



Great Tree
Pharmacy Co., Ltd.

2022

Sustainability Report

值得您信賴的藥局

真誠 | 專業 | 共享

About This Report

Since 2018, Great Tree Pharmacy Co., Ltd. (hereinafter referred to as "Great Tree", the "Company", "we", or "us") has issued a sustainability report every year. This report serves as a channel and platform for communication with Great Tree stakeholders to ensure we continue to fulfill our corporate social responsibility while pursuing corporate sustainability and profitability.

This report has been prepared according to the Global Reporting Initiative (GRI) Standards (hereinafter referred to as the "GRI Standards"). It includes core disclosures required by the GRI Standards and complies with the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies. All financial figures are in New Taiwan Dollars. The GRI Standards Comparison Table can be found in the Appendix section for reference. Although this report has not been externally verified, the information and data herein has been compiled based on our internal statistics and reviews, and the financial data has been published after certification by Ernst & Young.

Report Period

The 2022 Sustainability Report was published in 2023 and disclosed the issues of concern to stakeholders in 2022 (from January 1, 2022 to December 31, 2022).

Report Scope

This report targets Great Tree Pharmacy Co., Ltd. and all of its pharmacies and stores in Taiwan and covers the financial information and certain sustainability information certified by accountants. The reinvestment businesses in the consolidated financial statements are excluded from this report.

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Leadership Message



At the beginning of 2020, the world was affected by the COVID-19 pandemic. In the face of changes in consumer consumption patterns, the development of retail channels was full of challenges. After several years, the impact will gradually slow down in 2022. The management team of Great Tree Pharmacy led all employees to work together as one and continued to deliver outstanding results. While pursuing healthy growth, we have also been committed to the improvement of environmental, social, and governance issues. Step by step, we have been incorporating sustainability strategies into our daily operations so as to develop capabilities needed to tackle future challenges.

●Continuous Growth

CommonWealth Magazine conducts 2,000 surveys on various industries in Taiwan every year, recording the growth of enterprises in Taiwan. According to its survey results released in 2023, the Company ranked 134th in the overall service industry in 2022, 20 levels higher than in 2021, ranking first in the pharmaceutical and health-care service industry. Thanks to the Company's team and all colleagues, they focused on carefully selecting better products and building better services for consumers every day, and accordingly, the consolidated operating income in 2022 and the consolidated net profit after tax reached NT\$14.6 billion and NT\$700 million, respectively. In the future, we will continue to expand our business scale strategically in order to increase our market share and strengthen our industry position.

●Deepened Sustainability

In the wake of the impact of climate change and the COVID-19 pandemic, companies also need to more quickly adjust their strategies and tactics for long-term sustainability. Therefore, the Company had already begun to publish a sustainability report prior to the requirement by law to disclose the efforts of Great Tree in corporate sustainability through transparent information. In particular, our efforts include actions such as urging suppliers to be sustainable, using low energy consumption equipment, it is planned to include suppliers' carbon footprint and carbon reduction performance as important indicators of procurement and promoting green consumption to raise awareness of sustainability in the industry as well as among consumers.

● Social Engagement

During the COVID-19 pandemic, vulnerable groups were more likely to experience harm, and it was an important moment for Great Tree to take the initiative and assume social responsibility. The Company promised to donate pandemic prevention supplies for a year to multiple nurseries in Taoyuan in the hope of providing some small help to vulnerable groups passing through this difficult time. Additionally, our store associates and pharmacists also utilized their expertise to conduct community health education campaigns from time to time while continuing to care for the health needs of rural communities. Great Tree has long been concerned about the disadvantaged groups in the society. In 2022, it has participated in the Cathay United Bank Foundation's Big Tree Project to call on the public to pay attention to the equal right to education of school children and promote the development of grassroots education.

● Corporate Governance

In terms of corporate governance, Great Tree is focused on establishing an effective corporate governance structure, protecting the rights and interests of shareholders, strengthening the functions of the Board of Directors, respecting the rights and interests of stakeholders, and improving information transparency, as well as implementing various systems and measures to effectively enhance the quality of corporate governance and in turn maximize not only the rights and interests of shareholders but also corporate sustainability.

On the road to sustainability, Great Tree strives to stay committed to corporate citizenship, and we are grateful for the efforts of all employees, investors, and suppliers as well as the support of consumers. All Great Tree personnel uphold the principles of professionalism, integrity, and sharing and continue to create a sustainable future.

Chairman

郑明毅



Sustainable Development Goals (SDGs)

In 2015, the United Nations announced the "2030 Sustainable Development Goals (SDGs)", which include 17 SDGs such as eradicating poverty, mitigating climate change, and promoting gender equality, guiding the world to work together towards sustainability. In response to the SDGs, Great Tree discloses the following:

	Plans and achievements corresponding to SDGs	Corresponding Section
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> ★Apply for labor insurance, national health insurance, group insurance and epidemic prevention insurance for employees in accordance with the law. ★The Employee Welfare Committee regularly handles employee travel and health examinations every year, but it has been suspended in 2022 due to the impact of the pandemic. 	5.1 Employee Compensation and Benefit 5.3 Friendly and Shared Working Environment
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> ★Provide comprehensive education and training courses and adopt online education and learning platforms. ★Donated to scholarships and bursaries for pharmacy departments in various colleges and universities in 2022 as a talent cultivation scholarship program. ★It has donated NT\$1 million in 2022 to participate in the "Cathay United Bank Foundation's Big Tree Project" to call on the public to pay attention to the equal right to education of disadvantaged students. 	5.4 Talent Training 3.2 Social Engagement
 5 GENDER EQUALITY	<ul style="list-style-type: none"> ★Pay attention to gender equality in the workplace and emphasize salary based on ability. 	5.2 Diverse Workplace
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> ★In 2022, the consolidated revenue was NT\$14.6 billion; net income after tax was NT\$700 million; and the cash dividend and stock dividend was NT\$4.7 per share and NT\$2.3 per share, respectively. ★Complete salary and welfare system and issue employee stock option certificates in 2022. ★A diverse and equal workplace environment, employing employees with physical and mental disabilities in accordance with the Labor Standards Act. 	1.1 About Great Tree 5.1 Employee Compensation and Benefits 5.2 Diverse Workplace
 11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> ★Each stage of the store format takes into account the needs of disadvantaged groups, women, children, people with physical and mental disabilities and the elderly, and gradually adjusts the store environment and safety measures. 	3.1 A Pharmacy Customers Can Trust
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> ★Domestic local procurement accounts for more than 99% of the company's annual purchases. ★In response to the concept of packaging-free daily necessities, the "Laundry Detergent Refill Station" has been launched in 4 stores in 2022 through cooperation with Formosa Biomedical Technology Corporation. 	2.1 Supplier Management
 13 CLIMATE ACTION	<ul style="list-style-type: none"> ★Environmental management policy. ★About 90% of stores already use energy-saving lamps and variable frequency air conditioners. 	4.1 Environmental Management 4.2 Energy Conservation and Carbon Reduction
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> ★Establishing an effective corporate governance structure. 	1.2 Corporate Governance

(Source: UN Sustainable Development Knowledge Platform Website)

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A Pharmacy You Can Trust

1.1 About Great Tree

1.2 Corporate Governance

1.3 Stakeholder Identification
and Communication



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1.1 About Great Tree

Great Tree Chain Pharmacy, a professional medical and health care products chain channel, was founded in 2001 by Great Tree Pharmacy through the implementation of the medical and pharmaceutical channel management system, GT-POMS. With GT-POMS, Great Tree has successfully assisted chain members in their operations and business growth as well as continued to recruit professionals so as to further expand its business throughout Taiwan.

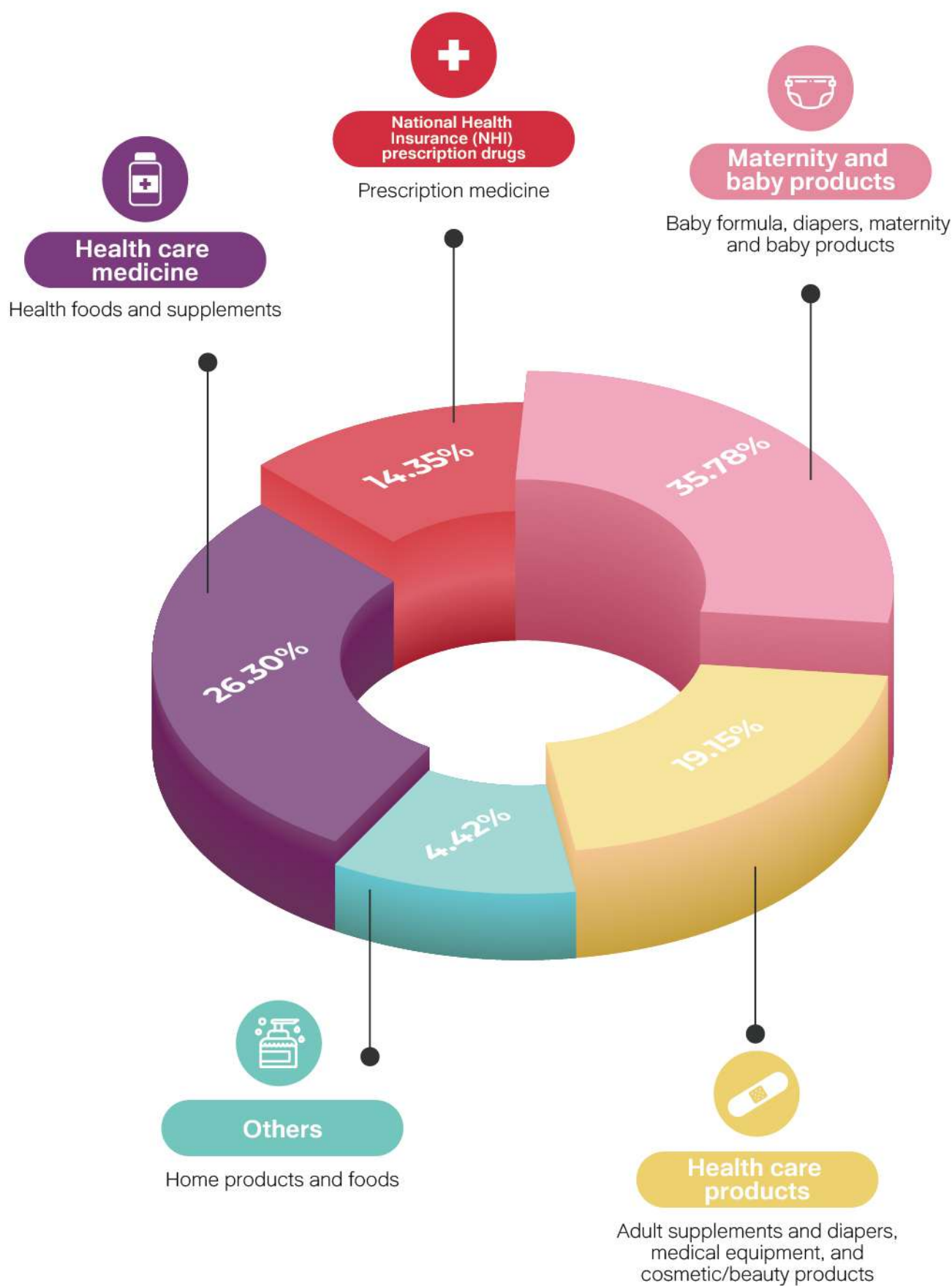
Great Tree Chain Pharmacy upholds the principles of professionalism and integrity. In order to create a closer relationship with customers, we collaborate with expert teams of pharmacists and enthusiastic service personnel to create the most professional, comprehensive, and secure shopping environment possible and provide a wide range of nutrition and dietary supplements, health care products, maternity and infant products, and medical supplies, as well as holistic services. As of the end of 2022, we had a total of 299 retail stores in Taiwan, and the number continues to grow, making Great Tree the largest prescription pharmacy for women and children in Taiwan.

