

Collins Co., Ltd.
2021 Sustainability Report



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0. About the Report

Thank you for reading the Corporate Sustainability Report (Sustainability Report) published by Collins Co., Ltd. (hereinafter referred to as Collins). This report fully discloses Collins' ESG (environment, society, governance) sustainable management strategy, activities and performance, and present the results of communication with stakeholders, demonstrating Collins' determination to pursue sustainable development and our commitment to social and environmental responsibilities.

■ Scope of the Report

Report framework	Global Reporting Initiative, GRI - GRI Standards
Options followed	This report follows the GRI Guidelines: Core Options
Disclosure scope	Taiwan headquarters and affiliated enterprise (Jesco International) For detailed operational overview and financial information, please refer to the "Public Information Observatory" for the Company's Annual Report of the Shareholders' Meeting and Consolidated and Individual Financial Reports.
Report Period	January 1, 2021 to December 31, 2021
Reporting cycle	Reports are prepared regularly every year; next report is expected to be issued in June 2023
Restatements of information	First report
Data measurement	The financial operating performance is derived from the annual report and certified by KPMG, and the currency value is calculated in New Taiwan dollars in accordance with the International Financial Reporting Standards (IFRS); Other relevant data is collected by internal relevant units and presented in international general indicators and units
Assurance	The content of this report is prepared by Collins itself and reviewed and confirmed by the relevant department heads, and has not been guaranteed/assured by an external third-party organization

■ Report Outline

The information and data of this report were provided by the contact channels of each unit. The general affairs unit and the corporate governance unit of the Corporate Service Group organized the information, and the heads of each department reviewed the correctness of the content. Finally, the convener of the ESG Working Group (Corporate Service Group - Vice President) approved the disclosure and prepared it as a formal report. We hope that the more transparent and complete disclosure of information will allow our stakeholders to better understand the performance and achievements of Collins Co., Ltd. in corporate sustainability in 2021.

■ Feedback

If you have any questions, comments, or suggestions regarding this report, feel free to let us know through the following channels:

Collins Co., Ltd.

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A Message from the Chairperson

Due to the impact of the pandemic in 2021, global companies had to quickly respond to the crises caused by the significant changes in supply chains, market access, and consumer habits. Collins Co., Ltd. responded quickly, and all employees united as one to grow turnover in 2021 by 25% compared to 2020. At the same time, Collins is also committed to promoting and planning ESG, implementing the three sustainable aspects of “Environmental Sustainability (E)”, “Social Care (S)” and “Corporate Governance (G)”, and fulfilling our corporate social responsibility.

Overcoming the pandemic and maintaining growth

As the pandemic affected the development of global trade and the retail industry, Collins adjusted our business model in response to the changes and continued to operate stably. By the end of 2021, the reinvested company, Minoshin, went against the trend and expanded its stores, including DELVAUX, RIMOWA, BALLY and BALMAIN. Minoshin established 16 stores in total, and the overall retail revenue reached NT\$780 million. Regarding trade, despite the severe global shortage of cabinets, the Company continued to grow against the trend and delivered shipments, reaching a revenue of NT\$3.78 billion, which represented an increase of 54.29% compared to 2020.

Focus on the environment and future sustainability

Collins adheres to the spirit of “focusing on the environment and future sustainability”. In addition to devoting ourself to the circular economy within the Company and planning to set up solar power generation systems and rainwater retention tanks in new factories, we also ventured into forward-looking industries and invested in TaiwanBio (cell medical industry), Axman Enterprise (bicycles), Viscovery (AI industry) and J&V Energy Technology (green energy industry). We will continue to develop the Company's business and responsible investments to expand the market and achieve sustainability.

Social care and investment in public welfare

Adhering to the spirit of “taking from society and giving back to society”, Collins continues to show our love and participate in charitable deeds in line with public welfare. For example, in response to the severe pandemic, Hi-Clearance Inc. (hereinafter referred to as HIC), a company in which Collins reinvested, donated 38,016 boxes of saliva quick screening kits to the Taiwan Fund for Children and Families and 9,936 boxes of saliva quick screening kits to the Seed of Love Education Foundation, so that the disadvantaged groups can survive the pandemic with peace of mind. In addition, starting in 2010, Collins also donates 250 cattles of white rice every year to social welfare institutions such as nurseries. The beneficiaries include the Taipei Child Welfare Center, Child Welfare Alliance, etc. We hope to help more people and civil organizations in need by providing resources.

Looking to the future to create value

Collins has been transformed into “Collins 2.0”, and has been optimized in terms of integrity management, talent cultivation, work rules, and ESG. The Company's “Corporate Governance Working Group” will work together with all employees. The Board of Directors, Chairperson, and CEO will jointly lead the group and uphold the spirit of “lead as a role model, lead as a leader.” We will strive to promote the sustainable development of the company, and will combine the development of “new retail” and “new energy” with digital transformation. Through service, operation and the supply chain directly supporting SDGs (Sustainable Development Goals), we will create more benefits and social value for all stakeholders, and journey down the road of sustainability together.



Chairperson Lee Chung Liang

1. Company Overview

Company Profile
Operational Performance
Corporate Governance
Communication with
Stakeholders



Company Profile



Company Name	Collins Co., Ltd.
Stock Code	2906
Date of Incorporation	5 May, 1969
Capital	NT\$2.09 billion
Number of shares issued	209,111,093 shares
Number of employees	292 people
Location of operations	6

Note: The above data are as of December 2021

Company Profile

Collins Co., Ltd. was founded on May 5, 1969, as an enterprise that develops foreign markets and focuses on exporting construction materials and related processed products. The Company's major goals included building foreign revenues for Taiwan, fostering foreign trade/export talent, and providing job opportunities. The Company has expanded its business to global trade, apparel retail, and biomedical industries. In 2021, we stepped into forward-looking industries and invest in TaiwanBio (cell medical industry), Axman Enterprise (bicycle), Viscovery (AI industry) and J&V Energy Technology (green energy industry), while expanding Collins' commercial scale.

The Company's main operating area is mainly in Taiwan, with subsidiaries or offices in the United States, Canada, mainland China, Hong Kong, Vietnam and other places. In terms of store counters, against pandemic trends, Collins opened new stores. By the end of 2021, G2000 had 32 stores in Taiwan and 39 special counters in major department stores. The affiliated company "Minoshin" in Taiwan had set up a total of 16 boutique counters including DELVAUX, RIMOWA, BALLY and BALMAIN.

Headquarters and each base information

Location type	Location name	Location region
Headquarters	Collins Co., Ltd.	Taiwan
Office	New Jersey Office	United States
Office	Canada Office	Canada
Office	Hong Kong Office	Hong Kong
Office	Shenzhen Office	China
Subsidiary	Colltex Garment MFY(HK)Co.,Ltd.	Hong Kong, Vietnam*

* Note: Colltex Co., Ltd. set up a subsidiary in Hong Kong and established a garment manufacturing company, Colltex Garment MFY CO., Ltd.(VN), in Vietnam

Management Vision

“Good faith, substantiality, perfection, and social responsibility” is an important business philosophy of Collins. We hope to uphold the concept of integrity-based management of the Company and establish long-term partnerships with customers. Internally, employees are required to be disciplined and fair. In response to the rapid changes in the internal and external environment, we continue to innovate and research and develop, and serve the society while pursuing profits, so as to make the society more prosperous and beautiful with the power of the enterprise.

Good faith	Substantiality
We operate the Company with integrity-based philosophies. Externally, we establish long-term partnerships with customers, select cooperative suppliers fairly, and achieve mutual benefits with integrity to create prosperity for all. Internally, employees are required to be disciplined and fair.	We attach great importance to customer satisfaction and require everyone to do everything well with a pragmatic attitude.
Perfection	Social responsibility
In response to the rapid changes in the internal and external environments, only by adhering to the spirit of excellence, continuous innovation and research and development, can we surpass ourselves and pursue excellence.	Take from society and use it for society. While pursuing profits, the Company does not forget to serve the society and fulfill its social responsibilities, so as to make society more prosperous and beautiful with the power of the enterprise.

Competitive Advantage

Global trade	Service and retail
<ul style="list-style-type: none"> ■ A professional team nurtured by nearly 50 years of international trade experience ■ Accurate grasp of global product and market trends ■ Strong financial support ■ A wide range of products, providing a variety of mainstream products and innovative products to various market, and can meet high-quality requirements and international safety standards ■ Strong purchasing capabilities in Asia, using abundant supply and bargaining chips to ensure the uniqueness of goods, price and delivery can meet customer needs 	<ul style="list-style-type: none"> ■ Brand management team with nearly 30 years of accumulated experience ■ Rich main customers and their transaction information ■ The achievements of developing many brands over the years have become the basis for continuing to introduce new brands ■ Profound channel relationship and channel bargaining chips ■ Appropriate pricing strategy and inventory control model ■ Powerful instant sales system and background management system ■ Complete self-built logistics and warehousing

Introduction of Products and Services

The Company is a service company that is mostly committed to the export of various sundries and garments and the import of apparel and hemodialysis equipment.

Domestic Retail Business

The Company's retail business is mostly focused on the agency/distribution of imported brands and the retail and sales of fashion, suitcases, leather goods, and other accessories. Regarding apparel, the fashion and lifestyle business group of the headquarters mainly represents the Hong Kong office worker apparel brand, G2000, and it has set up 32 stores in Taiwan, 39 special counters in major department stores, and reinvested in the business "Minoshin International Co., Ltd.". The Company maintains close cooperation with international boutique groups, and deeply cultivates the boutique market. Currently, the brands include Belgian royal leather goods Delvaux, Swiss boutique leather goods Bally, Germany's top travel box Rimowa, France's top fashion clothing Balmain and the lifestyle and art brand Shang Xia, which emphasizes eastern elements. We are committed to providing the public with exquisite and high-quality clothing and accessories. By relying on our professional skills, corporate reputation and channel advantages, the Company hopes to continue expanding its market share in the future.



