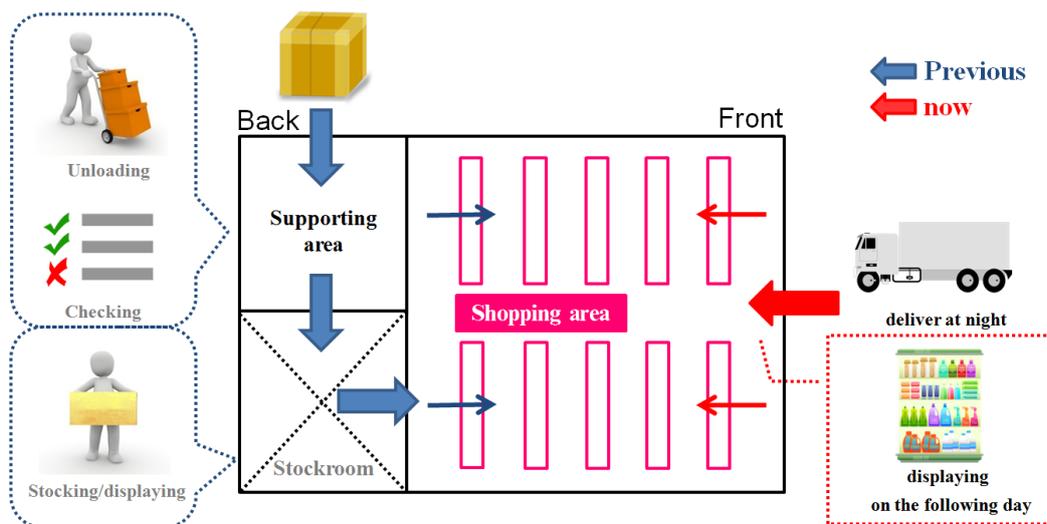
Figure 5.6 Deliver at night, display on the following day

Under the stable operation of the logistics system, the operation process of the store can be simplified, and the store employees can reduce the work of unloading, inspection, warehousing, and arranging the warehouse, and the goods can be delivered at night, displayed on the following day by the store staff

◈ **Taoyuan logistic center (Poya & Poya Home)**

- ➲ Capacity: 200 Poya stores & 90 Poya Home stores
- ➲ Total number of pings: 10,800 pings

◈ **Kaohsiung logistic center**

- ➲ Capacity: 200 stores
- ➲ Total number of pings：7,200 pings

Year	2019	2020	2021
Distribution rate	94%	94%	94%
Carton recycling(t)	1,856	2,070	2,128
Year	2019	2020	2021
Solar power generation in Kaohsiung logistic center (kWh)	2,011,908	2,232,565	2,520,837
Equivalent to the reduction in carbon emissions(t)	998	1,107	1,250

Community

06

6.1 Community Participation
6.2 Refurbishment of monuments

06 Community

Poya not only offers high-quality products and considerable services but also dedicates itself to Taiwan community. With the established 290 Poya stores and 30 Poya Home stores, Poya takes action to exert the brand influence. This year, Poya sponsored "Tainan Public Health Centers" gift vouchers to encourage the covid vaccination and protect their own health. Poya also sponsored "Tainan hospital" to purchase the mammography vans to support medical institutions. Poya also continued to care for disadvantaged and emphasized the Work study program. Poya calls on customers to join hands with us to do public welfare and build a happy life circle of mutual benefit and sharing.