●Company Overview

Information as of December 31, 2022

Company Name	Great Tree Pharmacy Co., Ltd.
Date of Establishment	May 15, 2001
Date of Listing	March 30, 2016 (TWSE Stock Code 6469)
Chairman	Cheng Ming Lung
General Manager	Cheng Ming Lung
Total Capital	NT\$891,352 thousand
Turnover	NT\$14,564,645 thousand (Fiscal Year 2022)
Number of Employees	2,147 persons
Main Business	Retail chain of stores selling a wide range of drugs, health foods, maternity and baby products, and cosmetics
Products and Services	Maternity and baby products 35.78% Health care supplements 26.30% National Health Insurance (NHI) prescription drugs 14.35% Health care products 19.15% Others 4.42%
Number of Stores	■ A total of 299 stores in Taiwan (275 franchised and directly-operated pharmacies, 4 FamilyMart x Great Tree pharmacies, 12 Carrefour stores, and 8 RT-Mart stores) ■ We integrated the chain system of Pro Healthcare with about 61 franchises at present ■ Great Tree has entered the pet business and now has 5 stores in Taiwan and continues to expand stores.
Headquarters Address	No. 143, Chengzhang 4th Street, Zhongli District, Taoyuan City (The company has moved to the 18th Floor, No. 186, Fuxing Road, Taoyuan City, Taoyuan City on March 27, 2023)
Company Website	http://www.greattree.com.tw https://shop.greattree.com.tw
Facebook Page	https://www.facebook.com/www.greattree.com.tw/

●Great Tree's Primary Products

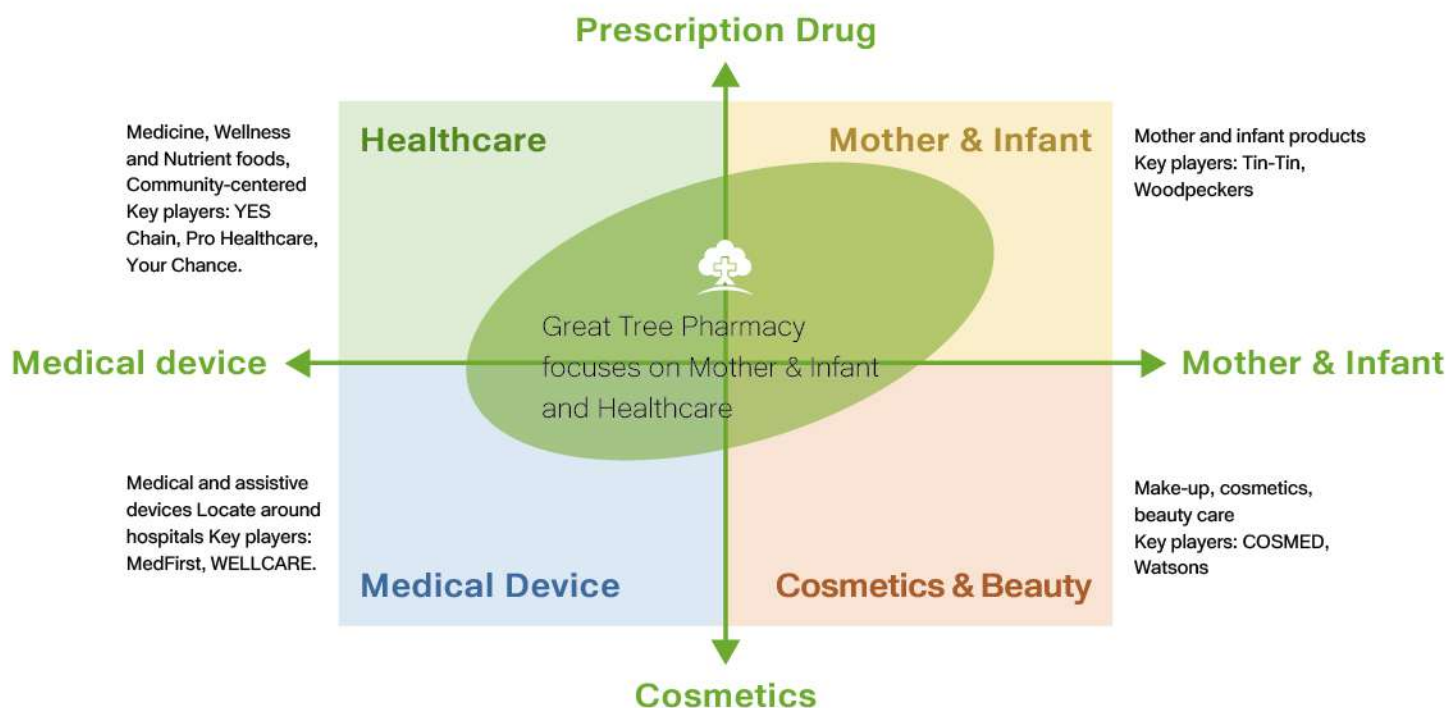


Industry Overview

As the standard of living in Taiwan improves, consumers show rising awareness of wellbeing, and as diseases of affluence continue to increase, the public is placing more and more importance on self-care and health practices. According to the "Sales of Wholesale, Retail and Food Services" issued by the Department of Statistics, Ministry of Economic Affairs, the sales of "Pharmaceutical and Medical Goods and Cosmetics" increased from NT\$163.2 billion in 2012 to NT\$214.6 billion in 2022, representing a steady growth every year. Although the annual growth rate decreased slightly over the past two years due to the COVID-19 pandemic, there is still a high public demand for drugs, medical supplies, and cosmetics. Moreover, in view of the fact that Taiwan's aging index exceeded 100 in February 2017, indicating there were more elderly people than young people for the first time, and grew to reach 144.93 as of the end of 2022, making Taiwan an aged society, it is expected that the demand for medical care as well as disease monitoring and prevention will continue to grow.



In accordance with the definition provided by the Standard Industrial Classification System of The Republic of China (SICS of ROC), "Retail Sale of Pharmaceutical and Medical Goods and Cosmetics in Specialized Stores" refers to specialized retail stores engaged in the sale of pharmaceutical and medical goods and cosmetics. Therefore, pharmacies can be divided into four categories based on business type (as shown in the table below), and Great Tree is a health care pharmacy.



● Company History and Business Locations



Toward modernized chain store management

Number of stores:
7

- In 2001, Great Tree was established and became the first in the industry to legally issue Uniform Invoices.
- In 2002, implemented the automatic inventory management Enterprise Resource Planning (ERP) system.

2001-2005

Established a comprehensive profitable business model

Number of stores:
14

- In 2007, set up e-booking system for controlled drugs.
- In 2008, opened store-within-store locations in Carrefour.
- In 2010, implemented Corporate Identity System (CIS) and renewed display shelves.

2006-2010

Started nationwide expansion Aiming to be listed on OTC

Number of stores:
46

- In 2011, launched the cross-district business planning and opened stores across Taiwan, showing expansion ability.
- In 2014, our PharmaCloud System received an SIIR grant.
- In 2014, obtained ISO9001, GSP, and TTQS certification.
- Listed on Emerging Stock Board on December 29, 2014.
- In 2015, established FamilyMart x Great Tree Pharmacy.
- In 2015, became the exclusive pharmacy partner of Alibaba in Taiwan.

2011-2015

No. 1 Chain Pharmacy in Taiwan Full O2O launch

Number of stores:
200

- In 2016, officially listed on the stock market on March 30.
- In 2017, re-selected as Carrefour model store pharmacy partner.
- In 2018, launched online pharmacy service.
- In 2019, consolidated with Pro Healthcare Franchise.

2016-2020

●Store Types at Various Stages

1st Generation:
a community
pharmacy in the
form of a traditional
pharmacist shop



2nd Generation:
an open-shelf retail
channel



3rd Generation:
a chain pharmacy
with a Corporate
Identity System (CIS)



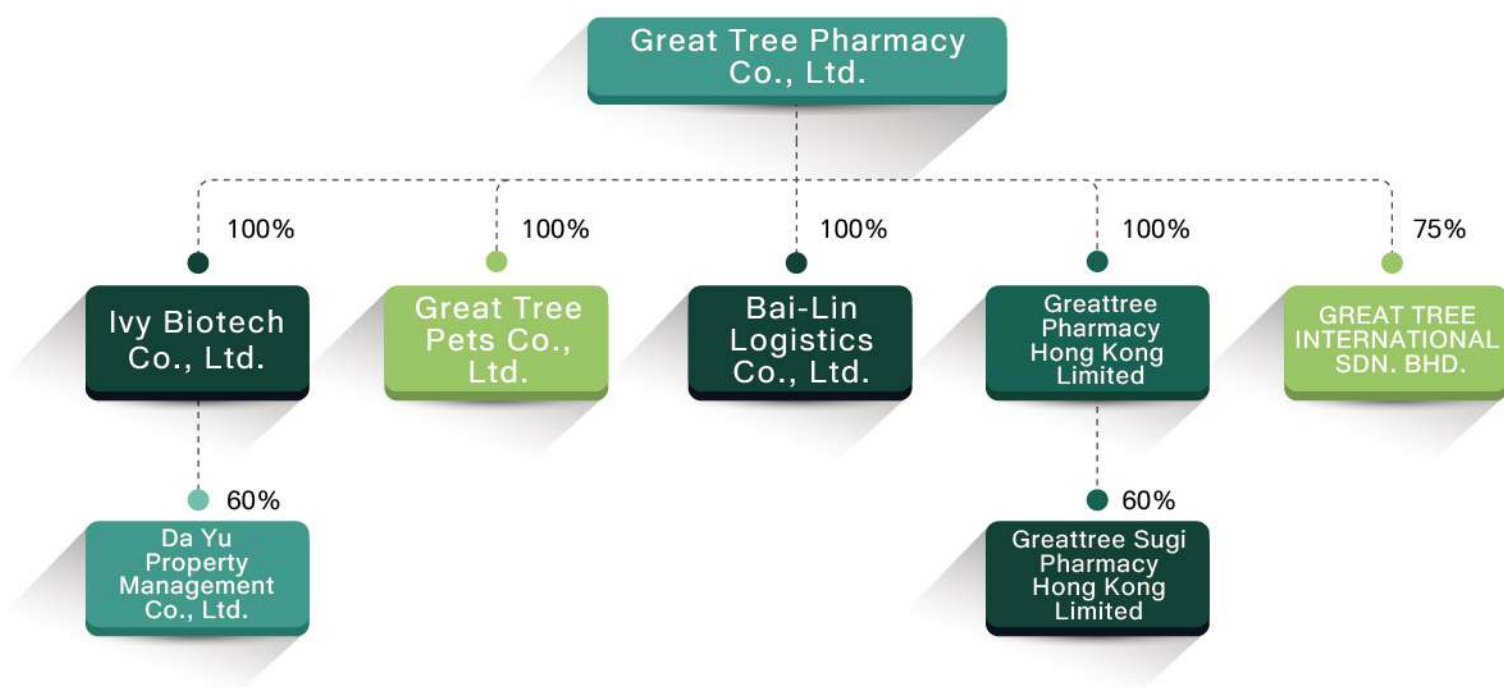
4th Generation:
implementation of
systematic product
classification and
personalized cloud
database