Introduce new retail technologies

In order to welcome the new retail era, Collins integrates online and offline channels, and introduced the 91APP to establish a membership system. Consumers can use the APP to accumulate points. The Company plans to develop low-carbon products in the future, and the members can use the points accumulated in the APP to redeem related low-carbon products, so as to reward members and promote sustainable development.

G2000



G2000 is a clothing brand founded by Mr. Michael Tien Puk-sun, in 1985. It is the top choice in the mid-price range for office men and women. It is committed to providing all customers with thoughtful design, extraordinary value and superior experience.

RIMOWA



Rimowa created the first aluminum luggage in 1937. Since then, Rimowa has combined craftsmanship and technology to launch waterproof and extreme weather-resistant polycarbonate luggage, which is the best travel partner for the highest level of customers.

DELVAUX



Delvaux was founded in 1829. With its keen sense of the times, constant exquisite craftsmanship and extraordinary creative quality, Delvaux was awarded the title of "Royal Supplier" in 1883. So far, it has created more than 3,000 handbags and is committed to providing luxury leather goods such as tote bags, accessories, etc.

International Trade

The Company's export products are mostly homeware products, which are mostly sold to large-scale importers and channel operators in Europe and the U.S. The Company's marketing and sales channels are located throughout China, the U.S., Canada, Hong Kong, Thailand, and more. Long-term trading partners include world-renowned chain stores, retailers, department stores, supermarkets and importers, providing a variety of mainstream and innovative products in the market, including small home appliances, Christmas ornaments, sporting goods, indoor and outdoor furniture, etc. With years of experience in the export business, resources and product development capabilities, and strong financial support, the Company meets the needs of customers with one-stop procurement, and has set up offices in the United States, Canada, China and Hong Kong, which are responsible for the development of supply and product inspection.



Bio-Medical Business

Since 2016, Collins has entered the field of biotechnology and medical care, and has stepped into the research and development, production and sales of biotechnology and medical products by means of reinvestment. We acquired the managerial controlling power of HIC and 51% of the equity interest in GrowTrend Biomedical Co., Ltd. in 2016. Taking HIC as an example, HIC mainly provides dialysis medical equipment, chronic disease consumables and other medical equipment agency and services. The sales market is mainly domestic, supplemented by Asia, and the direct sales targets are mainly hospitals and clinics. In the future, we will continue to develop dialysis products, and more actively deploy industries in the fields of respiratory equipment consumables, CPAP sleeping aids, dental materials, medical catheters, medicines and nutritional products, and through strategic alliances with medical institutions, continue to develop hospital management consulting services and expand the scope of business.

<p>Artificial kidney, circuit tube</p>	<p>Erythropoietin, potions</p>
<p>Kidney dialysis machine, repairment and maintenance</p>	<p>Breathing and anesthesia</p>

Operational Performance

Economic Performance

Collins is actively expanding its business, and all business groups have achieved outstanding results. Regarding trade, the revenue in 2021 reached NT\$3.78 billion, representing an increase of 54.29% compared to 2020. Regarding clothing retail, the revenue in 2021 reached NT\$780 million, representing an increase of 8.5% compared to 2020. The revenue from biotechnology reached NT\$3.69 billion, representing an increase of 7.28% compared to 2020. The Company's consolidated operating income in 2021 was NT\$8.25 billion, representing an increase of 25% compared to the previous year. The consolidated operating profit was NT\$330 million, representing an increase of 30% over the previous year, and the consolidated net profit after tax was NT\$300 million, representing an increase of 44.58% compared to the previous year. In the future, we will continue to expand our business scope to achieve stable growth for the Company.

2021 Economic Performance

Unit: NT\$1,000

Item	Detailed descriptions	2019	2020	2021
Economic value generated	Operating revenue	7,224,546	6,607,185	8,250,117
Economic value of distribution	Operating costs	5,448,969	4,899,127	6,324,396
	Operating profit and loss	261,187	257,531	334,549
	Salary and benefits	612,031	631,440	750,962
	Cash dividend	62,733	62,733	83,644
	Income tax paid	85,148	104,345	101,213
	Community investment	0	0	0
Economic value retained	Net profit after tax	183,518	209,254	302,542
	Retained earnings	915,976	907,591	937,250

Tax Management

As a global citizen, Collins adheres to the continuous creation of the Company's sustainable business value and corporate innovation, is committed to information transparency and sustainable development, and supports social responsibilities to local countries, and bears reasonable tax burdens in major operating countries.

Tax Information for the Past Three Year:

Unit: NT\$ thousand

Item	2019	2020	2021
Net profit before tax	290,532	302,436	398,360
Income tax expense	107,014	93,182	95,818
Income tax rate (%)	36.83%	30.81%	24.05%
Income tax paid	85,148	104,345	101,213

Government Subsidies

In order to ensure that the Company can maintain operations during the epidemic, as well as safeguard the work rights and health and safety of employees, it applied to the Ministry of Economic Affairs of the Executive Yuan for a bailout subsidy and received a corporate subsidy of NT\$4.72 million.

Financial Assistance from the Government

Unit: NT\$ thousand

Item	Supporting units	Subsidy
Business Impact Subsidy for Businesses in Trouble of the Commercial Service Industry of the Ministry of Economic Affairs	Ministry of Economic Affairs, Executive Yuan	4,720

Participation in Industry Associations

Collins actively participates in industry associations and the activities organized by the associations. We communicate and grow with the industry through participation in the associations to organize irregular meetings and activities for promoting industrial development.

List of Public Associations in which Collins Participates

NO	Name of the organization/association	Participation status
1	Taipei Import and Export Business Association	Members
2	Taiwan Stock Affairs Association	Founding member

External Initiatives

Collins hopes to become an advocate of important issues in the industry and promote industrial development together with the international community. We hope that through the Company's sustainable development values, we will be able communicate with our peers and value chain partners to stimulate greater social influence.

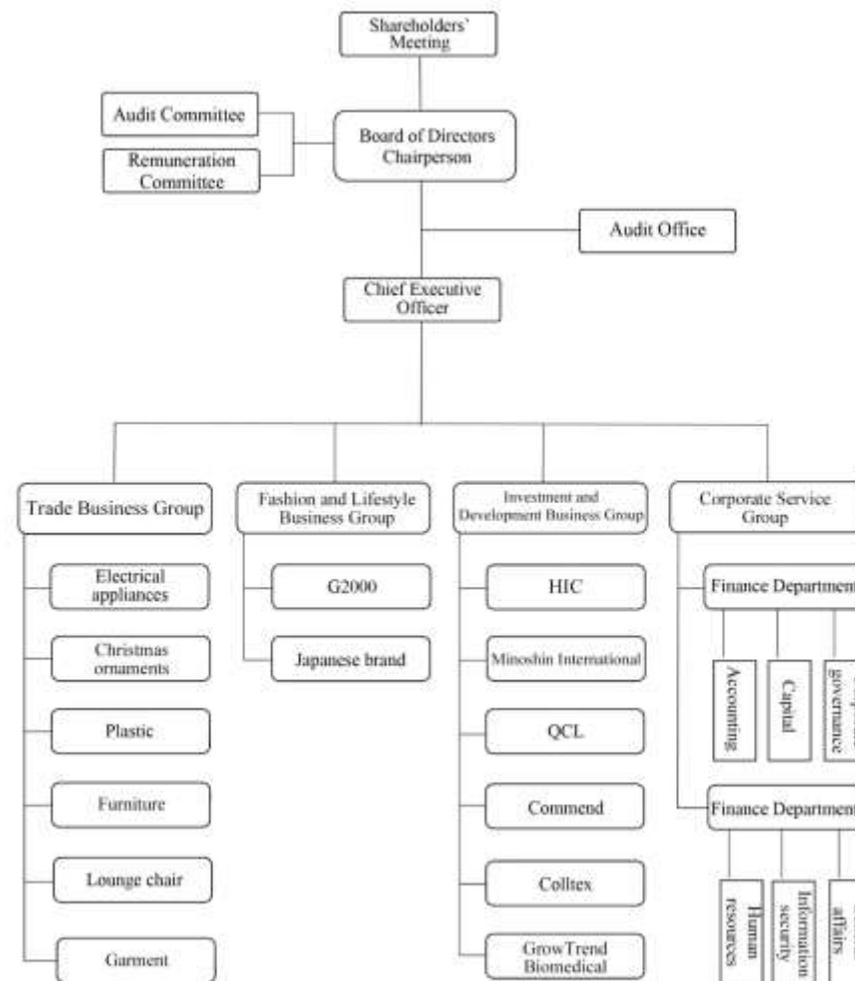
Collins is expected to participate in the "E.SUN ESG Sustainability Initiative" in 2022, and announced in the "Sustainable Development Proposal" that Collins and E.SUN Bank will work together to pursue sustainable development to practice ESG and promote the sustainability of the United Nations SDGs. It takes development goals as its own responsibility, continues to exert its influence, and promises to take action against climate change, control greenhouse gas emissions, and mitigate the impact on the climate. In 2022, we will conduct an inventory of electricity consumption and greenhouse gas emissions, plan to invest resources, and take specific actions to save electricity and reduce carbon emissions. With the vision of becoming a world-class corporate citizen, we will plan sustainable development strategies, and enable more companies to contribute to the economy, environment, and society through the value chain. We will move towards a more diverse and resilient sustainable future.