Support healthcare system

POYA

Caring for the disadvanteged

Work Study Program
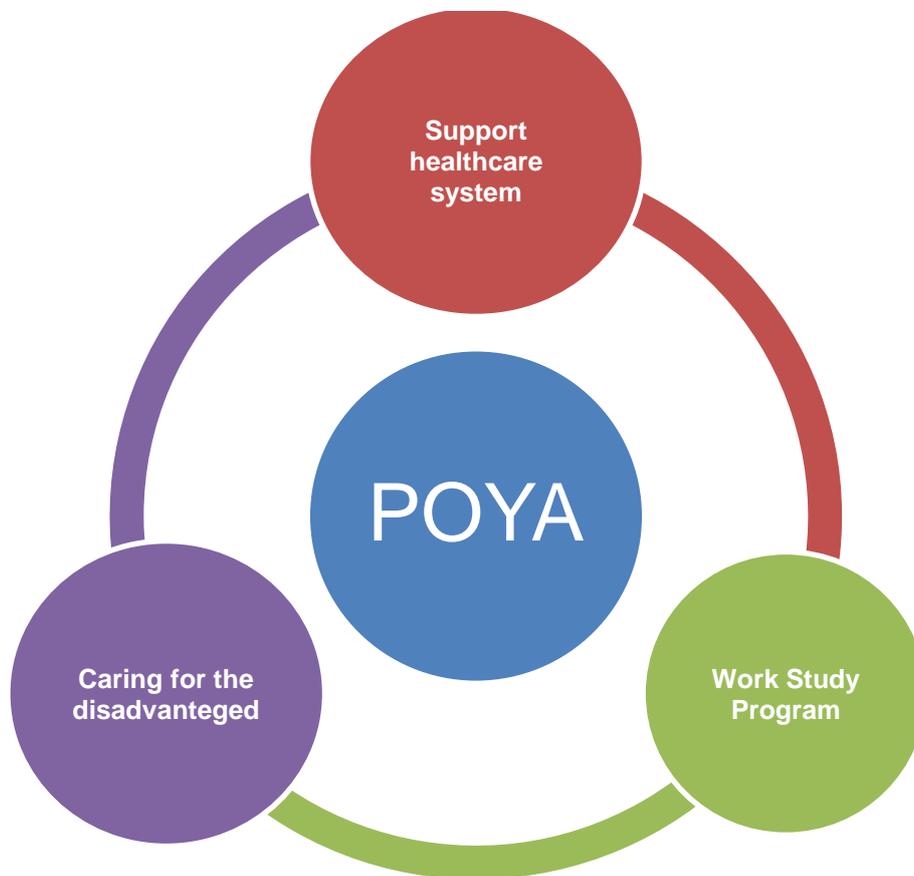
6.1 Community Participation
Support healthcare system
Sponsor "Tainan Public Health Centers" gift vouchers

According to foreign experience and statistics, getting vaccinated can effectively reduce the probability of severe illness after diagnosis of covid. In response to the government's call for people to get vaccinated, to increase vaccine coverage, and to protect themselves and their families, and reduce the burden on the healthcare system, Poya sponsored "Tainan Public Health Centers" gift vouchers, and encourage the public to get vaccinated as soon as possible.

Sponsored "Tainan hospital" to purchase the mammography vans

When the epidemic is raging, it will make everyone take other health threats lightly. Breast cancer is the most prevalent cancer among women in Taiwan, and the mammography van not only takes care of privacy, but also has mammography equipment with low radiation dose design and pain-reducing automatic compression device to reduce the discomfort during mammography, which greatly reduces the pain and fear of women during the examination compared to traditional examination machines. Tainan Hospital has rich experience and results in mammography interpretation, breast cancer eradication surgery, reconstructive surgery and follow-up treatment. We sponsor the purchase of these vans to encourage women aged 45-69 to receive regular checkups every two years.

At the same time, Poya would like to pay our humble tribute to the health care system and thank them for their dedication to the people and their protection of the nation's health.

Caring for the disadvantaged
Sponsor "Joy Caring Association Taipei-Moon Festival Lucky Bags"

New Taipei City Joy Caring Association mainly serves children, teenagers and their families, with services such as after-school tutoring, life education, character education, game therapy, music therapy, small group counseling, and courses about suicide prevention, problem management, and gender education, hoping to cultivate correct concepts and build children sound personalities and to build a warmer and happier community.

The Lucky Bags were initiated for families suffering from a sudden drop in income because of the pandemic, but with difficulties to receive subsidies from the government or other social welfare organizations. The Lucky Bags brought together the kindnesses of each person to support people who are in need. In response to the event, Poya donated goods such as soy sauce, dental cleaning products, fruit boxes and masks to help meet their basic needs in a timely manner.