5th Generation:
a smart pharmacy
with a brand-new
experience zone and
integrated OMO
(Online Merge
Offline) model

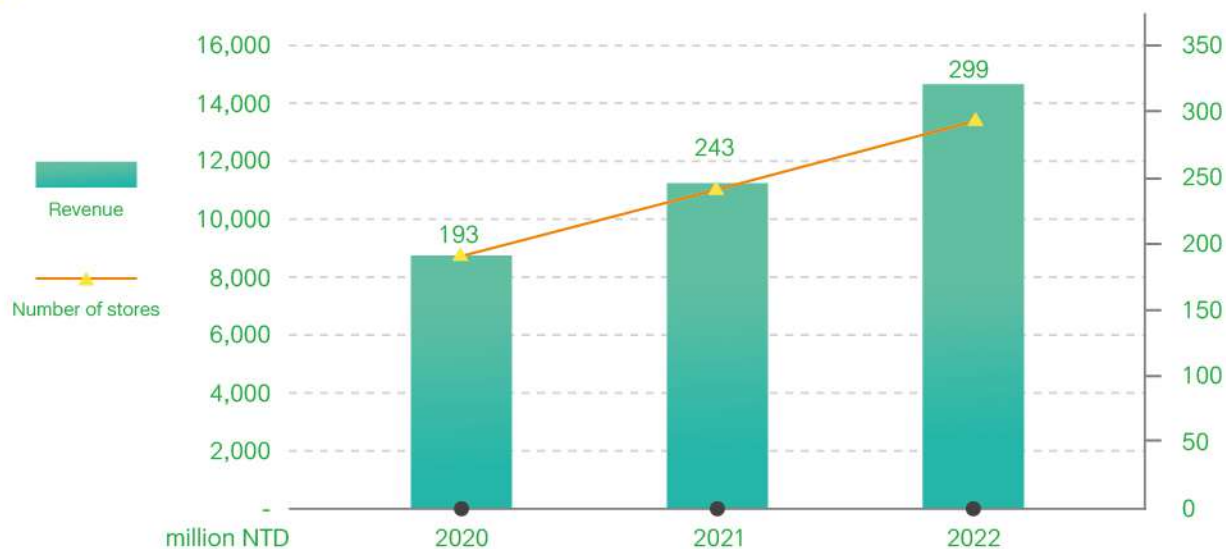


● Reinvestment Businesses



Name	Location	Major Businesses
Ivy Biotech Co.,Ltd.	Taiwan	Wholesale and retail business of foods and assorted goods, daily supplies, cleaning products, assorted drugs, health care foods, maternity and baby products, and cosmetics
Bai-Lin Logistics Co.,Ltd.	Taiwan	Wholesale and retail business, and packaging and warehousing services of foods and assorted goods, beverages, daily supplies, cleaning products, and cosmetics
Great Tree Pets Co.,Ltd.	Taiwan	Retail business of animal medication, aquarium fish, and retail and wholesale business of pet food and supply
Da Yu Property Management Co.,Ltd.	Taiwan	Management consultancy; housing and commercial building development, lease, and sales; development of special zones; real estate sales and lease; and development, lease, and sales of factory buildings
GREAT TREE INTERNATIONAL SDN.BHD.	Malaysia	Wholesale and retail business of foods and assorted goods, daily supplies, cleaning products, assorted drugs and other products
Greentree Pharmacy Hong Kong Limited	Hong Kong	Investment business
Greentree Sugi Pharmacy Hong Kong Limited	Hong Kong	Investment business

● Business Performance



Unit: NT\$1,000; Number of Stores

	2020	2021	2022
Operating revenue	8,641,394	11,280,942	14,564,645
Gross profit	2,184,730	2,943,003	4,011,128
Operating profit and loss	225,314	492,312	861,873
Non-operating income and expenses Income from continuing operations before income tax	18,096	17,358	20,459
Income from continuing operations before income tax	243,410	509,670	882,332
Current net profit of continuing business unit	192,667	407,761	700,503
Net income	192,667	407,761	700,503
Number of stores	193	243	299

For more details about our operating overview, annual shareholder reports, and financial reports, please go to the TSE Market Observation Post System (MOPS) and the "Investors" section on the official website of Great Tree.

● Direct Economic Value Generated and Distributed

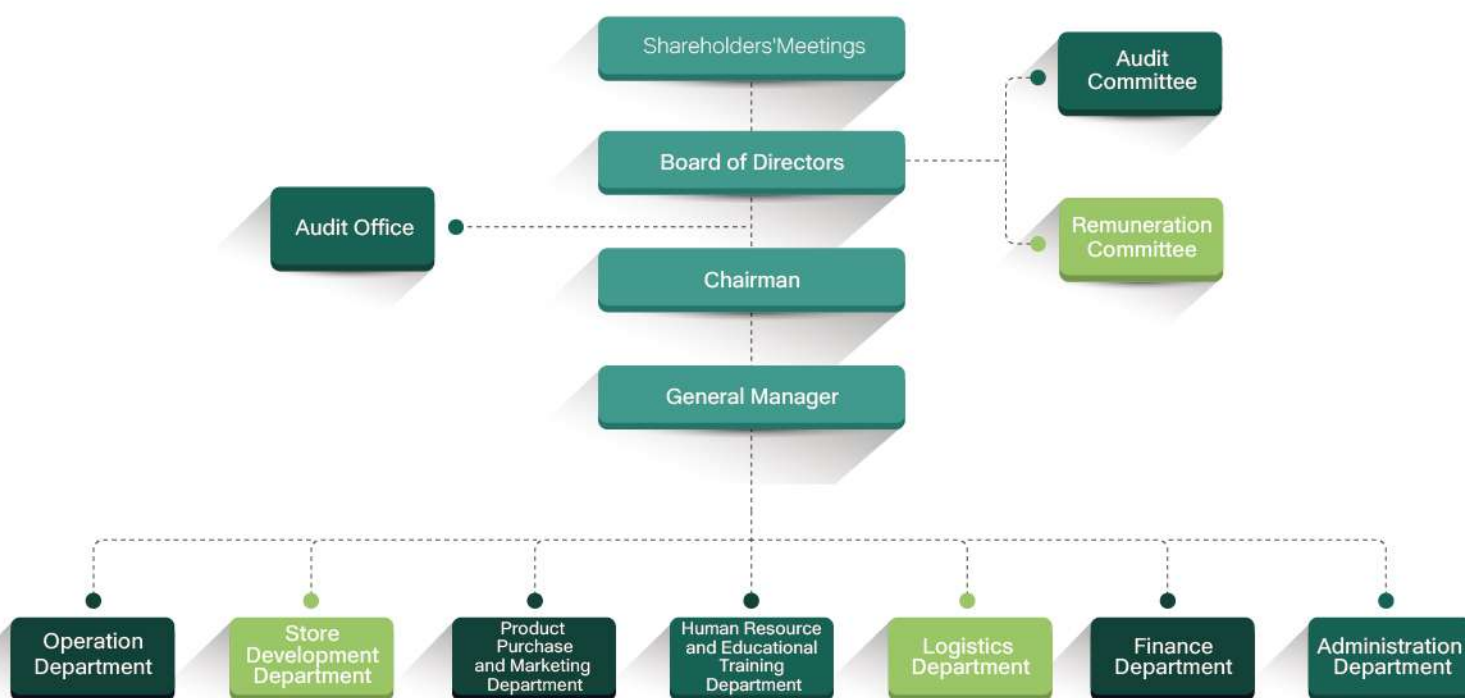
Unit: NT\$1,000

Direct Economic Value Generated in 2022	
Revenue	14,547,957
Direct Economic Value Distributed in 2022	
Operating costs	10,701,896
Employee Compensation and Benefits	1,130,321
Payments to funders	364,483
Payments to government by country	158,683
Investments in community	4,253

1.2 Corporate Governance

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, Articles of Incorporation, contracts signed with the Taipei Exchange, and other relevant regulations, the Company shall adhere to the principles of safeguarding the rights and interests of shareholders, strengthening the functions of the Board of Directors, exerting the capabilities of supervisors, respecting the rights and interests of stakeholders, and improving information transparency.

At Great Tree, we conduct business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement ethical management policies and actively prevent unethical behavior, the Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct". We not only require the members of the Board of Directors and management teams to adhere to ethical standards but also instruct all of our employees not to engage in activities that violate ethical principles, offer or accept improper benefits, take illegal actions, or breach fiduciary duties. The Human Resource and Educational Training Department has been appointed by Great Tree to take charge of promoting ethical management policies and providing internal education and training on an ad hoc basis. External whistle-blowing and internal complaint mailboxes have also been set up as communication channels and reporting mechanisms for our stakeholders, so as to ensure that employees perform to expectations.



●Safeguarding Shareholders' Rights and Interests



●Strengthening the Functions of the Board of Directors

The Board of Directors is the highest governance body of Great Tree and is responsible for the establishment of corporate management policies and selection of management personnel. We held a re-election of directors at the shareholders' meeting in 2020, and currently the Board of Directors consists of seven members, including the Chairman and independent directors, with a three-year term of office for each member. A candidate nomination system is adopted for election of directors, and shareholders shall select candidates from the nomination list. Meetings of the Board of Directors are held at least once every quarter. The seven members of the Board of Directors come from diverse backgrounds, and one of them is a female director. The members include an expert pharmacist, a university president, a professor of Pharmacy, a practicing accountant, and directors and independent directors with extensive business experience in various industries whose expertise can help enhance the quality of Great Tree's business decisions.

Pursuant to the "Rules of Procedure for Board of Directors Meetings," if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall enter recusal during discussion and voting on that item so as to control the risk of conflict of interest.

In 2022, Great Tree held a total of six Board of Directors meetings, with an average attendance rate of 100%. Details about the individual attendance of relevant directors and operation of the functional committees are available on the TSE Market Observation Post System (MOPS) as well as in the annual report of the shareholders' meeting. The Board of Directors assesses the independence of the Certified Public Accountant every year. The Company regularly purchases liability insurance for directors and reports to the Board of Directors in order to further protect the rights and interests of shareholders.

The positions the members of the Board of Directors currently hold in the Company and other companies are set out below. The background and diversity information of the Board members can be found in the Investors section of the Company's official website as well as the annual report of the shareholders' meeting.