Corporate Governance

The Board of Directors is the highest governance unit of the Company. On November 28, 2011, the “Remuneration Committee” was established, and on June 18, 2019, the “Audit Committee” was established to convene meetings in accordance with the organizational rules approved by the Board of Directors to exercise laws and regulations or the authority delegated by the Board of Directors, and regularly report relevant resolutions and activities to the Board of Directors. In order to fulfill the supervisory responsibilities, the “Board of Directors Meeting Rules” have been formulated to standardize the principle of recusal due to interests of the Board of Directors and implement it in accordance with the law, so as to improve the governance functions. Collins attaches great importance to gender equality on the Board of Directors, and currently has one female director to enhance diversity.

Corporate Governance Structure	The Company has a total of 12 directors, 3 of which are independent directors, with expertise in industry knowledge, business management, and finance. The Audit Committee has been established and the Remuneration Committee consists of independent directors
Shareholders' Equity	The shareholders' meeting is carried out in accordance with the “Rules of the Shareholders' Meeting”, and the Chairperson serves as the chairperson of the meeting. In addition to disclosing corporate governance, financial and business information on designated websites or company websites and continuously updating the information, the Company also strictly restricts the Company's insiders from complying with relevant insider trading norms, in order to safeguard shareholders' rights and interests and implement equal treatment of shareholders. The Company has appointed a dedicated person and email to deal with shareholders' suggestions or doubts and other related matters
Roles and Powers of the Board of Directors	The operations of the Board of Directors of the Company are carried out in accordance with the “Articles of Association”, and the “Rules for Performance Evaluation of Board of Directors” has been formulated to evaluate the performance of the Board of Directors and directors
Stakeholder	To protect the rights and interests of stakeholders, the Company has established a channel for stakeholder communication and complaints. Through this channel, we can understand the needs of stakeholders, respond to and address issues of concern to them, and promote transparent and effective dialogue and communication
Information Disclosure	The Company has set up a dedicated website to disclose financial, business, and corporate governance information, announcing and reporting such information within the deadlines set by law.



Board of Directors

The Company stipulates in the “Articles of Association” that a candidate nomination system is adopted for the election of directors, and the members of the board of directors are elected according to the “Regulations for the Election of Directors”. The term of directors is three years. The current Board of Directors consists of 12 directors (including 3 independent directors), and the term of office is from June 18, 2019 to June 17, 2022. The Board of Directors had convened 6 meetings in 2021.

Title	Name	Gender	Attendance rate of the Board of Directors
Chairperson	Lee Chung Liang	Male	100%
Director	Lee Hsi Lu	Male	100%
Director	Chen Chun Hong	Male	100%
Director	Lee Chung Ting	Male	100%
Director	Chen Ching Kuhn	Male	100%
Director	Sheu Ming Jen	Male	50%
Director	Lee Po Yi	Male	100%
Director	Lee Pea Chian	Female	100%
Director	Lee Chieh Hsi	Male	100%
Independent Director	Chen Yung Chang	Male	100%
Independent Director	Ho Shih Chinn	Male	100%
Independent Director	Chu Li San	Male	100%

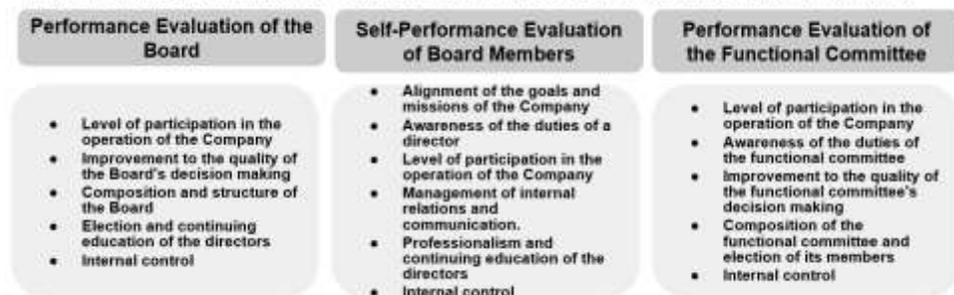
Performance Evaluation of the Board of Directors

In order to continuously implement corporate governance and improve the functions of the Board of Directors, Collins has formulated the “Rules for Performance Evaluation of Board of Directors” to enhance the operational efficiency of the Board of Directors by establishing performance targets. The Rules for Performance Evaluation of Board of Directors regulates the “evaluation cycle”, “evaluation period”, “evaluation scope and method”, “evaluation execution unit”, “evaluation procedure” and other related matters. The scope of evaluation includes the Board of Directors, individual directors, and may include the functional committees. The evaluation methods include internal board self-evaluation, director self-evaluation, peer evaluation or other appropriate methods for performance evaluation. The performance evaluation indicators are in line with the operational needs of Collins, and finally the annual report will disclose the annual implementation of the performance evaluation of the Board of Directors. The performance of the Board of Directors, Directors, Audit Committee and Remuneration Committee were rated as “significantly exceeding standards” in the 2021 evaluation.

Performance Evaluation Procedure of the Board



Performance Evaluation Indicators of the Board and Functional Committee



Education for Board Members and Governance Executives

In addition to continuing education for corporate governance and legal compliance, board members also participate in a number of ESG and corporate sustainability courses to improve their decision-making quality, fulfill their supervisory responsibilities, strengthen the functions of the Board of Directors, and promote sustainable development. In 2021, 12 directors and independent directors of the Board of Directors of the Company underwent a total of 88 hours of training. Governance supervisors are trained on the remuneration of directors and supervisors, corporate governance-related knowledge, and the training totaled 18 hours.

Information on the Education of the Board in 2021

Title	Name	Advanced study date	Organizer	Course Name	Training Hours
Chairperson	Lee Chung Liang	2021/8/27	Taiwan Corporate Governance Association	Overview of Stock Exchange and Commercial Accounting Law and Fraud Risk Management and Practical Case Analysis	3.0
		2021/8/19	Taiwan Corporate Governance Association	What are Investors Thinking - Talking about the Sustainable Transformation of Enterprises from ESG Investment and Financing	3.0
		2021/8/18	Securities & Futures Institute	Discussion on Human Resource and M&A Integration Issues in the Process of Enterprise M&A	3.0
Director	Lee Hsi Lu	2021/10/13	Securities & Futures Institute	Relevant Norms and Operational Practices of the Audit Committee	3.0
		2021/9/1	Securities & Futures Institute	2021 Sustainable Exchange Upgrade Online Forum	2.0
		2021/5/4	Securities & Futures Institute	2021 Sustainable Exchange Upgrade Online Forum	2.0
Director	Chen Chun Hong	2021/9/28	Taiwan Academy of Banking and Finance	Board of Directors Operational Practices and Corporate Governance Workshop	3.0
		2021/9/2	Taiwan Securities Association	Taiwan Financial Market Development Policy and Vision	3.0
Director	Lee Chung Ting	2021/10/28	Securities & Futures Institute	2021 Insider Trading Compliance Seminar	3.0
		2021/10/27	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0
Director	Chen Ching Kuhn	2021/10/27	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0
		2021/09/01	Financial Supervisory Commission	13th Taipei Corporate Governance Forum - Morning session	3.0
Director	Sheu Ming Jen	2021/12/07	Taiwan Stock Exchange (TWSE)	2021 Cathay Sustainable Finance and Climate Change Summit	6.0
Director	Lee Po Yi	2021/10/20	Securities & Futures Institute	2021 Insider Trading Compliance Seminar	3.0
		2021/10/15	Vision International	Three Financial Statements Digital Decryption Corporate Governance	3.0
		2021/10/08	Management Consulting Co., Ltd.	Family business succession inheritance and organizational transformation	3.0
		2021/09/01	Ltd.		3.0
		2021/09/01	Vision International		3.0

			Management Consulting Co., Ltd. Financial Supervisory Commission Financial Supervisory Commission	13th Taipei Corporate Governance Forum morning session Taipei Corporate Governance Forum afternoon session	
Director	Lee Pea Chian	2021/11/09 2021/10/20	Securities & Futures Institute Securities & Futures Institute	2021 Prevention of Insider Trading Promotion Conference 2021 Insider Trading Compliance Seminar	3.0 3.0
Director	Lee Chieh Hsi	2021/10/20 2021/09/01	Securities & Futures Institute Financial Supervisory Commission	2021 Insider Trading Compliance Seminar 13th Taipei Corporate Governance Forum - Morning session	3.0 3.0
Independent Director	Chen Yung Chang	2021/10/18 2021/08/30	Taipei Exchange Taiwan Corporate Governance Association	Insider Equity Promotion and Briefing Session of OTC Emerging Companies Directors' Fiduciary Duty and Business Judgment Guidelines	3.0 3.0
Independent Director	Ho Shih Chinn	2021/08/27 2021/08/27 2021/03/17	Taiwan Corporate Governance Association Taiwan Corporate Governance Association Taiwan Corporate Governance Association	The latest developments and measures for tax avoidance prevention in China and Taiwan Discussion on the use of enterprise employee compensation strategies and tools Corporate governance practices	3.0 3.0 3.0
Independent Director	Chu Li San	2021/11/02 2021/05/04	Securities & Futures Institute Securities & Futures Institute	Corporate M&A Practice Sharing - Focusing on Hostile M&A Corporate Governance and International Tax Regulation Updates	3.0 3.0

Information on the training of corporate governance executives in 2021

Advanced study date	Educational institutions	Course Name	Training Hours
2021/03/25	Accounting Research and Development Foundation of the Republic of China	New regulations on remuneration of directors and supervisors and analysis of corporate governance practices	3.0
2021/05/11	Taiwan Corporate Governance Association	Roles and powers of the Board and performance evaluation	3.0
2021/10/07	Taiwan Corporate Governance Association	The driving force behind the corporate governance personnel: the operational practice of corporate governance personnel	3.0
2021/10/29	Taiwan Corporate Governance Association	Governance and strategies of corporate sustainable development	3.0
2021/11/02	Taiwan Corporate Governance Association	Business case laws and court case trends that directors and supervisors should know	3.0
2021/11/05	Taiwan Corporate Governance Association	Ten Required Courses of Corporate Governance	3.0

Audit Committee

In order to implement corporate governance and strengthen the functions of the Board of Directors, the Company established an Audit Committee on June 18, 2019 to assist the Board of Directors in performing its supervisory duties. The members of the committee are composed of 3 independent directors, and the term of office is the same as that of the current board of directors. 4 meetings had been held in 2021, and the actual attendance rate of the audit committee was 100%.