Sponsor "Genesis Social Welfare Foundation" and "Tainan Jhao Rih Public Charities"

Work study program

Cooperation with Universities

In 2021, we have cooperated with 30 colleges and universities to match a total of 105 students to Poya stores for internship, providing a platform for vocational education to prepare students for employment.

In addition to the above activities, Poya also sponsored "Foundation for Taiwan Masters Golf Tournament", "Softball Association", "Kaoshang Entrepreneur Association", and "Global Federation of Chinese Business Women". Total donation for the above activities amounted to NT$ 1.02 million. Poya contributes to Taiwan community by actively participating in social activities to enhance positive culture and values.

In 2020, Poya tried to renovate the historic site for the first time, and successfully created a new landmark, Poya's Taichung Zhongzheng Store, in the Central District of Taichung with nostalgic style and modern consumption experience.

Poya leased the former site of Huanan Bank located at Taiwan Avenue and Shifu intersection in Taichung City, which was built in 1952. After the lease, in order to retain the original appearance of the building, the exterior was washed in a way that would not harm the building, and the pink signboard was discarded, instead it was presented in a warm yellow tone to keep the signboard consistent with the building and restore the early style. After lighting at night, it looks more retro, and is called "the most beautiful drug store in Taiwan".

Appendix 1. 2019~2021 Performance

Product				
Item	Sub item	2019	2020	2021
Service Quality Assessment	A+B level store	86%	88%	85%
	C level store	14%	12%	15%
Employee				
Item	Sub item	2019	2020	2021
The Ratio of Female Executives		-	73.6%	74.1%
Employee Structure by Age	<21	-	405	364
	21-30	-	2,340	2,279
	31-40	-	1,226	1,289
	41-50	-	444	515
	>50	-	80	88
Employee Structure by Education	Junior high and below	-	54	56
	Senior high	-	1,085	1,081
	College	-	320	316
	University	-	2,976	3,005
	Master degree	-	60	77
Total hours of Employee Career Training	Entry-level Training	-	8,155	6,755
	Manager Evaluation	-	8,617	5,635
The salary of full-time employees, not in supervisory position	Total numbers of Employees	2,696	3,168	3,202
	Average salary (in thousands)	465	477	488
	Median salary (in thousands)	406	409	426
The Reinstatement Rate in Parental Leave		-	44%	60%
Disabling Injury	Disabling Injury Frequency Rate	5.77	5.54	6.22
	Disabling Injury Severity Rate	38.22	52.87	86.21
	Total Injury Index	0.47	0.54	0.73
	Work related fatalities	0	0	0

Environment				
Item	Sub item	2019	2020	2021
Environment	Avg. Carbon Emission per store(t)	152.3	143.5	140.0
	Water Consumption (cubic meter/store)	820	773	721
	Electricity Consumption(kWh/store)	293,487	277,708	273,766
	Paper Consumption (equivalent trees)	3,979	2,381	3,693
Waste	Recycling Weight per million Revenue (kg)	118	118	122
Sewage	Water charge/Total Expense	0.07%	0.06%	0.05%