Title	Name	Gender	Education and work experience	Titles currently held at the Company and other companies
Chairman	Zhen Han Investment Co., Ltd	-		-
	Representative: Cheng Ming Lung	Male	Bachelor's Degree, Shih Chien University Manager of Sinyi Realty Inc. General Manager of Great Tree Pharmacy Co., Ltd.	General Manager of Great Tree Pharmacy Co., Ltd. Director, Treemap Molecular Biotechnology Co., Ltd. Chairman, Da Yu Property Management Co., Ltd. Director and President of Zhen Han Investment Co., Ltd. Chairman of Haocheng Investment Co., Ltd.
Director	Top Taiwan XI Venture Capital Co., Ltd	-		Director, Steminent Biotherapeutics Inc. Director of TaiHao Medical Inc. Director of BRIM Biotechnology, Inc.
	Representative: Shen Li-Ping	Male	Master of Business Administration, National Chung Cheng University Bachelor's Degree, Department of Finance, National Central University Auditor, KPMG Taiwan Professional Assistant Manager, Mega Securities Co., Ltd. Sales Manager, Taishin Securities Co., Ltd.	Representative of Corporate Director, Great Tree Pharmacy Co., Ltd. Representative of Corporate Director, Aoli Technology Co., Ltd. Manager of Top Taiwan Venture Capital Co., Ltd.
Director	Chen Hung-Yi	Male	Ph.D. in Chemistry, College of Pharmacy, China Medical University Professor, College of Pharmacy, China Medical University	-
Director	Lu Shan-Feng	Male	Bachelor's degree, Department of Pharmacy, Chia Nan University of Pharmacy & Science Licensed professional and senior technician in pharmacy	Deputy General Manager of Great Tree Pharmacy Co., Ltd. Chairman, Great Tree Pet Co., Ltd. Representative of Corporate Director, GREAT TREE INTERNATIONAL SDN. BHD.
Independent Director	Liu Tian-Dao	Male	Bachelor's Degree, Business Administration, National Taiwan University Certified Public Accountant, Zhi-Dao Accounting Firm	-
Independent Director	Kuo Dai-Huang	Male	PhD, College of Pharmacy, China Medical University Professor of the Department of Pharmacy and Institute of Pharmacy and President of Tajen University	-
Independent Director	Wang Hsing-Wen	Female	Graduate Institute of Industrial Economics of NCU School of Law, Soochow University Chief Lawyer of Wang Hsing-Wen Law Firm	-

In order to encourage directors to continuously obtain new knowledge during their tenure, Great Tree arranges in-service training for directors from time to time every year. Currently the content of the training includes courses on corporate governance and related laws and regulations. Courses on environmental and social topics will be incorporated into the training subsequently for all directors to fulfill the annual training hours as indicated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." The training courses that the directors participated in 2022 are as follows:

Date	Organizer	Name of course	Hours	Number of participants
2022.08.11	Taiwan Corporate Governance Association	Insider Trading from a Prosecution Perspective	3	7 persons
2022.11.10	Taiwan Corporate Governance Association	Trading Protection and Fraud Detection	3	7 persons

●Audit Committee

On June 17, 2020, Great Tree re-elected the third term of directors at the general meeting of shareholders. Three independent directors were elected to establish the first term of the Audit Committee in accordance with the law and to assume the functions of Supervisors. The purpose of the Audit Committee is to supervise the appropriate preparation of the Company's financial statements, the selection (dismissal), independence, and performance of the Certified Public Accountant, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the management of existing or potential risks. The Company's internal audit supervisor communicates the results of the audit report with the Audit Committee on a regular basis and reports to the members of the Audit Committee immediately if there are any special circumstances. There were no special circumstances in 2022, and the communication between the Audit Committee and the internal audit supervisor was successful. The unit prepared meeting agenda reports and the results of the review or audit of the financial statements on a quarterly basis. After the audit of annual financial statements was completed, the Certified Public Accountant also attended the meeting to provide explanations and communicate matters required by relevant laws and regulations to the members of the Audit Committee; in the event of special circumstances, the Certified Public Accountant will also report to the members of the Audit Committee immediately.

●Remuneration Committee

In order to improve the remuneration system for directors, supervisors, and managers of the Company, in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange," , Great Tree established the Remuneration Committee on September 25, 2014. Currently the Remuneration Committee consists of three independent directors, convenes at least twice every year, and takes charge of assessing the reasonableness of the remuneration for directors and managers. The remuneration for the Company's directors is provided based on the dividend policy indicated in the Company's Articles of Incorporation. Managers receive a fixed salary and a year-end dividend which is positively related to the earnings per share for the current year. In 2022, there were no objections or reservations by the Board of Directors against the resolutions of the Remuneration Committee, and there were no objections or reservations by the Remuneration Committee members against the remuneration for directors and managers.

●Respecting Stakeholders' Rights and Interests

Great Tree has set up the "Investors" section on its official website, which includes a "Stakeholder Engagement" page where stakeholders can access details on the Stock Transfer Handling Agency, Customer Service, Supplier, Employees Contact, as well as Ethics Consultation and Violations Reporting Mailbox, where stakeholders can make inquiries about issues of concern and receive responses from our specialists.

(<https://www.greattree.com.tw/article-page/stakeholder>)

●Improving Information Transparency

Great Tree is a listed company whose shares are publicly traded on the Taipei Exchange. In order to enhance the transparency of information, disclosures of the Company's information can be obtained through the following channels:



**TSE Market Observation
Post System (MOPS)**

- Major resolutions (information in English and Chinese)
- Monthly revenue
- Financial statements (including annual financial statements in English)
- Annual reports of shareholders' meetings, meeting notices, meeting handbooks (including Chinese and English versions)
- Sustainability Reports (a voluntary Corporate Social Responsibility Report has been compiled annually since 2018 and was renamed to Sustainability Report in 2021)
- Investor conferences (briefings)
- Items to be disclosed according to law and regulations



**Company official
website—Investors section**

- Corporate governance (including basic Company profile, Articles of Incorporation, important operating procedures, and investor conferences)
- Corporate structure
- Financial information (including monthly revenue and quarterly financial reports)
- Shareholder information (updates and details on shareholders' meetings)
- Stakeholder engagement (contact information for stakeholders)

Great Tree's official website provides public communication channels and contact information. We welcome all stakeholders and consumers who are interested in the Company to contact and communicate directly with us.

(<https://www.greattree.com.tw/article-page/stakeholder>)



1.3 Stakeholder Identification and Communication

● Identifying and Selecting Stakeholders

In accordance with the five principles of AA1000 Stakeholder Engagements Standard (AA1000 SES)—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—we have identified Great Tree's primary stakeholders as follows:

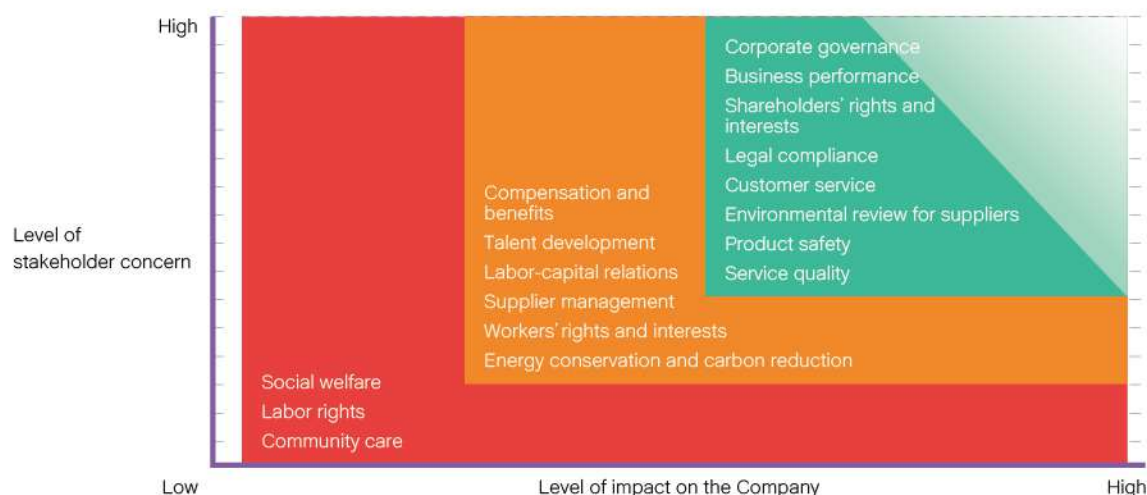
- Shareholders and investors ● Employees ● Customers and consumers ● Suppliers ● Government
- Communities and non-profit organizations

The following table shows the stakeholders and communication channels of Great Tree:

Stakeholders	Issues of Concern	Communication Channels, Methods, and Frequency
Shareholders and investors	<ul style="list-style-type: none"> ● Business performance ● Shareholders' rights and interests ● Corporate governance ● Legal compliance ● Social welfare 	<ul style="list-style-type: none"> ● Investor conferences (at least twice a year) ● Disclosures on TSE Market Observation Post System (MOPS) (in accordance with the required reporting period) ● Shareholders' meetings (every June) ● Company official website—Investors section (on an ad hoc basis) ● Stock and Investors sections (responses by specialists via email or hotline)
Employees	<ul style="list-style-type: none"> ● Compensation and benefits ● Talent development ● Labor rights ● Labor-capital relations 	<ul style="list-style-type: none"> ● KPI assessment (once a year) ● Internal training courses (on an ad hoc basis) ● Labor-management meetings (on an ad hoc basis) ● Employee Welfare Committee (on an ad hoc basis) ● Employee feedback and complaint mailbox (responses by specialists)
Customers and consumers	<ul style="list-style-type: none"> ● Customer service ● Environmental review for suppliers ● Product safety ● Service quality 	<ul style="list-style-type: none"> ● Official/Facebook Page/communication software (real-time responses by specialists) ● Customer service hotlines (real-time responses by specialists) ● Direct mail advertising (once a month)
Suppliers	<ul style="list-style-type: none"> ● Supplier Management ● Environmental review for suppliers 	<ul style="list-style-type: none"> ● Supplier review meetings (on an ad hoc basis) ● On-site factory inspection (on an ad hoc basis)
Government	<ul style="list-style-type: none"> ● Legal compliance ● Product safety ● Workers' rights and interests 	<ul style="list-style-type: none"> ● Letters and announcements issued by competent authorities (on an ad hoc basis) ● Official document systems (on an ad hoc basis) ● Communication from supervisory authorities (per regulations) ● Conferences held by competent authorities (on an ad hoc basis)
Communities and non-profit organizations	<ul style="list-style-type: none"> ● Community care ● Social welfare ● Energy Conservation and Carbon Reduction 	<ul style="list-style-type: none"> ● Customer service hotlines (real-time responses by specialists) ● Social engagement/disaster relief donations (on an ad hoc basis) ● Health seminars/mothers' workshops (on an ad hoc basis)

● Major material issues and identification of material aspects and boundaries

In response to the aforementioned sustainability issues of concern to stakeholders, the task force has identified the following issues based on the feedback provided by stakeholders and its own expertise. The issues are listed in the order of impact on the Company, and they are prioritized herein due to their importance.