Work Focuses

The Audit Committee supervises the presentation of the Company's financial reports, appointment (dismissal), independence and performance of CPAs, the effective implementation of the Company's internal controls, the Company's compliance with related laws and regulations, and management of existing and potential risks for the Company

2021 Deliberation Content

1. 2020 Consolidated Financial Statements and Individual Financial Statements.
2. 2020 Statement on Internal Control.
3. Proposal of CPAs' independence evaluation and their re-appointment.
4. Proposal to amend the Rules of Procedure for Shareholders' Meeting.
5. Proposal to amend the Rules of Procedure for Board of Directors Meetings.
6. 2021 First Quarter (Q1) to Third Quarter (Q3) financial statements.
7. Proposal for loaning of funds to subsidiary Colltex Garment Mfy (HK) Co., Limited.
8. 2022 Internal Audit Plan.
9. Amendment of the "Internal Auditor Appointment and Remuneration Measures"
10. Addition of the "Ethical Corporate Management Operating Procedures and Code of Conduct"

Remuneration Committee

The Company has set up the Remuneration Committee on November 28, 2011 to strengthen the remuneration system of the directors and managerial officers. The Remuneration Committee formulates and regularly reviews performance evaluation and the policies, systems, standards, and structures of remuneration of the directors and managerial officers. Suggestions are proposed to the Board of Directors. The members of the committee are composed of 3 independent directors, and the term of office is the same as that of the current board of directors. 2 meetings had been held in 2021, and the actual attendance rate of the compensation committee was 100%.

Work Focuses

The Remuneration Committee mainly upholds the following responsibilities as good managers. The Committee meets at least twice a year and it stipulates and regularly reviews performance evaluation and the policies, systems, standards and structures of remuneration of the directors and managerial officers. It also regularly evaluates and stipulates the remuneration of directors and managerial officers.

2021 Deliberation Content

1. Review of salary adjustments for managerial officers
2. Review of the 2020 year-end bonuses for managerial officers.
3. Review of the aggregate sum of the remunerations to directors and employees for 2020.
4. Review of the individual allocations of remunerations to directors and the individual allocations of employee compensations to managerial officers for 2020.

100%

Audit Committee
attendance rate

100%

Remuneration Committee
attendance rate

Ethical Corporate Management

Based on the business philosophy of integrity, transparency and responsibility, Collins has established the “Code of Integrity Management” and established the “Code of Ethical Conduct” for directors and managers. The “Handling Procedures for Reporting Illegal and Unethical Behavior” and “Ethical Management Procedures and Behavior Guidelines” specifically regulate the matters that the Company’s personnel should pay attention to when conducting business.

The human resources unit of the Company has established the “Integrity Management Action Team” as a dedicated unit for regularly analyzing and evaluating the risks of unethical behavior within the business scope, promoting and coordinating the promotion and training of integrity policy promotion and training, formulating the whistleblower system, and regularly reporting to the Board of Directors. In 2021, the internal promotion of ethical business behavior has been carried out, and the number of participants was 102. Regarding the various stakeholders, employees must sign the “Statement” to ensure the legality of all actions. For suppliers, their sales contracts specifically stipulated that all dishonest transactions such as bribery and illegal lobbying are strictly prohibited. There were no incidents of corruption in all units in 2021.

Ethical Corporate Management Best Practice Principles

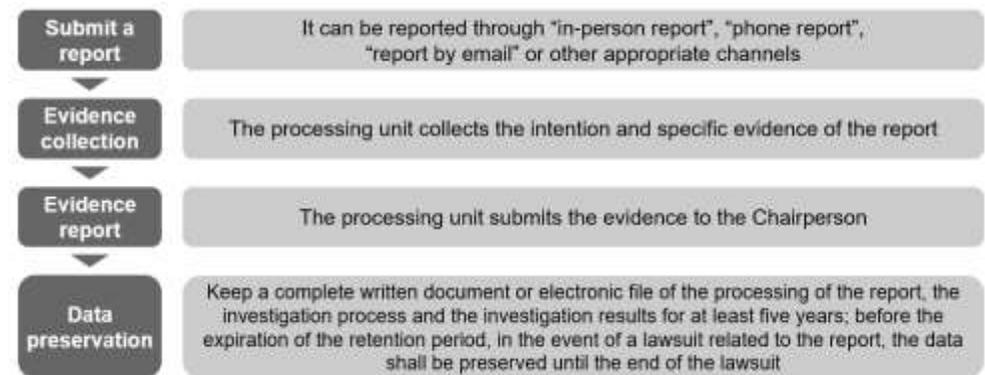
Based on the “Ethical Corporate Management Best Practice Principles”, the “Protection against Dishonest Behavior” has been formulated for the followings:

■ Offering and accepting bribes
■ Illegal political donations
■ Improper charitable donations or sponsorship
■ Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
■ Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
■ Engaging in unfair competitive practices
■ Products and services that directly or indirectly damage the rights, health, and safety of consumers or other stakeholders during development, purchase, production, provision, or sales

Handling Cases of Unethical or Dishonest Conduct

In order to implement the “Code of Ethical Conduct” and the “Code of Integrity”, the company encourages the reporting of any illegal actions or violation of the Code of Ethical Conduct or the Code of Integrity, and has specially formulated the “Handling Procedures for Reporting Illegal and Unethical Behavior”. Through the establishment of internal and external whistle-blowing channels and processing systems, the Company’s code of ethics and code of ethical management can be implemented, and the legal rights and interests of whistleblowers and counterparties can be ensured. For whistleblowers, the Company handles the reported cases in a confidential manner and verifies the report through independent channels to protect the whistleblower’s identity with total confidentiality. If the whistleblower is a employee, the Company guarantees that the employee will not be improperly dealt with due to the whistleblowing.

Reporting and Handling Procedures



102 people

Number of participants in integrity management promotion

100%

Employees signing the statement on the principles of good faith and conduct

Risk Management

The Company has established a risk management policy and designed and implemented risk assessment in various operating procedures and internal control systems. The audit unit is responsible for carrying out management and assessment of risk, with the primary risk management policies and strategies covering aspects including operations, information security, the environment, society, labor, and corporate governance. With respect to strategic, financial, and operational risks, each relevant unit is responsible for evaluating, controlling, tracking, and monitoring its particular risks, reporting progress on risk management and control to the Chair of the Board on an irregular basis and reporting the degree of risk impact to the Board of Directors. In addition to controlling and supervising risks in accordance with their respective functions, all relevant units must establish response teams immediately in the event of emergencies to implement the necessary measures to reduce possible risks. In the future, a “Risk Management Group” shall be established with reference to decrees issued by the competent authority. For details on risk items, assessments, and response strategies, please refer to the Company’s annual report.

Market Risks

Due to the drastic changes in the global financial market, fluctuations in exchange rates, interest rates, and commodity prices creating more challenges for the Company’s operations, if it is not properly managed, it will erode profits and affect shareholders’ rights and interests. Therefore, the execution of all transactions is handled in accordance with the “Regulations on the Handling of Derivative Commodities Transactions” approved by the Company’s Board of Directors and/or shareholders’ meeting. Supervision of related financial operations is conducted by the internal audit department.

Exchange Rate Risks

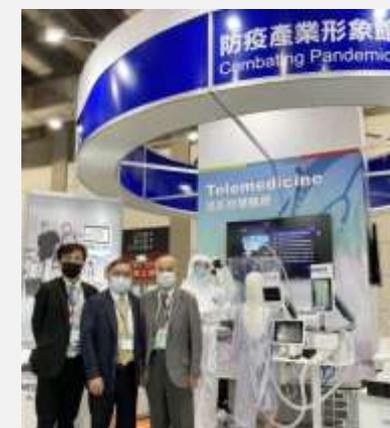
The functional currency of the Company is the New Taiwan Dollar, and the currencies for trading are New Taiwan Dollar, US Dollar and Hong Kong Dollar. At any point in time, the Company will take the principle of hedging the net position of receivables and payables or balance of assets and liabilities arising from the business within the next six months. Regarding other foreign currency-denominated monetary assets and liabilities, when short-term imbalances occur, the Company ensures that the net exposure is maintained at an acceptable level by buying or selling foreign currencies at real-time exchange rates.