Community	
NT$1,020,000 in 2021	Sponsored the "Tainan hospital" to purchase the mammography vans
	Sponsored the "Tainan Public Health Centers" gift vouchers
	Sponsored the "Joy Caring Association Taipei-Moon Festival Lucky Bags"
	Sponsored the "Genesis Social Welfare Foundation"
	Sponsored the "Tainan Jhao Rih Public Charity"
	Sponsored the " Kaohsiung Entrepreneur Association"
	Sponsored the "Global Federation of Chinese Business Women"
	Sponsored the "Foundation for Taiwan Masters Golf Tournament"
	Sponsored the "Softball Association"
	Cooperated with 30 colleges and universities to match a total of 105 students to Poya stores for internship
NT$790,000 in 2020	Sponsored the"2020 Beach clean-up in Tainan" organized by The Society of Wilderness
	Sponsored the "Protect the Ocean Charity" held by National Penghu University
	Introduced the activity of lighting the way home for sea turtles
	5x points promotion on marine environment-friendly products for members only
	Sponsored the "Zeelandia Alzheimer Disease Association"
	Sponsored the Asian Cultural Council Foundation
	Sponsored the golf team fee of "Yi Tsai Club "
	Sponsored the" national slow-pitch soft ball championships-2020 silence cup for hearing impaired labor in Tainan "
	Poya Home and Eden social welfare foundation jointly held a charity dumpling donation in 2020
	Cooperated with 37 colleges and universities to match a total of 149 students to Poya stores for internship
NT$920,000 in 2019	Sponsored the Tainan Volunteer Firefighter Alliance
	Sponsored the Asian Cultural Council Foundation
	Sponsored the " national slow-pitch soft ball championships-2019 silence cup for hearing impaired labor in Tainan "
	Sponsored the Asian Cultural Council Foundation
	Participated in "2019 Beach clean-up in Tainan" organized by The Society of Wilderness
	Sponsored the Single Parent Educational Foundation
	Sponsored the "Charity Road Run" organized by SunFar 3C
	Sponsored the Leopard Cat Association of Taiwan
	Cooperated with 19 colleges and universities to match a total of 97 students to Poya stores for internship

Appendix.2 KPI and Long-term Target in 2021

	KPI and Long-term Target	2021
Corporate Governance	Top 5% of the assessment of corporate governance	
	Positive profit growth	
	At least one investor conference each quarter	V
	At least one Board meeting each quarter	V
	"Ethical Corporate Management" briefing at the monthly internal meeting	V
	No fines from the authorities	V
Employee	Zero major occupational safety incident	V
	At least 70 courses/ 10,000 hours of Employee career training annually	V
	Female executives account for over 50% of total executives	V
Product Management and Customer Service	No violation of product or service information labeling and marketing communication standards for private brand	V
	No violation of customer privacy	V
Environment	3% reduction in Carbon emission	
	Save 5% on water consumption per store	V
	Paper consumption saving 500 trees	V
	15% reduction in DM printing	V

Appendix 3 Comparison table of GRI Standards

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
2016 General Disclosures	102-1 Name of the organization	02 About Poya International-Corporate Profile and Industry Overview	p.15-17
	102-2 Activities, brands, products, and services	02 About Poya International-Corporate Profile and Industry Overview	p.15-17
	102-3 Location of headquarters	02 About Poya International-Corporate Profile and Industry Overview	p.15-17
	102-4 Location of operations	02 About Poya International-Operation Strategy	p.18-19
	102-5 Ownership and legal form	02 About Poya International-Sound corporate governance	p.21-42
	102-6 Markets served	02 About Poya International-Corporate Profile and Industry Overview 02 About Poya International-Operation Strategy	p.15-17 p.18-19
	102-7 Scale of the organization	02 About Poya International-Corporate Profile and Industry Overview 02 About Poya International - Operation Strategy 02 About Poya International - Financial Information 04 Employee Care - Human Resources Overview	p.15-17 p.18-19 p.20 p.58-59
	102-8 Information on employees and other workers	04 Employee Care - Human Resources Overview	p.58-59
	102-9 Supply chain	03 Products - Supply Chain Management	p.44-47

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	102-10 Significant changes to the organization and its supply chain	*No Significant changes to the organization and its supply chain	
	102-11 Precautionary principle or approach	02 About Poya International - Operation Strategy 02 About Poya International-Sound corporate governance 03 Products - Product Management and Customer Service 03 Products - Supply Chain Management	p.18-19 p.21-42 p.48-53 p.44-47
	102-12 External initiatives	*No external initiatives during this reporting period	
	102-13 Membership of associations	*Poya is the member of TCFA and Tainan Yizai Association	
	102-14 Statement from senior decision-maker	A Message from the Management	p.4-5
	102-15Key impacts, risks, and opportunities	02- About Poya International-Risk management	p.32-38
	102-16 Values, principles, standards, and norms of behavior	02 About Poya International-Corporate Profile and Industry Overview 02 About Poya International-Sound corporate governance 03 Products - Supply Chain Management 03 Products - Product Management and Customer Service 04 Employee Care - Human Resources Overview 04 Employee Care - Employee training and development	p.15-17 p.21-42 p.44-47 p.48-53 p.58-59 p.61-65