Order Number	Material Topic	GRI Standards	Indicators	Corresponding Topic in This Report
1	Corporate governance	General disclosures (governance structure/values, principles, standards, and norms of behavior)	GRI 102-18 GRI 102-16	1.2 Corporate Governance
2	Business performance	Economic performance (direct economic value generated and distributed)	GRI 201-1	1.1 About Great Tree
3	Shareholders' rights and interests	Economic performance (direct economic value generated and distributed)	GRI 201-1	1.1 About Great Tree
4	Legal compliance	Socioeconomic compliance (non-compliance with laws and regulations in the social and economic area)	GRI 419-1	2.3 Legal Compliance
5	Customer service	Customer privacy (substantiated complaints concerning breaches of customer privacy and losses of customer data)	GRI 418-1	3.1 A Pharmacy Customers Can Trust
6	Environmental review for suppliers	Procurement practices (proportion of spending on local suppliers), supplier environmental assessment (negative environmental impacts in the supply chain and actions taken)	GRI 204-1 GRI 308-2	2.2 Supplier Management
7	Product safety	Customer health and safety (assessment of the health and safety impacts of product and service categories), marketing and labeling (requirements for product and service information and labeling)	GRI 416-1 GRI 417-1	2.1 Product Safety Management
8	Service quality	Customer health and safety (assessment of the health and safety impacts of product and service categories), marketing and labeling (requirements for product and service information and labeling)	GRI 416-1 GRI 417-1	2.1 Product Safety Management

Boundaries for material sustainability topics are defined as follows:

Material Topic	Within the Organization		Outside the Organization			
	Head office	Branch office	Shareholders and investors	Customers and consumers	Suppliers	Communities and non-profit organizations
Corporate governance	●	●	●			
Business performance	●	●	●			
Shareholders' rights and interests	●	●	●			
Legal compliance	●	●	●	●	●	●
Customer service	●	●		●		
Environmental review for suppliers	●	●			●	
Product safety	●	●	●	●	●	
Service quality	●	●		●		



Trusted Products and Services

2.1 Supplier Management

2.2 Product Safety
Management

2.3 Store Quality
Assurance Workflow

2.4 Legal Compliance

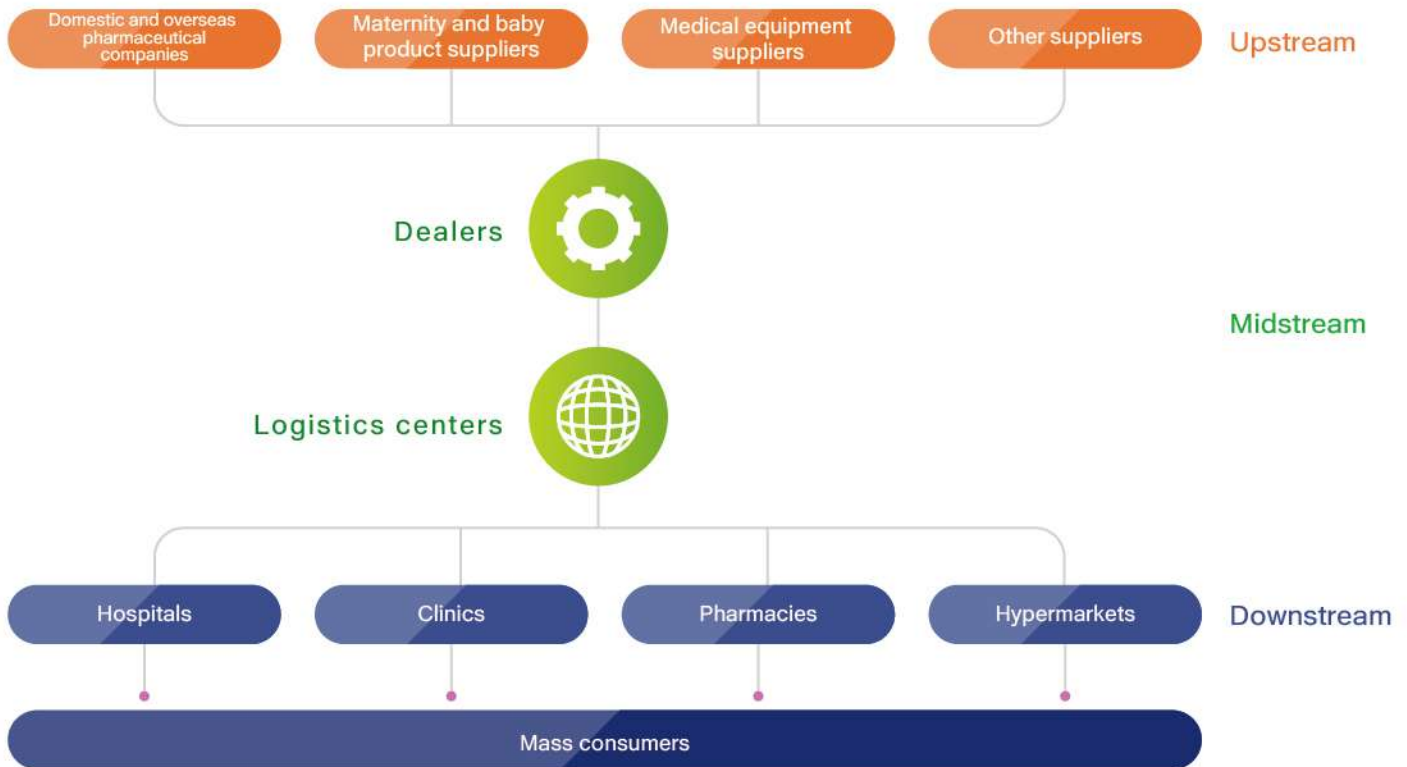


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2.1 Supplier Management

● Overview of Production and Sales

Great Tree has professional pharmacy sales teams who serve as channels between domestic and overseas pharmaceutical suppliers and the consumers. We not only assist suppliers in providing their products to target demographics but also support consumers to purchase the products they need through convenient, professional, and diversified services. The industry can be roughly divided into upstream, midstream, and downstream.



Great Tree is a downstream pharmacy chain channel in the biotechnology and medical industry, and our main suppliers are primarily domestic pharmaceutical companies and dealers. Its local purchases account for more than 99% of the total purchase volume. As the functional currency we use to conduct our business transactions is the New Taiwan Dollar, there is no exchange rate risk. In 2022, Great Tree worked with over 1,000 suppliers and effectively adopted decentralized procurement. Transactions with the largest supplier accounted for about 10% of our total purchases, with no risk of supply shortage.

● Supplier Management and Product Review



Based on the needs of consumers and the product judgment skills of procurement personnel, Great Tree selects its suppliers following the aforementioned workflow. Review of supplier qualifications, evaluation of product samples, and category review must be completed before any product launches. Great Tree has formulated the “Procedures for Supplier Evaluation and Management,” and all suppliers are subject to preliminary verification by procurement personnel to ensure all suppliers are legally registered with the Department of Commerce, MOEA. According to the Procedures, prior to purchasing of medical equipment, drugs, health food, and beauty care products, suppliers must provide documents approved by the government in accordance with relevant laws and regulations for assessment and review. If necessary, the Procurement Department will visit the supplier factory to obtain a better understanding of the supplier’s raw material control, safety and health, and production processes to ensure product quality.

Great Tree reviews and manages the turnover rate of the inventory products provided by each supplier in the store every month. Through ad-hoc interviews with suppliers and on-site factory visits, if there are matters that cause concerns or changes in consumer demand, for suppliers who are not suitable for procurement, Great Tree will cease further business activities and provide directions and time for improvement so as to ensure consumer needs are met.

For brand name products, such as Ivy Biotechnology dietary supplements, low-end medical supplies, daily necessities, and food, due to the nature of our business, Great Tree does not have a factory to manufacture our own product lines, and therefore we partner with OEMs to manufacture products for us. In order to ensure the safety of the products manufactured by OEMs, all OEMs not only have to comply with standard laws and regulations but also need to do independent inspections. At the same time, Great Tree will use a third-party verification company to conduct spot checks. The inspection items differ from product category to product category; the current inspection items are as follows:

Type	Inspection Items
Inspections by OEMs	1. Microorganisms (Coliform bacteria, E. coli, total plate count, etc.) 2. Chemical inspections of plasticizers 3. Heavy metal inspections
Inspections by a Third-party Verification Company	1. Microorganisms (Coliform bacteria, E. coli, total plate, Pseudomonas aeruginosa, Staphylococcus aureus, etc.) 2. Plasticizers, melamine, surfactant, colorant, formaldehyde, fluorescent agents, etc. 3. Pesticide inspections 4. Heavy metals

2.2 Product Safety Management

Due to a string of food and drug related incidents that have hit Taiwan in recent years, customers have their doubts about the safety of products sold on the market. In order to help customers shop with peace of mind at Great Tree stores, all of our partnered suppliers are required to sign a comprehensive agreement as part of the onboarding process and must provide an inspection report issued by a third-party verification company within one year for any new products with a copy of Product Liability Insurance to protect the rights and interests of consumers.

In light of the 2014 incident where one of Great Tree's chain pharmacies sold expired over-the-counter drugs that were dispensed by a physician, pharmacist, or assistant pharmacist, Great Tree has started to monitor and routinely check product expiration dates at the Logistics Department and all retail stores electronically via a computer system or physically by store staff to make sure all products displayed and sold in store are within the expiration period. Additionally, audits are conducted on occasion to ensure product quality and prevent the same incident from happening again.

Overall, Great Tree has not only established inspection and audit mechanisms but also implemented procedures to immediately recall or remove any products provided by suppliers that may be defective or unsafe and accept returns or replacements for such products. Meanwhile, we will seek liability compensation from suppliers to cover any losses or damages on behalf of our customers to safeguard the rights and interests of customers as well as Great Tree. For instance, previously when the Taiwan Centers for Disease Control made the announcement on plasticizer-contaminated products, we took the initiative to release a news coverage to provide customers assistance in receiving refunds as well as having our store staff directly contact customers in our store database. With "a pharmacy you can trust" as our mantra, Great Tree is committed to continuously striving to give our customers the best experience possible and maintain good faith with customers.

2.3 Store Quality Assurance Workflow

As food safety has continued to be an issue in recent years, Great Tree acts as a safety gatekeeper and voluntarily recalls defective or unsafe products not purchased at our stores so as to serve the public and provide customers the most convenient way to complete returns.

Store independent inspections: Store personnel check the expiration date and appearance of each product daily. If the expiration date is within six months or the outside has defects, store personnel will immediately remove the products from the shelves as well as report to the headquarters through the inventory system. Upon collecting and organizing relevant data, the headquarters will request all stores and the Logistics Department to perform inventory checks and determine whether the product should be returned to suppliers, disposed, or offered for sale to employees at discounted prices according to the product expiration period and supplier agreement.

Consumer returns: when the store receives a consumer return, it will be transferred back to the general warehouse, and the manufacturer will be contacted to handle recycling.

2.4 Legal Compliance

In 2022, Great Tree did not violate any environmental regulations and therefore was not fined by the competent authorities