Industry Risks

The Covid-19 pandemic continues to affect the world. In terms of business development, in addition to adjusting the existing business policies, the Company also accelerates the listing of products of the reinvestment business, and attaches great importance to the creation of opportunities and risk management of the existing reinvestment business, so as to respond to changes in the global situation and strengthen competitiveness. Within the Company, we have repeatedly promoted epidemic prevention, strengthened employee health management policies, reviewed the coverage of the Company’s group insurance, and increased epidemic prevention and vaccine insurance for all employees. In order to prevent the spread of the pandemic, during the level-3 lockdown period of the COVID-19 pandemic, epidemic prevention measures such as environmental cleaning and disinfection, promotion of flexible working hours and online meetings have been carried out on a monthly or weekly basis, and the implementation of employee health promotion has been achieved.

Collin invests in GrowTrend Biomedical’s research and development of respirator

With the pandemic affecting the world, GrowTrend Biomedical, which is invested in by Collins, has developed a respirator system for COVID-19. All components include Taiwan’s only self-developed double-positive pressure GREAT 1 respirator and related accessories. The GT Anti-19 Bilevel NIV and the Laminar Air Flow System (negative pressure laminar flow system) used for personal isolation were displayed in the Taiwan “Anti-epidemic Industry Hall” at the 2020 Asia Biotechnology Exhibition. The products obtained patents in Taiwan. We hope to help the world fight the pandemic together through research and development, and overcome the pandemic together.



Climate Change Risks

According to The Global Risk Report 2021 released by the World Economic Forum, “extreme climate events” and “climate action failures” are the risks that are most likely to happen with the most severe impact, indicating that climate change is an issue that companies must pay attention to. In order to fully evaluate the risks and opportunities related to climate change, Collins refers to the Task Force on Climate-related Financial Disclosures (TCFD) as the framework for identification and analysis, echoes the core values of TCFD with practical actions, and guides enterprises towards the risks and opportunities involved in low carbon economic transformation.

The Framework of Task Force on Climate-related Financial Disclosures (TCFD)

Item	Description
Governance	<ul style="list-style-type: none"> ■ Assess the potential risks and opportunities of climate change faced by Collins now and in the future, and comply with relevant environmental regulations and international standards, properly protect the natural environment, and commit to environmental sustainability goals in the implementation of business activities. Relevant management obligations are recorded in the “Best Practice Principles for Sustainable Development” (formerly the “Best Practice Principles for Corporate Social Responsibility”) ■ Reports are submitted to the Board of Directors on a regular basis every year to review the annual operational effectiveness of climate change-related issues, as well as future work plans and ESG promotion and information disclosure improvement directions (i.e. strengthening inventory, connecting with international standards, improving information credibility and interactive communication, and benchmark studying, etc.)
Strategy	<p>In addition to the plan to establish a “Sustainable Development Committee”, we also invested in the green energy industry in 2021 in order to promote a low-carbon market through investments, advocate energy conservations and carbon reductions among the public, and plan energy conservation measures for self-owned and newly built factories:</p> <ul style="list-style-type: none"> ■ Plan to organize “Sustainable Development Committee”: The corporate governance director is responsible for executing, promoting and coordinating the integration of sustainability-related work, and implementing the sustainability strategy of Collins ■ Invest in green energy industry: Invested in J&V Energy Technology in 2021 to help promote the development of green energy applications, such as solar energy, wind power, energy storage , green energy sales, etc. Reinvest in Axman Enterprise to promote the development of the electrically assisted bicycle market ■ Construction of renewable energy systems: Solar photovoltaic power generation equipment has been planned for the Shulin factory building, which can produce 170.64kW of power ■ Conducting greenhouse gas inspections: The G2000 Zhongxiao flagship store’s greenhouse gas inspection plan in 2022 has been formulated ■ Water recycling: 8 rainwater retention tanks have been planned for the underground foundation of the new plant, with an active volume of 208m³ (equivalent to 200,000 liters) ■ Establishing charging equipment: The Company plans to establish electric scooters, vehicle charging posts and charging station facilities in its self-owned and self-constructed office buildings and factories
Risk management	<ul style="list-style-type: none"> ■ Pay attention to domestic and international climate change trends and the “Greenhouse Gas Reduction and Management Law”, and evaluate the impact of regulations on the Company to reduce climate-related financial risks
Index and targets	<ul style="list-style-type: none"> ■ Greenhouse Gas Inventory: Complete the Greenhouse Gas Inventory for the G2000 Zhongxiao Flagship Store in the second half of 2022 ■ Formulating environmental management policies: Formulate company policies for energy conservation, carbon reduction, greenhouse gas reduction, water reduction, and other waste management ■ Planning for low-carbon commodities: After the construction of solar energy equipment for the new factory is completed, electricity will be generated and carbon rights will be obtained. The Company will adopt green electricity for its own use, and low-carbon commodities will be planned for sale based on the situation at that time

Information Security Risks

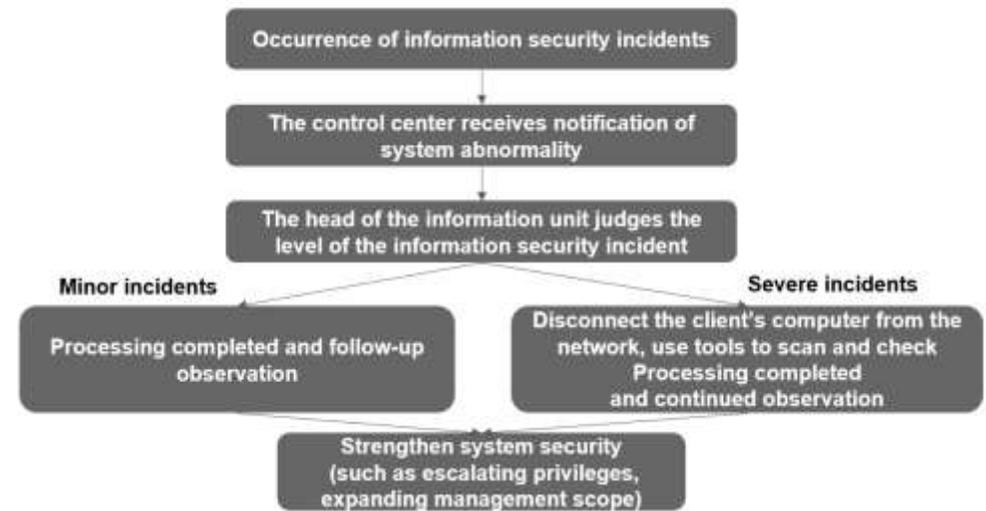
In the face of information security risks, Collins has established an information security management framework and planned information security policies and specific management plans. In the future, the ISO 27001 information security management system will be introduced to further strengthen information security. Currently, the director of the information unit is responsible for information security-related matters. In terms of information security policies, Collins has set out four major objectives—confidentiality, integrity, availability, and legal compliance—to maintain the information security of each unit’s business. The goal of these is to boost awareness of information security measures and ensure that all external communications systems and services are fit for purpose, as well as to plan, in depth, specific management solutions such as database encryption and backup, establishment of an external mail filtering mechanism, and centralization of the management of important data. To date, the Company has not encountered any significant information security risks.

For information security incidents, the Company has also established an incident handling process. When an abnormality occurs, the central control center will generate a system notification, and the supervisor of the information unit will learn of the user’s status and evaluate the event level. For serious incidents, the user will be asked to disconnect from the network and use the tool to scan and check the device. In 2021, there was one incident related to the accidental access of a website. The improvement measures include increasing the control center’s authority, expanding the management scope, and improving the overall information security. In order to prevent the occurrence of information security incidents, the information unit irregularly publishes e-newsletters through email for internal information security promotion, and participates in information security related courses and seminars. In 2021, the information unit supervisor and employees participated in 2 information security seminars. The seminars were on anti-hacking, community platform security maintenance, server security, etc..

Purpose of the Information Security Policy



Information Security Incident Notification and Handling Process



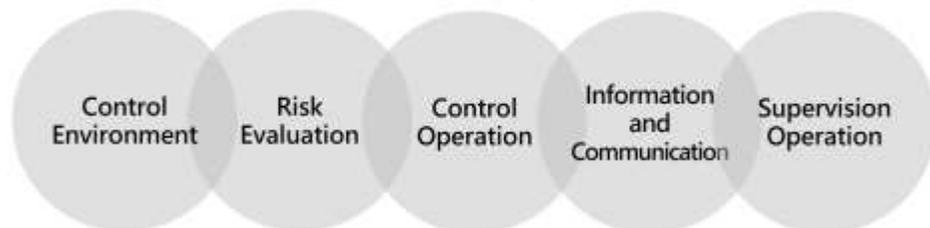
Using digital transformations to move towards new retail

Collins has introduced digital technologies to integrate online and offline data, so that customers who love G2000 can accumulate points through the app when making purchases, innovating and optimizing the customer shopping process and experience. While digitizing the data, we attach great importance to and protect the personal data of our customers. Collins has contracted a cloud vendor that passed SOC2 (Service Organization Controls) information security audits to manage member data. We provide strict management of the security, availability, processing integrity, confidentiality, and privacy protection of the information system, and have planned regular external audits for the future to improve data security. In 2021, there were no customer data leaks, nor any information security incidents involving personal information, and no customers were affected.

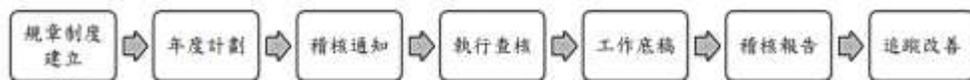
Internal Audits

The purpose of internal audits is to assist the Board of Directors and managerial officers to inspect and review the deficiencies of the internal control system, measure the effect and efficiency of operations, and provide timely improvement suggestions to act as the basis for ensuring the sustainable and effective implementation of the internal control system and reviewing and amending the internal control system. The internal audit office of the Company is directly subordinate to the Board of Directors, and currently has 1 audit supervisor and 1 auditor. The appointment and removal of the internal audit supervisor must be approved by the Audit Committee and submitted for resolution by the Board of Directors. Internal audits are divided into two categories, regular and irregular. Regular audits are carried out by auditors according to the Company's annual audit plan, and irregular audits are conducted by auditors in accordance with instructions or business needs. Auditors should set an audit cycle to conduct regular audits, and at the end of each audit, prepare an audit report, attach relevant information, report the shortcomings and suggestions for improvement, and continue to track the status of improvements.