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	102-17 Mechanisms for advice and concerns about ethics	04 Employee Care - Occupational Safety and Health 04 Employee Care - Employee training and development	p.60 p.61-65
	102-18 Governance structure	02 About Poya International-Sound corporate governance	p.21-42
	102-19 Delegating authority	02 About Poya International-Sound corporate governance	p.21-42
	102-20 Executive-level responsibility for economic, environmental, and social topics	02 About Poya International-Sound corporate governance	p.21-42
	102-21 Consulting stakeholders on economic, environmental, and social topics	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-22 Composition of the highest governance body and its committees	02 About Poya International-Sound corporate governance	p.21-42
	102-23 Chair of the highest governance body	02 About Poya International-Sound corporate governance	p.21-42
	102-24 Nominating and selecting the highest governance body	02 About Poya International-Sound corporate governance	p.21-42
	102-26 Role of highest governance body in setting purpose, values, and strategy	02 About Poya International-Sound corporate governance	p.21-42
	102-27 Collective knowledge of highest governance body	02 About Poya International-Sound corporate governance	p.21-42
	102-28 Evaluating the highest governance body's performance	02 About Poya International-Sound corporate governance	p.21-42

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	102-31 Review of economic, environmental, and social topics	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-37 Stakeholders' involvement in remuneration	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-40 List of stakeholder groups	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-41 Collective bargaining agreements	Poya has not signed a group agreement with the union	
	102-42 Identifying and selecting stakeholders	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-43 Approach to stakeholder engagement	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-44 Key topics and concerns raised	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-45 Entities included in the consolidated financial statements	Shareholders Report (all entities included in the organization's consolidated financial statements or equivalent documents are included in this report)	
	102-46 Defining report content and topic Boundaries	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-47 List of material topics	01 Poya's Stakeholders and Communication Channels	p.10-12
	102-48 Restatements of information	05 Environment- Electricity Consumption	p.73
	102-49 Changes in reporting	*None	

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	102-50 Reporting period	About the Report	p.2
	102-51 Date of most recent report	About the Report	p.2
	102-52 Reporting cycle	About the Report	p.2
	102-53 Contact point for questions regarding the report	About the Report	p.2
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report	p.2
	102-55 GRI content index	About the Report	p.2
	102-56 External assurance	Appendix 6 Table of assurance items	p.102-106
Material Topic	103-1 Explanation of the material topic and its Boundary	01 Poya's Stakeholders and Communication Channels	p.10-12

Economic Category

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
Economic Performance	103-2 The management approach and its components	Shareholders Report	p.91-98
	103-3 Evaluation of the management approach	Shareholders Report	p.91-98
	201-1 Direct economic value generated and distributed	02 About Poya International - Financial Results Shareholders Report	p.20 p.128-195

GRI Standard		Disclosures	Corresponding section and Notes	Page Number
		201-3 Defined benefit plan obligations and other retirement plans	04 Employee Care - Employee Welfare and Care	p.66-68
	Market Presence	103-2 The management approach and its components	04 Employee Care - Employee training and development	p.61-65
		103-3 Evaluation of the management approach	04 Employee Care - Employee training and development	p.61-65
		202-2 Proportion of senior management hired from the local community	04 Employee Care - The Overview of Human Resource	p.58-59
	Procurement Practices	103-2 The management approach and its components	03 Products - Supply Chain Management	p.44-47
		103-3 Evaluation of the management approach	03 Products - Supply Chain Management	p.44-47
		204-1 Proportion of spending on local suppliers	03 Products - Supply Chain Management	p.44-47
	Anti-corruption	103-2 The management approach and its components	02 About Poya International-Sound corporate governance	p.21-42
		103-3 Evaluation of the management approach	02 About Poya International-Sound corporate governance	p.21-42
		205-2 Communication and training about anti-corruption policies and procedures	02 About Poya International-Sound corporate governance	p.21-42
		205-3 Confirmed incidents of corruption and actions taken	02 About Poya International-Sound corporate governance	p.21-42
	Anti-competitive Behavior	103-2 The management approach and its components	02 About Poya International-Sound corporate governance	p.21-42