Customer Trust and Social Engagement

3.1 A Pharmacy Customers Can Trust

3.2 Social Engagement

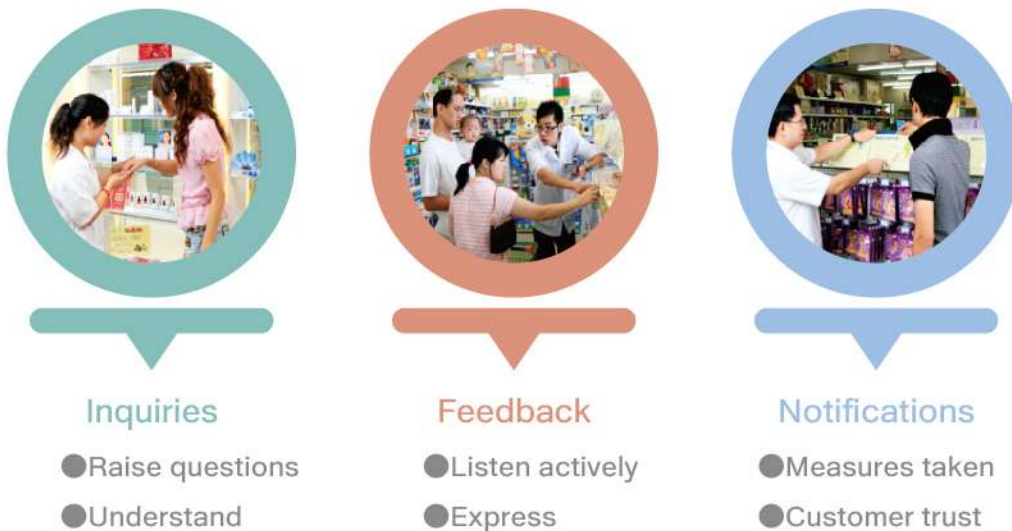


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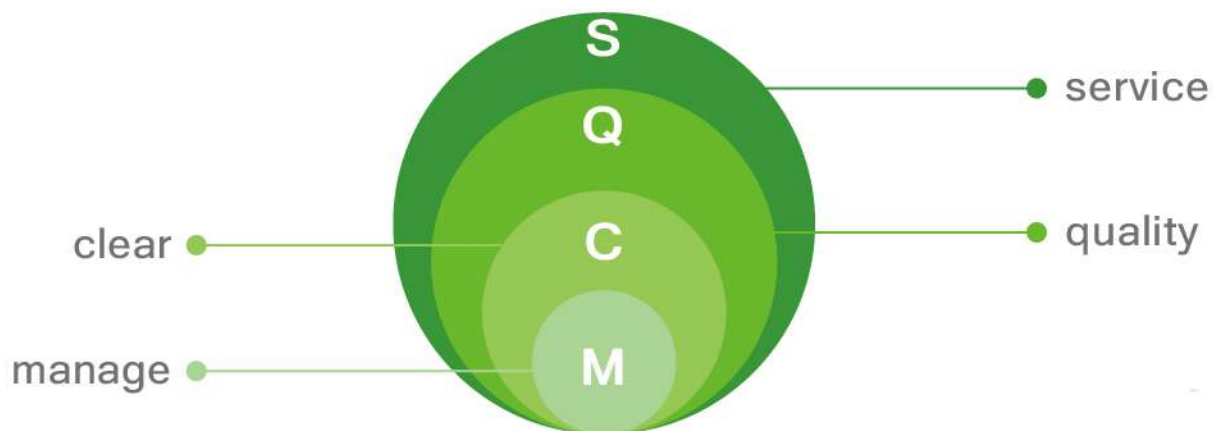
3.1 A Pharmacy Customers Can Trust

Great Tree is currently the largest prescription pharmacy for women and children in Taiwan, and what is most needed in the health industry is professionals with expert knowledge. Great Tree has established a series of comprehensive education and training programs and courses that offer onboarding training, on-the-job training, and management training (such as corporate culture, service management, communication skills, professional product introduction, and customer complaint resolution) to help store sales personnel enhance their medical knowledge and literacy.

Through daily routine inspections by store managers and weekly store inspections by regional supervisors, Great Tree is able to monitor the services, quality, cleaning, and management of its stores and detect any problems early on to make necessary improvements to ensure better and more efficient customer services.



At Great Tree, our business philosophy is based around building “a pharmacy you can trust,” and therefore fulfilling the health needs of customers is our core value. To serve a variety of customers with different health needs, store personnel need to have not only expert knowledge but also the patience to listen to any concerns customers may have. To provide customers with the best solutions, we obtained the Good Service Practice certification from the Department of Commerce, MOEA in 2014, an honor made possible by the efforts of our store and headquarters personnel.



At Great Tree, our business philosophy is based around building “a pharmacy you can trust,” and therefore fulfilling the health needs of customers is our core value. To serve a variety of customers with different health needs, store personnel need to have not only expert knowledge but also the patience to listen to any concerns customers may have. To provide customers with the best solutions, we obtained the Good Service Practice certification from the Department of Commerce, MOEA in 2014, an honor made possible by the efforts of our store and headquarters personnel.

❖ Good Service Practice (GSP)



● Product Labeling

Great Tree requires suppliers to provide products that comply with the specifications of the Commodity Labeling Act so that consumers can use them safely and correctly.

Procurement personnel and regional supervisors will inspect product labeling from time to time, and if they have any doubts, they will ask the supplier to verify and make specific improvements. Store personnel will also inspect product price tags from time to time and regularly replace the corresponding price tags according to promotions conducted by the Product Purchase and Marketing Department. In this way, consumers can clearly read the name, specifications, and price of each product, protecting their rights and interests.

●Store Environment and Safety Measures

Since its establishment in 2001, Great Tree has, to provide a convenient shopping environment for consumers and reflect the Company's corporate image, continued to optimize the design of store software and hardware. As of 2022, the fifth generation of stores has been launched. Our Store Development Department maintains the equipment of each store and performs related safety and health inspections from time to time. The staff at each store also receives training and education on public safety as well as fire protection and precautions. Furthermore, Great Tree insures consumers with public accident insurance in the amount of NT\$6 million to protect consumers from accidents at its business locations.



❖Space and hardware

- Bright and clean store space
- Smooth traffic flow inside the store
- Products are well-organized and neatly displayed according to usage habits and age of consumers
- Descriptions of products on sale are easy to spot

❖Fire safety and protection equipment in the store

- Each store is equipped with fire hydrants, fire extinguishers, smoke dampers, and a fire emergency broadcast system in accordance with relevant construction management and fire protection regulations, and the Store Development Department regularly schedules manufacturer inspections and maintenance.



❖Barrier-free facilities in the store

- Consider the needs of disadvantaged groups, women, children, people with disabilities and the elderly, and adjust store environment and safety measures.

●Store Management

A

Normally, with the supervision of the district supervisor, the store manager of each pharmacy is responsible for ensuring the store management follows the management rules and policies set by Great Tree and includes the results in KPI for evaluation. Every month, the district supervisor will complete a report on the items required by each headquarters department for inspection and then submit it to the Operation Department for tracking and improvement.

B

Mystery shoppers will visit retail stores from time to time to inspect each store and evaluate the performance of store staff in terms of customer service, professional knowledge, product familiarity, and after-sales service, ensuring standards are met and quality of service is improved.

C

A store manager meeting is held at least once a month and district supervision performance meetings are held at least twice a month to review the business performance of individual stores and analyze the operating status of each district, so as to stay on top of whether there are any oversights in store management.

●Protection of Consumers' Rights and Interests

Great Tree respects the rights and interests of consumers, and consumer feedback is an important factor in the Company's progress. We have set up a Customer Service Hotline at 0800-678-222 and a Customer Service Mailbox at gtservice@greentree.com.tw with specialists standing by to help. Any information received through the Customer Service Hotline and the Customer Service Mailbox will be recorded by the Company and categorized by store and district. The manager or supervisor of the corresponding unit will make every effort to look into each piece of information right away and provide assistance. When the issue is resolved, all related details will be recorded and serve as a reminder for the management of other stores.

In 2022 we expanded the service workforce in response to the consumer service needs. The consumer service hotline will receive a total of 13,111 calls with a monthly average of 1,092 customers. Every valuable voice contributes to the improvement and progress of Great Tree. We regularly gather feedback and communicate with various departments to provide suggestions from the perspective of customer experience and adjust our direction accordingly.

In 2022 we received 41 instances of praise and compliments from customers regarding our store personnel. In addition to praising outstanding store colleagues based on circumstances, it is undoubtedly a great encouragement to the frontline pharmacists and store colleagues who cooperated with the Central Epidemic Command Center to fight the pandemic during the pandemic.

During business and management activities, in order to protect the rights and interests of consumers, Great Tree provides specific policies for the collection and use of consumer and member information and has strict restrictions on the use and storage of data. In 2022, we did not violate any laws or regulations related to consumer rights and interests nor receive any complaints about infringement of customer privacy, and therefore we were not fined by the competent authorities. Going forward, we will continue to fulfill our responsibility to protect personal data.

● Awards and Honors

- Great Tree won the Bronze Award at the 2022 The Best Service In Taiwan Awards organized by Commercial Times.
- According to the CommonWealth Magazine Top 2000 Survey, Great Tree placed 134th in the service industry, up 20 places compared to 2021, and ranked the 1st in the medical and health service category.

Great Tree has always been focused on the core values of professionalism, integrity, and sharing. After years of collective efforts by our staff and partners, we have gained recognition from many customers and organizations. With such support, we at Great Tree are more confident than ever that we will provide consumers better and more sustainable services.

Year	Rank	Operating revenue (billion)	Revenue Growth Rate(%)	Net income (million)	Net income margin(%)
2022	134	14.6	29.11	7.01	4.81
2021	154	11.2	30.55	4.07	3.61
2020	178	8.6	30.88	1.92	2.23
2019	218	6.6	34.71	1.34	2.03

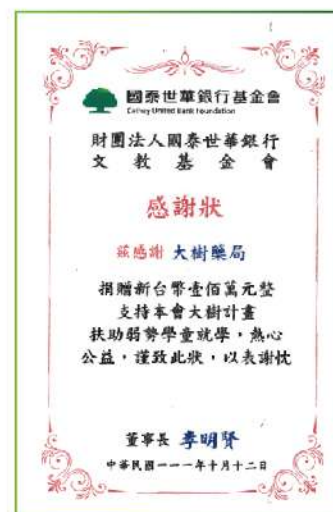
❖The CommonWealth Magazine Top 2000 Survey in the service industry



3.2 Social Engagement

As a medical channel, most of our customers are women and seniors. In order to show our appreciation to our consumers for their support, we have continued to provide assistance to various social welfare organizations and care for vulnerable groups through the following educational, charitable, and cultural activities:

- In 2022, it has donated NT\$1 million to participate in the Cathay United Bank Foundation's Big Tree Project, calling on the public to pay attention to the equal right to education of school children, and helping families who have encountered major changes or are in poor circumstances and unable to pay various tuition fees, miscellaneous fees for students to attend school and promote the development of grassroots education.
- Due to the impact of COVID-19, many vulnerable groups have found themselves short of resources. Adhering to the spirit of social care and mutual assistance, the Company has specially provided relevant masks and materials to the Health and Human Services North District Children's Home, Private Wilde Kite Edge Nursery in Taoyuan, Private Muxiang Kindergarten in Taoyuan, Christian Rehabilitation Fellowship Taoyuan Private Youth Home, Taoyuan Tian Cheng Children's Home, Taoyuan Private Yu De Children's Home, SOS Children's Village of Taiwan, Taoyuan Lan Di Foundation Affiliated Lan Di Children's Home, and Taoyuan Lo Fu Social Welfare Foundation Affiliated Lo Fu Nursery.
- In 2022, donations have been made to the pharmacy departments of many colleges and universities, including China Medical University, Tajen University, and Kaohsiung Medical University, as a talent cultivation scholarship program.
- In 2022, the Company donated to the Taoyuan Yuanqi Youth Volunteer Association to help young people hold various social welfare activities.
- Donated to the Taishin Charity Foundation to help care for the disadvantaged in 2022.
- Donated funds to the volunteer firefighters of Luzhu District of Taoyuan City to replace old equipment in 2022.
- In 2022, Taoyuan store pharmacists and store associates continued to provide support for rural communities in need of long-term care as well as visited Guanyin District and other areas to hold various health testing and drug safety activities and campaigns from time to time.
- In 2022, for the Matsu pilgrimage around Baishatun, the store partners provided devout believers with drinking water and relief supplies, as well as providing timely professional medical consultation and services.
- Health seminars and mothers' workshops are organized in collaboration with suppliers each year so that employees and consumers can both receive professional health care information.







Great Tree Loves the Earth

4.1 Environmental Management

4.2 Energy Conservation and
Carbon Reduction



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4.1 Environmental Management

Being a medical channel, Great Tree is not an energy-intensive company, and our energy consumption is not as immediately apparent as other companies in energy-intensive industries. According to the 2018 Global Risks Report published by the World Economic Forum (WEF), among the global risks over the past three years, in terms of impact scale and likelihood of occurrence, environmental risks account for the highest proportion of the top five risks (environmental risks, technological risks, economic risks, geopolitical risks, and social risks), with extreme climate and natural disasters being the most challenging. As extreme temperatures and increasing carbon dioxide emissions continue to have profound impacts on the Earth, as a global citizen, Great Tree is well aware of our corporate responsibility for environmental sustainability. Therefore, while pursuing financial and operational results, we are also paying close attention to environmental protection matters.