Five Criteria of the Internal Control System



Internal Audit Implementation Rules



規章制度建立	年度計劃	稽核通知	
Establishment of rules and regulations	Annual plan	Audit notice	
執行查核	工作底稿	稽核報告	追蹤改善
Perform inspections	Working draft	Audit report	Improvement tracking

Legal Compliance

The Company abides by laws and regulations and abides by ethical standards. We abide by the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act and other laws and regulations. The Company has formulated the following company regulations to ensure compliance with environmental, economic and social norms, and upholds the corporate culture spirit of “good faith, substantiality, perfection, and social responsibility”. We have formulated and implemented various ethical policies to enforce the sustainable development of the Company. No violations of environmental protection or socio-economic related regulations occurred in 2021.

List of Company Rules

■ Articles of Incorporation
■ Detailed internal audit implementation rules
■ Procedures for Acquisition or Disposal of Assets
■ Procedures for Extending Loans to Others
■ Procedures for External Endorsements and Guarantees
■ Derivatives operating procedures
■ Insider trading prevention handling procedures
■ Remuneration Committee Charter
■ Corporate Governance Best Practice Principles
■ Ethical Corporate Management Best Practice Principles
■ Code of Conduct
■ Corporate Social Responsibility Best Practice Principles
■ Board of Directors performance evaluation guidelines
■ Procedure for reporting illegal and unethical or dishonest conduct
■ Internal Auditor Appointment and Remuneration Measures
■ Ethical Corporate Management Operating Procedures and Code of Conduct

Communication with Stakeholders

■ Communication with Stakeholders

Collins adheres to the concept of integrity-based company operations; attaches great importance to communications with customers, investors, employees, and partners; provides customers with high-quality products and services with integrity; and prospers with suppliers. The Company has identified seven major types of stakeholders according to AA 1000 SES (Stakeholder Engagement Standards)—customers/consumers, employees, shareholders/investors, suppliers, government/regulators, society, and local communities—and five major principles (dependability, responsibility, influence, diverse perspectives, and tension). The Company discloses information and collects opinions through diverse communication channels, and listens to and understands issues of importance to stakeholders, thereby ensuring effective and good results from stakeholder communication.



Issues and Channels of Communication with Stakeholders

Stakeholder	Significance to Collins	Communicated issues	Communication channels
	Customers/consumers Trading and retailing are important businesses of Collins, and long-term relationships with customers and consumers are an important factor affecting revenue	Purchasing Practices, Marketing and Labeling, Customer Privacy	<ul style="list-style-type: none"> ■ Irregular telephone and email communications ■ Irregular face-to-face/video conferences
	Employees Employees are an important asset of Collins. Therefore, in order to attract outstanding talents, we provide a comprehensive salary, welfare, and training package to tap the full potential of employees and maximize operational performance	Employment Relations, Non-Discrimination, Training and Education	<ul style="list-style-type: none"> ■ Irregular internal information promotion ■ Annual labor-management meetings ■ Employee Welfare Committee and internal grievance channels
	Shareholders/investors The support of shareholders/investors for Collins will affect the stability of the Company's funds. Therefore, creating maximum benefits for shareholders and transparent disclosure of financial information are the Company's operating objectives	Economic Performance, Market Position, Energy Management	<ul style="list-style-type: none"> ■ Annual shareholders meetings and corporate briefings ■ Company website and media information disclosures
	Suppliers Suppliers are the main source of products for trade and retail, and establishing good partnerships with suppliers ensures product quality	Procurement, Supplier Environmental Assessment, Supplier Social Assessment	<ul style="list-style-type: none"> ■ Irregular telephone and email communications ■ Irregular face-to-face/video conferences
	Government/regulators Government agencies formulate various regulations. Collins follows the laws of relevant local governments and works together with the public sector to realize sustainable development	Economic Performance, Market Position, Forced or Compulsory Labor	<ul style="list-style-type: none"> ■ Regular internal control audits ■ Participation in symposiums, seminars or courses held by government agencies
	Society We continue to convey the Company's brand image to the public, helping to promote the concept of sustainability to more stakeholders	Market Standing, Marketing and Labeling	<ul style="list-style-type: none"> ■ Company website and media information disclosures ■ Company telephone and email
	Local Communities There are retail outlets all over Taiwan, so maintaining good relationships with community neighbors is an important part of cultivating the area and giving back to society	Local Community and Procurement Practices	<ul style="list-style-type: none"> ■ Company website and media information disclosures ■ Company telephone and email

Materiality Analysis

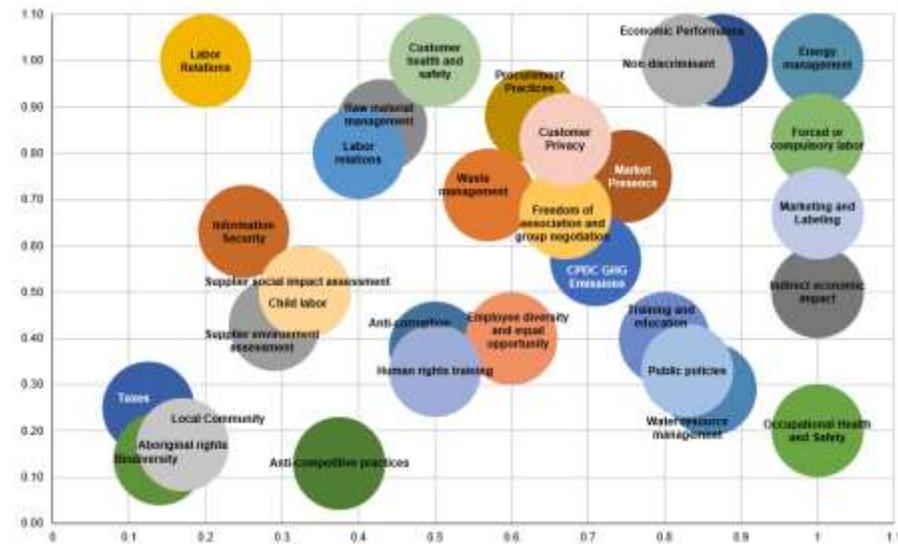
The Company defines the content of the report in accordance with the four principles of the GRI Standards, which include Stakeholder Inclusiveness, Sustainability, Materiality, and Completeness. The materiality analysis is conducted through the four major steps of sustainability issue collection, level of concern investigation, material issue analysis, and review and discussion. It acts as the preparation approach and disclosure basis for the corporate social responsibility report and surveys the current status of the Company's sustainable development.

1	Sustainability issue collection	Sustainable issues were collected in accordance with the GRI standards and the stakeholders' issues of concern, and a total of 32 sustainable issues were identified.
2	Level of concern investigation	Through questionnaires, we can understand the level of concern of stakeholders regarding various issues.
3	Material issue analysis	After compiling all the questionnaire data, following the requirements of the GRI standards, the importance of the issues is assessed according to the "level of concern of stakeholders" and "the impact of sustainable development", and a materiality analysis matrix is drawn.
4	Review and discussion	According to the results of the materiality analysis matrix, 9 major issues were finally selected, the internal and external boundaries of each major issue were defined, and the corresponding disclosure indicators were listed according to the GRI indicators for data inventory.

List of Material Issues

NO	Type	Issues
1	Economic	Economic Performance
2		Market Presence
3		Procurement Practices
4	Environment	Energy Management
5	Social	Non-discrimination
6		Freedom of Association and Collective Bargaining
7		Forced or Compulsory Labor
8		Marketing and Labeling
9		Customer Privacy

Materiality Matrix



Boundaries of Material Issues

These nine major issues reflect the significant economic, environmental, and social impact of Collins or substantially affect the evaluation or decision-making of various stakeholders. By defining the boundaries of material issues, we can understand the scope of impact of such issues and the positive or negative contribution of Collins to sustainable development.