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	103-3 Evaluation of the management approach	02 About Poya International-Sound corporate governance	p.21-42
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	02 About Poya International-Sound corporate governance	p.21-42

	Environment Category		
Energy and Greenhouse Gas	103-2 The management approach and its components	05 Environment	p.70-79
	103-3 Evaluation of the management approach	05 Environment	p.70-79
	302-4 Reduction of energy consumption	05 Environment	p.70-79
	302-5 Reductions in energy requirements of products and services	05 Environment	p.70-79
	303-1 Water withdrawal by sources	05 Environment - Programs of Water Consumption and Electricity Consumption 05 Environment - Waste and Sewage Treatment	p.72-76 p.77
	303-2 Water sources significantly affected by abstraction	05 Environment - Programs of Water Consumption and Electricity Consumption 05 Environment - Waste and Sewage Treatment	p.72-76 p.77

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	303-3 Recycled and reused water	05 Environment - Programs of Water Consumption and Electricity Consumption 05 Environment - Waste and Sewage Treatment	p.72-76 p.77
	305-1 Direct (Scope 1) GHG emissions	05 Environment - Greenhouse Gas Inspection	p.70-71
	305-2 Energy indirect (Scope 2) GHG emissions	05 Environment - Greenhouse Gas Inspection	p.70-71
	305-5 Reduction of GHG emissions	05 Environment - Greenhouse Gas Inspection	p.70-71

		Social Category	
Employment	103-1 Explanation of the material topic and its Boundary	04 Employee Care	p.58-68
	103-2 The management approach and its components	04 Employee Care	p.58-68
	103-3 Evaluation of the management approach	04 Employee Care	p.58-68
	401-1 New and departing employees	04 Employee Care - The Overview of Human Resource	p.58-59
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	04 Employee Care - Employee Welfare and Care	p.66-68

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
	401-3 Parental leave	04 Employee Care - Employee Welfare and Care	p.60
Occupational Health and Safety	103-2 The management approach and its components	04 Employee Care - Occupational Safety and Health	p.66-68
	103-3 Evaluation of the management approach	04 Employee Care - Occupational Safety and Health	p.66-68
	403-2 Type of injury, rate of injury, occupational disease, lost days, absenteeism, etc., and the number of deaths due to work : According to the "Occupational Disaster Profile" data reported to the Southern Occupational Safety and Health Center in 2021, there were 52 work-related injuries, with a disabling injury frequency rate of 6.22; a disabling injury severity rate of 86.21; and the total injury index is 0.73.	04 Employee Care - Occupational Safety and Health	p.66-68
Training and Education	103-2 The management approach and its components	04 Employee Care - Employee training and development	p.61-65
	103-3 Evaluation of the management approach	04 Employee Care - Employee training and development	p.61-65
	404-1 Average hours of training per year per employee	04 Employee Care - Employee training and development	p.61-65
Diversity and Equal Opportunity	103-2 The management approach and its components	04 Employee Care - Employee training and development	p.61-65
	103-3 Evaluation of the management approach	04 Employee Care - Employee training and development	p.61-65
	405-1 Diversity of governance bodies and employees	02 About Poya International-Sound corporate governance 04 Employee Care - Human Resources Overview	p.21-42 p.58-59