As a retail channel, our water supply mainly comes from Taiwan Water Corporation for general domestic use. The water supply at the headquarters and retail stores is only for employees and some customers. After use, the sewage is treated together with urban wastewater and then discharged into rivers and oceans.

In terms of electricity consumption, this is mainly accounted for by the lighting and air conditioning of the headquarters and retail stores and the refrigeration required for certain products. Although Great Tree is not an energy-intensive company, we still continue to promote energy management in our daily operations.

Great Tree's environmental management policy includes the following major aspects:

- To promote paperless operations, improve operational efficiency, and implement E-platform for procurement, all stores have switched to electronic invoices and electronic credit card signatures, reducing unnecessary use of paper and simplifying accounting by implementing more systematic processing. For the headquarters, salary details as well as employee leave and attendance records are now all electronic. Gift vouchers are also issued by remittance instead to promote the use of the "Great Tree Health GO" app developed by the Company to reduce paper direct mailers.
- The air conditioning equipment has been replaced with inverter air conditioning devices, reducing the use of water tower air conditioning and making better use of fans to save energy.
- Store lighting equipment has been replaced with energy-saving lighting and energy-saving practices have been introduced to store staff to reduce carbon emissions.
- The Store Development Department regularly inspects the water supply and drainage systems at the headquarters and retail stores as well as has repairs done right away in case of defects to reduce water waste.
- Store and headquarters personnel practice and manage energy-saving behaviors of their own volition.

4.2 Energy Conservation and Carbon Reduction

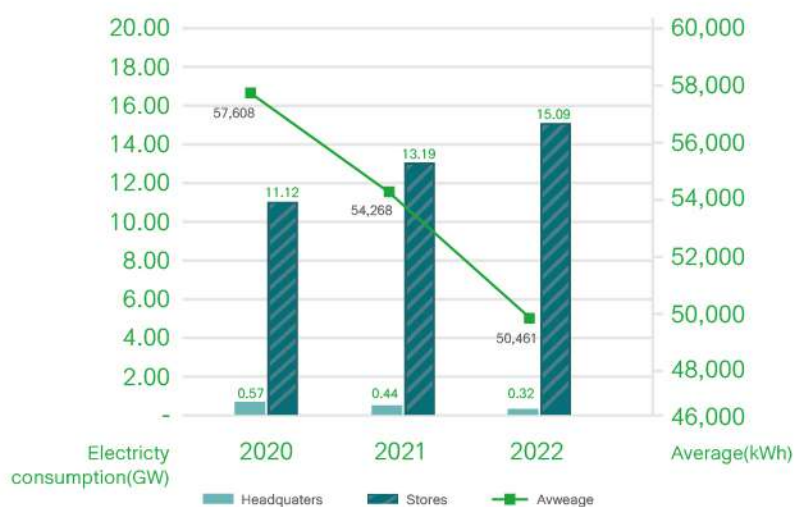
The number of Great Tree stores increased from a total of 45 in 2015 to a total of 299 in 2022. As the number of stores grows, so do the carbon emissions generated by the lighting and air conditioning equipment used. To keep up with our current store type, the Store Development Department has purchased and installed environmentally friendly and energy-saving lighting fixtures and inverter air-conditioning for our newly renovated stores, not only creating a more comfortable shopping space for customers but also facilitating carbon footprint reduction and environmental protection.



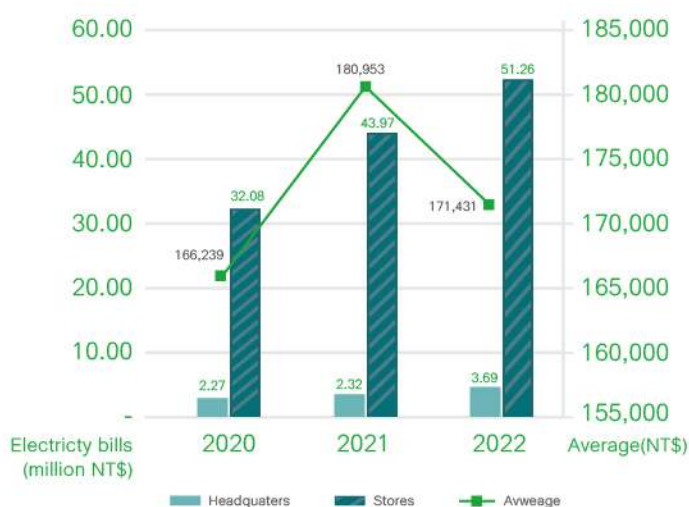
●Energy Conservation and Carbon Reduction Results

Analysis and comparison of electricity consumption for retail stores and headquarters:

Year	Number of Stores
2022	299
2021	243
2020	193



Analysis of utility bills over the past three years for retail stores and headquarters:



2022	Energy-saving Lighting	Inverter AC
Number of Stores Installed	286	273
Installation Ratio	95.65%	91.30%

After comparing electricity consumption and utility bills over the past three years, we found that the average electricity consumption and utility fees of our stores has reduced year by year as a result of using energy-saving equipment. Nevertheless, we still made every effort to implement various energy-saving measures to slow down the growth rate of consumption. Based on the above analysis, our energy-saving policy has not only helped reduce costs for the Company considerably but also helped achieve our carbon reduction and environmental protection goals. After reviewing the number of our stores that have had energy-saving equipment installed, we found that more than 90% of the stores are using energy-saving equipment, and we are continuing to gradually upgrade and improve that equipment. At the same time, Great Tree will keep on actively promoting various energy-saving solutions in line with government policies to reduce the impact of our operations on the environment.

●Energy Management Measures

In addition to the active use of energy-saving equipment by the Store Development Department, Great Tree also encourages store and headquarters personnel to practice and manage energy-saving behaviors of their own volition, including:

- Turning off arcade lights in the morning at the store.
- Cleaning air conditioning outlets and filters at the store every week to maintain the efficiency of air conditioners.
- Adjusting store arcade and signboard lights with a timer according to the season.
- Closing refrigerated cabinets immediately after restocking at the store to reduce energy consumption.
- Headquarters and store personnel should turn off the lights and air conditioning when leaving conference rooms, consulting rooms, nursing rooms, and staff lounges.
- The lights at the headquarters should be turned off during the lunch break.
- Curtains are installed on all floors of the headquarters to block sunlight and reduce the energy consumption of air conditioning systems.
- Warning and reminder signs are set up next to each water and electricity equipment to strengthen the habit of energy saving for employees.





Employee Care

5.1 Employee Compensation
and Benefits

5.2 Diverse Workplace

5.3 Friendly and Shared
Working Environment

5.4 Talent Training



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5.1 Employee Compensation and Benefits

Great Tree offers a variety of salaries, bonuses, and benefits to reward employees and show appreciation for their hard work. Compensation and benefits at Great Tree include the following types:

Type of benefit	Content
Salary	Compensation stipulated in the employment contract
Bonus	Year-end bonus and performance-based bonus
Insurance	Labor insurance, National Health Insurance, and employee group insurance
Holidays	Special leave, work-related injury leave, personal leave, sick leave, marriage leave, funeral leave, maternity leave, prenatal checkup leave, paternity leave, menstrual leave, family care leave, compensatory leave, and pregnancy leave
Grants and subsidies	Employee health checkups, flu vaccinations, weddings and funerals, maternity benefit, sickness and emergency allowances
Recreation	Quarterly departmental luncheons, domestic and overseas trips, year-end lucky draw, coupons for answering questions during meetings
Holiday bonuses	Gift certificates on the three traditional holidays (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival) and birthday coupons
Facilities	Nursing room, employee lounge, smoking room, educational training center
Shopping	Employees can purchase products from Great Tree Pharmacy at a discounted price.

Great Tree has established a performance appraisal method in the salary system, evaluating the work performance of staff according to the Company's operating performance and management status and adjusting the basic salary regularly according to departmental performance. In addition to adjusting the basic salary and individual performance bonuses, Great Tree recruits and retains the professional talents needed by the Company, and improves the employees' unity and sense of belonging to the Company. The Company also uses share bonuses as a way to share business results with staff.

Great Tree established the Employee Welfare Committee in 2013 to process employee benefits, setting aside NT\$15,616,588 in 2022. However, due to the COVID-19 pandemic over the past two years, to avoid crowding, we were unable to hold employee trips and health checks. Depending on the future development of the pandemic, we may plan employee welfare activities when possible. In recent years, Great Tree has achieved stable revenues, and the allocations of benefits have also increased accordingly. The Employee Welfare Committee will appropriately review and adjust each benefit system to boost the morale of our employees.

Employees are the most important asset of Great Tree. During the COVID-19 pandemic, we not only fully implemented the pandemic prevention measures required by the Central Epidemic Command Center (CECC) but also provided employees with three months of supplies for work, home, transportation, and pandemic prevention, including medical thermometers, alcohol, environmental sanitizers, masks, protective shields, protective goggles, and dietary supplements to enhance immunity, carefully monitoring the health of employees. Work areas at the headquarters and all stores were sanitized and disinfected regularly, and all meeting rooms at the headquarters are equipped with disinfectant sprays. Moreover, we limited and controlled the number of visiting manufacturers and visitors to reduce the chance of contact with employees and maintain safe social distancing.

In addition to dividing employees into small groups and rotating shifts, for employees who needed to take care of young children at home due to the suspension of classes, Great Tree also offered pandemic care leave. Headquarters personnel set up successful remote work connections so that they could work from home should the development of the pandemic so require. Last but not last, the Company provided pandemic prevention insurance for all staff to help improve the post-pandemic care of employees.

5.2 Diverse Workplace

Great Tree gives substantial weight to gender equality in the workplace and is committed to promoting gender equality in decisions regarding employment or promotions. In 2022, the total number of regular employees of the Group was 2,147, where two were foreign nationals and the rest were citizens of Taiwan; female regular employees accounted for 81.56%, and there were 428 female supervisors/managers, accounting for 80.75% of the total number of supervisors/managers. Great Tree also employed 32 workers with disabilities in 2022 in accordance with the People with Disabilities Rights Protection Act to safeguard the rights and interests of persons with disabilities and enable them to participate in society on an equal footing.

Great Tree strictly complies with the Labor Standards Act and has never employed child labor under the age of 15 or forced employees to work in any form.

With our extensive store development, the demand for talent has also increased. Great Tree recruits talents with suitable qualifications and skills who fit with the Company's corporate culture in an open and fair manner to make sure they are able to provide customers with better service and work together with Great Tree toward our business goals and next milestone.

● Number of Employees in 2022

As of December 31, 2022

Level	Female		Male		Total	
	Number of persons	(%)	Number of persons	(%)	Number of persons	(%)
Senior management	28	1.31	44	2.05	72	3.36
Middle management	140	6.52	23	1.07	163	7.59
Junior management	260	12.11	35	1.63	295	13.74
Employees	1,323	61.62	294	13.69	1,617	75.31
Total	1,751	81.56	396	18.44	2,147	100.00

Management is defined as the Group's managers and supervisors at all levels.



●Employee Education Levels

About 85% of Great Tree's employees had a college degree or above, 15% held only a high school diploma, and some of employees were students working part-time.