●: Direct impact ○: Indirect impact							
Dimension	Material issues/GRI topics	Significance and impact of major issues	Internal		External		
			The Company	Employees	Customers/consumers	Suppliers	Local Community
Economic	Economic Performance	The financial performance of operations has a direct impact on the Company's internal economic interests and those of shareholders/investors	●	●	●	○	○
	Market Presence	Provide employees with comprehensive compensation that is superior to regulations and employ local residents of areas in which operating bases are located as management	●	●	○	○	●
	Procurement Practices	Purchasing products and services from suppliers around Collins' important operating bases, and establishing good relationships with suppliers	●	●	●	●	○
Environment	Energy Management	While expanding the scale of operations, the Company is also committed to reducing energy consumption, greenhouse gas emissions, and environmental impact	●	●	○	●	○
Social	Non-discrimination	Provide a diverse and inclusive workplace environment to protect the rights and interests of all employees	●	●	○	○	○
	Freedom of Association and Collective Bargaining	Respect employees' right to freedom of association and collective bargaining, and promote labor-management cooperation	●	●	○	○	○
	Forced or Compulsory Labor	Committed to eliminating all forced labor and safeguarding the basic human rights of employees	●	●	○	○	○
	Marketing and Labeling	Include source and safety information on product labels and comply with all laws and regulations related to information, labeling, marketing, and promotion	●	●	●	○	○
	Customer Privacy	Pay attention to customer privacy and comply with regulations to protect consumer rights and privacy	●	●	●	○	○

Management Approach to Material Issues

Dimension	Major Issues	Policies and Commitments	Responsible Unit	Resources and Management Mechanisms	Objectives and Targets	Specific Actions	Grievance Mechanism
Economic	Economic Performance	In terms of trade, retail, biotechnology and medical treatment, or other re-investment businesses, Collins will continue to properly plan in response to the market, strengthen capital structure, and improve return on shareholders' equity	Chairman's Office, Corporate Service Group - Accounting Section	The Chairperson's office plans the operation direction and strategy of each business group, and the employees in the Accounting Section integrate the relevant economic performance data	Develop trade customers in emerging markets, add to the lineup of imported brands and products, and expand to products other than apparel in order to maintain stable revenue growth	<ul style="list-style-type: none"> Trade: Actively develop the scale of global trade and increase the number of orders Retail: Develop online and offline full channel integration to provide a new consumption experience model Investment: Reinvest in the biotechnology and medical industry to expand business scope and revenue 	<ul style="list-style-type: none"> Shareholder contact email: esg@email.collins.com.tw "Communication with Stakeholders" in the "Corporate Social Responsibility" section of the official website
	Market Presence	Provide a starting salary higher than legal requirements and hire local talents	Corporate Service Group - Human Resources Section	The Human Resources Section will investigate salary levels from time to time and adjust the starting salary of employees according to market levels	Continue to provide a starting salary higher than legal requirements	<ul style="list-style-type: none"> Provide a starting salary and benefits that are better than the minimum wage under the Labor Standards Act 	<ul style="list-style-type: none"> Human Resources Contact email: hr@email.collins.com.tw
	Procurement Practices	Set up offices and subsidiaries around the world to assist customers in various regions in purchasing	Trade Business Group	The global trade and procurement process is planned by the Trade Business Group, and regional bases are added according to the procurement status	Continuously reinforcing back-end support to allow for multi-brand, multi-location operations	<ul style="list-style-type: none"> Adjust purchases and channels of current apparel and agency brands in response to the COVID-19 pandemic Planning and Construction of Shulin Logistics Center 	<ul style="list-style-type: none"> Import business contact mailbox: g2000@email.collins.com.tw Export business contact mailbox: candy@email.collins.com.tw
Environment	Energy Management	Carry out energy conservation planning, such as the construction of renewable energy systems and water resource recovery equipment	Corporate Service Group - General Affairs Section Fashion and Lifestyle Business Group - General Affairs Section	The General Affairs Section will update and control energy equipment, and encourage all employees to save energy and reduce carbon emissions	Improve energy efficiency and install renewable energy equipment	<ul style="list-style-type: none"> Planning the construction of solar power generation equipment and rainwater retention tanks for the new factory Invest in Cloud Leopard Energy to promote the growth of the green energy industry 	<ul style="list-style-type: none"> Enterprise service group contact mailbox: henryya@email.collins.com.tw Fashion and Lifestyle Business Group contact email: hpt1211@email.collins.com.tw

Dimension	Major Issues	Policies and Commitments	Responsible Unit	Resources and Management Mechanisms	Objectives and Targets	Specific Actions	Grievance Mechanism
Social	Non-discrimination	The company supports and abides by international human rights norms, and does not treat anyone unequally due to factors such as ethnicity, religion, skin color, nationality, gender, etc.	Corporate Service Group - Human Resources Section	Provide a channel for employees to file complaints; Human Resources Section takes care of the physical and mental condition of employees	Actively prevent workplace discrimination from happening	<ul style="list-style-type: none"> Promote gender equality work rules, sexual harassment prevention rules, and create a gender-equal workplace 	<ul style="list-style-type: none"> Human Resources Contact email: hr@email.collins.com.tw
	Freedom of Association and Collective Bargaining	Ensure that employees at each operating location have freedom of association and collective bargaining	Corporate Service Group - Human Resources Section	Regular labor-management meetings are held by employees in the Human Resources Section	Safeguard the rights and interests of employees' freedom of association and collective bargaining	<ul style="list-style-type: none"> Regular labor-management meetings are held to allow labor-management parties to exchange opinions and ideas 	<ul style="list-style-type: none"> Human Resources Contact email: hr@email.collins.com.tw
	Forced or Compulsory labor	Pay attention to the physical and mental health and family life of employees, and neither operation sites nor suppliers shall use any form of forced labor	Corporate Service Group - Human Resources Section Trade Business Group	The absence records and work schedules are regularly checked by employees from the Personnel Department, and the Trade Business Group requires suppliers to submit social responsibility-related certifications	No overtime and no forced labor by suppliers	<ul style="list-style-type: none"> Inform new recruits of labor rights and benefits beyond those required under the Labor Standards Act on the day they join the company Require suppliers to submit social responsibility audit reports 	<ul style="list-style-type: none"> Human Resources Contact email: hr@email.collins.com.tw
	Marketing and Labeling	All products sold are clearly and completely marked, in line with national sales regulations and standards	Fashion and Lifestyle Business Group - Business Section Trade Business Group	The labeling and certification of products are ensured by the employees of the Business Section and the Trade Business Group	Products pass the relevant product labeling certification	<ul style="list-style-type: none"> Information related to the product is marked on the product for consumers' information Raw materials, manufacturing origin, washing labels, and size labels of products are in line with national standards 	<ul style="list-style-type: none"> Contact email for domestic customers: g2000@email.collins.com.tw Contact email for international customers: candy@email.collins.com.tw
	Customer Privacy	Collins attaches great importance to the security of member information, and lists relevant regulations to strictly prevent the leakage of member information	Fashion and Lifestyle Business Group - Product Section, Business Section Trade Business Group Corporate Services Group - IT Section	Employees in the Business Section and Product Section communicate with outsourced cloud vendors to ensure the security of customer data; the customer data of the Trade Business Group is managed by the IT Section	Zero customer privacy breaches	<ul style="list-style-type: none"> Make customer data privacy a priority for information security risk protection Ensure data protection structure and level with cloud service companies to ensure no customer data leakage Every employee in the Trade Business Group signs a non-compete agreement and regards customer information as an important asset of the Company 	<ul style="list-style-type: none"> Contact email for domestic customers: g2000@email.collins.com.tw Contact email for international customers: candy@email.collins.com.tw ivy@email.collins.com.tw

2. Business Partnerships

Supply Chain Management



Supply Chain Management

Sustainable Supply Chain

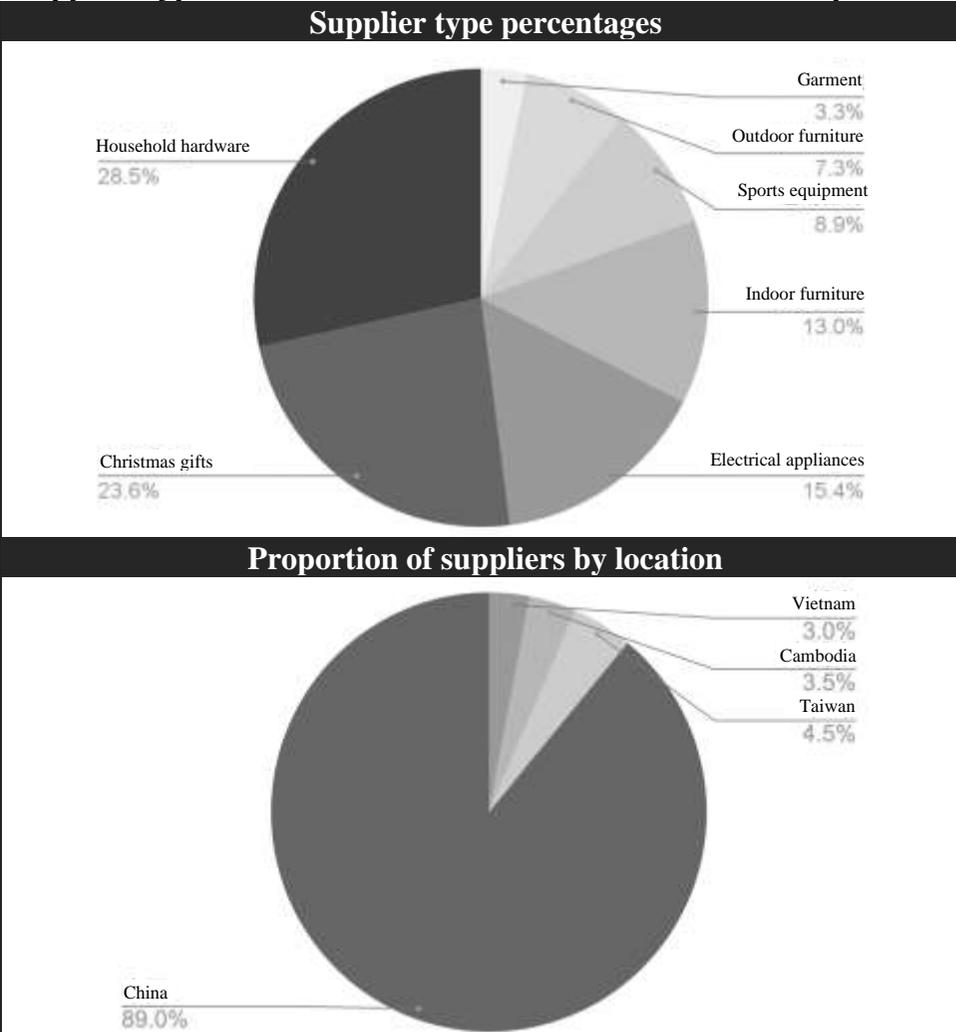
Collins' business is divided into two categories: trade and retail. Establishing good long-term relationships with suppliers is one of the Company's most important business concepts. In terms of supplier management, the Company meets customer needs and regularly requests suppliers to conduct evaluations of labor rights, health, safety, and environmental protection in the manufacturing environment. Additionally, terms are included in supplier partnership agreements by which severe violations against corporate social responsibility will result in the Company either terminating the contract or dismissing the supplier.