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
Non-discrimination	103-2 The management approach and its components	04 Employee Care	p.58-68
	103-3 Evaluation of the management approach	04 Employee Care	p.58-68
	406-1 Incidents of discrimination and corrective actions taken	04 Employee Care	p.58-68
Child Labor	103-2 The management approach and its components	04 Employee Care	p.58-68
	103-3 Evaluation of the management approach	04 Employee Care	p.58-68
	408-1 Significant risks of child labor at operations and suppliers	04 Employee Care	p.58-68
Forced or Compulsory Labor	103-2 The management approach and its components	04 Employee Care	p.58-68
	103-3 Evaluation of the management approach	04 Employee Care	p.58-68
	409-1 Significant risks of forced or compulsory labor at operations and suppliers	04 Employee Care	p.58-68
Human Rights Assessment	103-2 The management approach and its components	04 Employee Care	p.58-68
	103-3 Evaluation of the management approach	04 Employee Care	p.58-68
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	04 Employee Care	p.58-68

GRI Standard	Disclosures	Corresponding section and Notes	Page Number
Customer Health and Safety	103-2 The management approach and its components	03 Products - Product Management and Customer Service	p.48-53
	103-3 Evaluation of the management approach	03 Products - Product Management and Customer Service	p.48-53
	416-1 Assessment of the health and safety impacts of product and service categories	03 Products - Product Management and Customer Service	p.48-53
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	03 Products - Product Management and Customer Service	p.48-53
Marketing and Labeling	103-2 The management approach and its components	03 Products - Product Management and Customer Service	p.48-53
	103-3 Evaluation of the management approach	03 Products - Product Management and Customer Service	p.48-53
	417-1 Requirements for product and service information and labeling	03 Products - Product Management and Customer Service	p.48-53
	417-2 Incidents of non-compliance concerning product and service information and labeling	03 Products - Product Management and Customer Service	p.48-53
	417-3 Incidents of non-compliance concerning marketing communications	03 Products - Product Management and Customer Service	p.48-53
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	03 Products - Customer Relationship Management	p.48-53

Appendix 4 SASB index

Subject	Code	Standard	Index and Content	Response
Energy Management	CG-MR-130a.1	Total energy consumed (GJ)	2021：287,140.6	07 Environment p.70-79
Energy Management	CG-MR-130a.1	percentage grid electricity	100% of total	07 Environment p.70-79
Energy Management	CG-MR-130a.1	percentage renewable	0% of total	07 Environment p.70-79
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	* The "Personal Information Protection Team" will complete the personal information inventory, establish the personal information collection procedure, and change the file marketing method, etc. * Establish the "Information Security Incident Notification System", and units that have or find personal information problems have the obligation to notify the Risk and Information Security Management Team, which will coordinate the execution and handling of the situation.	
Data Security	CG-MR-230a.2	1. Number of data breaches	2019-2021：0	
Data Security	CG-MR-230a.2	2. Percentage involving personally identifiable information	2019-2021：0	
Data Security	CG-MR-230a.2	3. Number of users affected	2019-2021: 0	

Subject	Code	Standard	Index and Content	Response
Labor Practices	CG-MR-310a.1	Percentage of in-store employees earning minimum wage, by region	2021：0	
	CG-MR-310a.2	Voluntary turnover rate for all employees	<table><tr><td></td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>Voluntary turnover rate</td><td>67.7%</td><td>67.7%</td><td>61.9%</td></tr><tr><td>Involuntary turnover rate</td><td>0.2%</td><td>0.5%</td><td>0.4%</td></tr></table>	
	CG-MR-310a.2	Involuntary turnover rate for all employees	Note: 1. The calculation method is changed to the number of resignations/the number of incumbents on December 31, 2021, which renewed the data in 2019 and 2020, therefore there is a change from the previous version of the report 2. The annual turnover rate was 62.3%, of which PT accounted for 47.0% of the total turnover	
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender for (1) management and (2) all other employees	<table><tr><td>2021</td><td>Senior Managers</td><td>Middle Managers</td><td>Basic Managers</td><td>Staff</td></tr><tr><td>Male</td><td>1.3%</td><td>3.7%</td><td>5.8%</td><td>12.2%</td></tr><tr><td>Female</td><td>1.8%</td><td>3.5%</td><td>25.4%</td><td>46.3%</td></tr></table>	p.58-59
	CG-MR-330a.1	Percentage of racial ethnic group representation for (1) management and (2) all other employees	In order to ensure equal employment opportunities, the Company does not register the race of its employees, so no relevant information is available.	p.58-59
Activity Metric	CG-MR-000.a	Number of retail locations	02 About Poya International-Corporate Profile and Industry Overview	p.15-17
	CG-MR-000.a	Number of distribution centers	05 Environment- Plan of Centralized Logistic Center	p.78-79