Education level	Female			Male			Total
	Under 30 years old	30-40 years old	More than 40 years old	Under 30 years old	30-40 years old	More than 40 years old	
Ph.D	-	-	-	-	-	2	2
Masters	16	9	3	5	11	6	50
College or university	865	530	75	174	92	33	1,769
High school or vocational school	113	107	33	42	21	10	326
Total	994	646	111	221	124	51	2,147

●New Recruits and Departures

In 2022 there were 1,239 new employees and 909 departing employees. As in-store sales employees (both full-time and part-time) accounted for a larger percentage of Great Tree's total employment, due to the fact that they could find similar jobs elsewhere relatively easily or because of personal reasons, the turnover rate of in-store sales employees has always been higher than that of other employees.



●Unpaid Parental Leave

According to the requirements of the Labor Standards Act, Great Tree provides employees the opportunity to apply for unpaid parental leave. The return-to-work ratio of employees who had been on unpaid parental leave in 2022 was 37.09%, and, upon investigating, the rest departed at the end of their leave due to their personal career plans.

Number of Parental Leave Applicants in 2022			
	Male	Female	Total
Number of applicants for the year	0	68	68
Number of persons on unpaid leave	1	150	151
Number of persons returning to work	1	55	56
Return-to-work ratio	100%	36.67%	37.09%

5.3 Friendly and Shared Working Environment

Great Tree has always been committed to caring for our employees. To prevent occupational accidents and protect worker safety and health, the Store Development Department has established a set of "Occupational Health and Safety Work Rules," and is responsible for amendments, establishments, promotions, and follow-up of occupational health and safety regulations, as well as coordinating and implementing the health inspection tasks at all stores and the head office. Great Tree has organized labor relations meetings and an Occupational Safety and Health Committee in accordance with relevant laws. Both employer and employees nominated 5 representatives each and regularly convene meetings to discuss worker rights, benefits, and occupational safety matters.



Great Tree gradually reformed the work environment for employees in 2017, renovating office areas and educational training classrooms to provide more comfortable work and learning environments. Various vending machines, coffee machines, and rice cookers have been set up in the employee lounge. In addition, a nursing room has also been set up, enabling female workers to care for family matters while working.

❖Friendly Working Environment: Nursing Room and Employee Lounge

Great Tree pays close attention to the safety of the working environment and conducts fire safety drills at the head office and logistics units, ensuring and maintaining the safety of the facilities. The Company also arranges for professional maintenance companies to visit each retail store regularly to perform inspections on fire prevention equipment to maintain public safety.



In addition to proper planning implemented by the Store Development Department and employee care provided by the Occupational Safety and Health Committee, Great Tree also provides subsidies for employee health checks, encouraging employees to pay more attention to their own health and to feel at ease at work while performing well. However, due to the COVID-19 pandemic and to reduce the workload of medical personnel at health care institutions, we were unable to hold employee health checks in 2022. We plan to return to organizing such checks in the future, depending on how the pandemic develops.

According to the 2022 statistics report from the Office of Labor Inspection, Taoyuan, Great Tree had a total of 10 cases of work-related injuries and a disabling injury frequency rate of 2.88.

Work-related Injuries in 2022		
Total Number of Working Days		433,648
Total Hours Worked		3,469,184
Total Lost Working Days		380
Types of Disabling Injuries (Number of Persons)	Death	-
	Total Permanent Disability	-
	Partial Permanent Disability	-
	Total Temporary Disability	10
Disabling Injury Frequency Rate		2.88
Disabling Injury Severity Rate		109
Frequency Severity Indicator		0.56

Number of Leaves of Absence in 2022			
Type of Leave	Hours		
	Male	Female	Total
Official Business Leave	889.00	1,412.00	2,301.00
Work-related Injury Leave	464.50	4,354.50	4,819.00
Menstrual Leave	-	4,745.00	4,745.00
Pregnancy Leave	-	8,786.50	8,786.50
Personal Leave	1,534.00	3,742.50	5,276.50
Family Care Leave	173.50	3,211.50	3,385.00
Annual Leave	8,172.50	72,754.50	80,927.00
Sick Leave	4,207.00	34,348.00	38,555.00
Marriage Leave	233.50	3,616.00	3,849.50
Maternity Leave	-	30,932.00	30,932.00
Prenatal Checkup Leave	-	3,296.00	3,296.00
Funeral Leave	862.50	8,468.50	9,331.00
Compensatory Leave	4,617.50	43,450.50	48,068.00
Paternity Leave	96.00	-	96.00
Total (A)	21,250.00	223,117.50	244,367.50
Total Number of Required Working Days (B)	86,175	347,473	433,648
Absence Rate (A/(B*100%))	3.08%	8.03%	7.04%

5.4 Talent Training

What the health industry needs most is professionals with expert knowledge. The Company has thus set out a comprehensive education and training plan with complete training courses for everyone from new employees to store managers and franchised pharmacists, improving their specialist medical knowledge and the quality of in-store salespeople. At the same time, Great Tree regularly invites external speakers to give professional courses, assisting on-the-job pharmacists in successfully completing the 150 training points required to renew their licenses every six years. Through the comprehensive education and training system, pharmacists and store sales staff are able to quickly become expert health consultants within six to nine months, and the Company can also help them develop and cultivate the abilities required to be a store manager.



● Education and Training Courses in 2022



Name of course	Total sessions(1)	Hours per session(2)	Total hours organized (1)*(2)	Total participants trained
(Online) courses for new employees	12	8	96	745
(Online) professional courses	12	36	432	1,374
(Online) regional courses	22	3	66	2,038
(Online) courses for all	24	2	48	39,985
Total	70	-		

On-the-Job (OJT) Training Courses

- Great Tree arranges for manufacturers or senior physicians/pharmacists to provide professional courses to enhance employees' medical knowledge.

Manager Associate Training Courses/Professional Training for Managers and Supervisors

- mandatory courses for promotion to deputy store manager and above, including various administrative and management courses.



Appendix I : GRI Standards Comparison Table

● General Disclosures

GRI Standards	Disclosure Item	Corresponding Content in This Report	Page Number
GRI 102: General Disclosures			
102-1	Name of the organization	1.1 About Great Tree	07
102-2	Activities, brands, products, and services	1.1 About Great Tree	07
102-3	Location of headquarters	1.1 About Great Tree	07
102-4	Location of operations	1.1 About Great Tree	07
102-5	Ownership and legal form	1.1 About Great Tree	07
102-6	Markets served	1.1 About Great Tree	07
102-7	Scale of the organization	1.1 About Great Tree	07
102-8	Information on employees and other workers	5.2 Diverse Workplace	40
102-9	Supply chain	2.1 Supplier Management	23
102-10	Significant changes to the organization and its supply chain	No significant changes	-
102-11	Precautionary principle or approach	1.1 About Great Tree	07
		1.2 Corporate Governance	14
		2.1 Supplier Management	23
		3.1 A Pharmacy Customers Can Trust	27
102-12	External initiatives	No external initiatives	
102-13	Membership of associations	Great Tree is a member of the Taiwan Chain Stores and Franchise Association	
102-14	Statement from senior decision-maker	Leadership Message	02
102-16	Values, principles, standards, and norms of behavior	1.1 About Great Tree	07
		1.2 Corporate Governance	14
		2.1 Supplier Management	23
		3.1 A Pharmacy Customers Can Trust	27
102-18	Governance structure	1.2 Corporate Governance	14
102-40	List of stakeholder groups	1.3 Stakeholder Identification and Communication	19
102-41	Collective bargaining agreements	5.2 Diverse Workplace	40
102-42	Identifying and Selecting Stakeholders	1.3 Stakeholder Identification and Communication	19
102-43	Approach to stakeholder engagement	1.3 Stakeholder Identification and Communication	19
102-44	Key topics and concerns raised	1.3 Stakeholder Identification and Communication	19
102-45	Entities included in the consolidated financial statements	1.1 About Great Tree	07

GRI Standards	Disclosure Item	Corresponding Content in This Report	Page Number
102-46	Defining report content and topic Boundaries	1.3 Stakeholder Identification and Communication	19
102-47	List of material topics	1.3 Stakeholder Identification and Communication	19
102-48	Restatements of information	No restatements of information in 2022	
102-49	Changes in reporting	No restatements of information in 2022	
102-50	Reporting period	About This Report	01
102-51	Date of most recent report	About This Report	01
102-52	Reporting cycle	About This Report	01
102-53	Contact point for questions regarding the report	About This Report	01
102-54-56	Claims of reporting in accordance with the GRI Standards/GRI content index/external assurance	About This Report	01
102-56	External assurance	This Report has not been externally assured.	
Management Approaches			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
103-2	Management approach and its components	1.3 Stakeholder Identification and Communication	19

● Topic-specific Disclosures

GRI Standards	Disclosure Item	Corresponding Content in This Report	Page Number
GRI 201: Economic Performance			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
201-1	Direct Economic Value Generated and Distributed	1.1 About Great Tree	07
		3.1 A Pharmacy Customers Can Trust	27
		3.2 Social Engagement	32
		5.1 Employee Compensation and Benefits	39
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Employee Compensation and Benefits	39
202-2	Proportion of senior management hired from the local community	5.1 Employee Compensation and Benefits	39
GRI 204: Procurement Practices			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
204-1	Proportion of spending on local suppliers	2.1 Supplier Management	23
GRI 302: Energy			
302-1	Energy consumption within the organization	4.1 Environmental Management	35
302-3	Energy intensity	4.1 Environmental Management	35
302-4	Reduction of energy consumption	4.2 Energy Conservation and Carbon Reduction	35
GRI 307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	2.4 Legal Compliance	25
GRI 308: Supplier Environmental Assessment			
308-2	Negative environmental impacts in the supply chain and actions taken	2.1 Supplier Management	23
GRI 401: Employment			
401-1	New employee hires and employee turnover	5.2 Diverse Workplace	40
401-2	Minimum notice periods regarding operational changes	5.1 Employee Compensation and Benefits	39
401-3	Parental leave	5.2 Diverse Workplace	40
GRI 402: Labor/Management Relations			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
402-1	Minimum notice periods regarding operational changes	5.3 Friendly and Shared Working Environment	42

GRI 403: Occupational Health and Safety			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
403-1	Worker representation in formal joint management – worker health and safety committees	5.3 Friendly and Shared Working Environment	42
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	5.3 Friendly and Shared Working Environment	42
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	5.4 Talent Training	44
404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent Training	44
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	5.2 Diverse Workplace	40
GRI 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	5.2 Diverse Workplace	40
GRI 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2 Diverse Workplace	40
GRI 412: Human Rights Assessment			
412-2	Employee training related to human rights policies or procedures	5.4 Talent Training	44
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	3.2 Social Engagement	32
GRI 416: Customer Health and Safety			
103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication 2.1 Supplier Management 2.2 Product Safety Management 2.3 Store Quality Workflow	19
416-1	Assessment of the health and safety impacts of product and service categories		23
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		25

GRI 417: Marketing and Labeling

103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
417-1	Requirements for product and service information and labeling	3.1 A Pharmacy Customers Can Trust	27
417-2	Incidents of non-compliance concerning product and service information and labeling	3.1 A Pharmacy Customers Can Trust	27

GRI 418: Customer Privacy

103-1	Explanation of material topics and their boundaries	1.3 Stakeholder Identification and Communication	19
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 A Pharmacy Customers Can Trust	27

GRI 419: Socioeconomic Compliance

419-1	Non-compliance with laws and regulations in the social and economic area	2.4 Legal Compliance	25
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