Subject	Code	Standard	Index and Content	Response
	CG-MR-000.b	Total area of retail space	102,768.6 pin (≒339,732 sqm) in 2021	
	CG-MR-000.b	Total area of distribution centers	05 Environment- Plan of Centralized Logistic Center	p.78-79

Appendix 5 TCFD Index

Aspect	TCFD Recommended Disclosures	Corresponding Chapter	Page Number
Governance	Describe the board's oversight of climate-related issues.	2.4 Sound Corporate Governance-Risk management	p.32-38
	Describe management's role in assessing and managing issues.		
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5.2 Programs of Water Consumption and Electricity Consumption	p.72-76
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		
	Scenario Analysis		
Risk Management	Describe the organization's	2.4 Sound Corporate	p.38

	processes for identifying and assessing climate-related risks.	Governance- Risk Management Process	
	Describe the organization's processes for managing climate-related risks.		
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities	5.1 Greenhouse Gas Inspection 5.2 Programs of Water Consumption and Electricity Consumption Appendix.2 KPI and Long-term Target in 2021	p.70-71 p.72-76 p.87
	Disclose greenhouse gas (GHG) emissions and the related risks.		
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		

Appendix 6 Table of assurance items

Number	Subject Matter Information	Page Number	Applicable Criteria	Regulations
1	Business units regularly follow Standard operating procedures (SOP) assessment	p.52,p.62,p.84	The number and the percentage of stores assessed in the year, with reference to the assessment content defined in the "Standard Operating Procedures (SOP)".	Subparagraph 1, item 1
2	1. Violation of environmental, economic or social laws and regulations. 2. Violation of the food safety and hygiene management law and its sub-laws for food products sold in stores	p.49	The number and amount of fines imposed by the competent authority due to violation of environmental, economic or social regulations and the "Food Safety and Hygiene Management Act" and its sub-laws in 2021.	Subparagraph 1, item 2
3	Average and median salary of non-executive employees in 2021	p.66	In accordance with the " Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed	Voluntary assurance

			Securities " by Taipei Exchange, laws and regulations related to Q&A	
4	New employees rate, turnover rate and absenteeism rate in 2021	p.59,p.100	New employee rate and turnover rate are calculated based on the roster of new employees and resignations in 2021 shown in the company's human resources system and the roster of all employees as of December 31, 2021. The employee absenteeism rate is calculated according to the following formula: occupational sickness leave + sick leave days + personal leave days + menstruation leave days)/total labor number of days	Voluntary assurance
5	Reinstatement rate of workers on parental	p.67	Based on the list of employees who applied	Voluntary assurance

			for leave without pay as of December 31, 2021, and the number of employees who were reinstated after the parental leave ended, the reinstatement rate is calculated according to the appropriate formula shown by GRI: employees who have actually returned to work after parental leave/ total number of employees who should be reinstated after parental leave X100	
6	Total training hours of employees	p.61	The total number of education and training hours completed in accordance with Poya's education and training methods in 2021	Voluntary assurance
7	Salary ratio of male and female employees	p.66	Refers to the ratio calculated on the basis of male annual salary as 100	Voluntary assurance
8	Water Consumption	p.72	Total water consumption of Poya's headquarter and	Voluntary assurance

			stores (excluding mall) in 2021	
9	waste disposal	p.74	Recycling volume of logistics waste cartons in 2021	Voluntary assurance
10	carbon emission	p.71	Total carbon emissions in 2021 (including fugitive greenhouse gas emission, transport mobile combustion and purchased electricity)	Voluntary assurance