In terms of trade, the number of suppliers is 123, covering Taiwan, Vietnam, Cambodia, and China. Suppliers span seven categories, including indoor furniture, outdoor furniture, Christmas gifts, and electrical appliances. The total trade purchase amount in 2021 was US\$23.5 million. On the retail side, the materials for G2000 apparel products mainly represented by the fashion and lifestyle business group are purchased by the G2000 headquarters in Hong Kong and manufactured by the factory. After completion, they are shipped to Taiwan and distributed by Collins to various store counters for sale.

Supply Chain Management - Trade

On the trade side, most of Collins' customers are medium and large importers and distributors in Europe and the United States, all of which have relevant factory inspection and certification requirements for their suppliers. Most customers adopt a zero-tolerance policy on major social responsibility issues such as child labor, abuse, and bribery. Therefore, the Company's orders are screened and managed according to the customer's certification requirements for suppliers.

Supplier Types and Distribution of the Trade Business Group



Supplier Evaluation

In supplier evaluations, most customers require suppliers to have passed social responsibility and anti-terrorism plant inspections or certifications. Social responsibility evaluations include 13 items related to suppliers for evaluation, including social management system, labor protections, anti-discrimination, remuneration, and freedom of association and negotiation. Anti-terrorism evaluations, meanwhile, cover nine major aspects, including physical security, access control, procedure security, and employee safety, which are evaluated every year. In 2021, 3 Christmas gift supplier factories of the Trade Business Group participated in the social responsibility and anti-terrorism plant inspections. In the future, the Company will continue to conduct plant inspections on the various suppliers of the Trade Business Group.

Social responsibility evaluation items

■ Social management system
■ Labor engagement and protection
■ Freedom of association and the right to collective bargaining
■ Non-discrimination
■ Fair remuneration
■ Decent work hours
■ Occupational health and safety
■ No child labor
■ Protect young workers
■ No precarious employment
■ No forced labor
■ Environmental protection
■ Ethical business conduct

Anti-terrorism factory evaluation items

■ Business partnership requirements
■ Physical security
■ Access control
■ Procedure security
■ Container and trailer security
■ Employee safety
■ Information network security
■ Security training and threat awareness
■ Corporate internal security

Social Responsibility Evaluation Levels

Level A	High maturity and can be continuously improved
Level B	High maturity and can be continuously improved
Level C	Maturity is acceptable, improvement plan must be developed 60 days after evaluation
Level D	Insufficient maturity, improvement plan must be developed 60 days after evaluation
Level E	Maturity is unacceptable, improvement plan must be developed 60 days after evaluation

Anti-terrorism Factory Inspection Evaluation Levels

86%-100%	Preferred
71%-85%	Subject to Improvement
<70%	Needs Improvement

Supply Chain Management - Retail

The Fashion and Lifestyle Business Group, a unit directly under Collins, mainly handles the retail of the G2000 clothing line. The products are purchased in Hong Kong and shipped to the various stores in Taiwan for retail. The suppliers of the production materials are selected by the G2000 Hong Kong headquarters. Collins mainly procures finished products, and G2000 products are required to pass SGS certification to ensure their quality.

3. Customer Health and Safety

Product Safety



Product Safety

Product Quality Control - Trade

Collins attaches great importance to the health and safety of our customers. All products exported in 2021 complied with the local safety regulations and standards of the importing countries. Some customers specified particular products for third-party testing before shipping—for example, appliance-type products had to comply with the basic standards of UL certification. The product testing involves supervised testing, performance and quality testing, and other additional tests. The content of the tests includes the inclusion of the manufacturing location on the product label, repeated usage testing, and whether it passes Federal Communications Commission (FCC) requirements, ensuring the quality of the products and packaging.

Product Quality Control - Retail

Before shipping products, the G2000 Hong Kong headquarters requires third-party testing of products to ensure quality. Testing items include size changes after washing, appearance after washing, warping after washing, and seam performance. All G2000 products have passed SGS certification. Regarding the procurement of finished G2000 clothing products, Collins has an established product quality verification procedure: When the products arrive, sample testing is conducted in the warehouse to confirm the labels, washing tag, and sizes are correct. During the quality control (QC) stage, sales staff will check if there are color differences or loose threads among the products. If there are significant color differences or color fading issues, these will be reported to the Company to undergo processing.

Product Marketing and Labeling

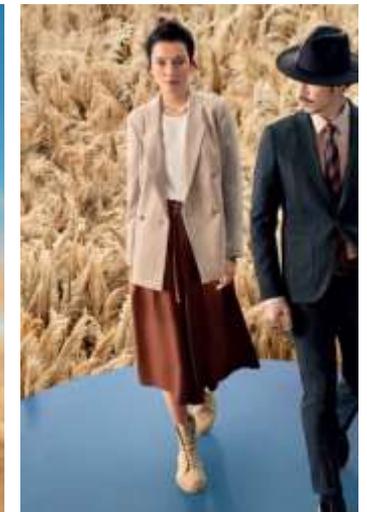
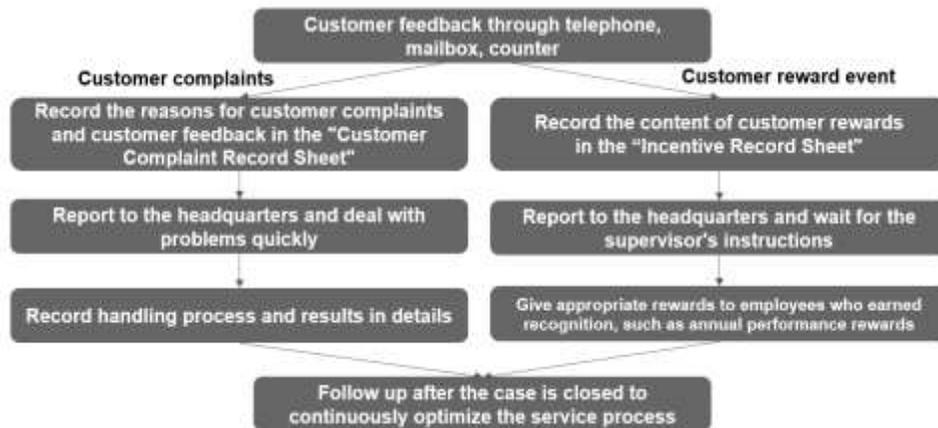
For the products purchased by the Collins' Trade Business Group, the product labels are in line with the customer's local government regulations and standards. Taking appliance-related products as an example, the electrical appliance label, reference toxicity label, etc., will be marked on the packaging according to the regulations. Retail products are all marked with raw materials, manufacturing origin, washing label and size label, indicating the related product information for consumers' reference, which is in line with national regulations and standards. In 2021, there were no violations of laws and regulations related to product and service information and labeling, as well as no violations of laws and regulations related to marketing and communications.



Actively Respond to Customer Opinions

Collins attaches great importance to customer feedback and actively handles any complaints raised. Customers can file their complaints by phone, email, or at service counters. Sales staff record the reasons for the complaints in detail on Customer Complaint Record Sheets, and the complaints are then reported to headquarters to be handled as soon as possible. The handling process and results are recorded in detail to facilitate subsequent product and service improvements. Similarly, any positive comments and support from customers are recorded in Incentive Record Sheets, with the employee who received the positive comments rewarded appropriately, thus transforming customer comments into incentives for improvement for employees. In 2021, there were four customer complaints and three pieces of positive feedback; the complaints were mainly related to problems exchanging product sizes, and 100% of cases have been handled and closed.

Customer Feedback Processing Procedure



4. Friendly Workplace

Recruiting Partners
Salary and Benefits
Health and Safety



Recruiting Partners

Recruiting Partners

Employees are Collins' most important asset, and as such, the Company attaches great importance to the treatment and benefits of its employees. Good salaries and benefits can effectively attract and retain talents and motivate employee performance, which in turn affects the operational efficiency of the organization. Therefore, we are committed to building a market-competitive salary system. Looking at the Company's finances, operating conditions, and personal performance, Collins has improved its planning and implementation of annual performance appraisals and issued year-end and performance bonuses to motivate and retain outstanding talents.



Human Resources Structure

As of the end of December 2021, the Company had a total of 292 employees, of which 76.71% were women and 23.29% were men. The supervisors were all Taiwanese citizens, and the proportion of locally hired supervisors was 100%. The proportion of full-time employees was 100%, with 0% part-time employees. The overall average age was 44.3 years old and the average length of service was 13.72 years.

Number of Employees in 2021

Unit: people

Employment contract type	Male	Female
Supervisor	23	20
Full-time employee	45	204
Total	68	224

Note: 1. The scope of employee data collection is the head office and affiliated enterprise, Jesco International. The data was collected up to December 31, 2021.

2. Supervisors are those above the managerial level

Employee Educational Information, 2021

Unit: people

Item	Number	%
PhD	1	0.36%
Master	8	2.73%
University	95	32.53%
High School or Below	188	64.38%
Total	292	100%

New Employees and Employee Turnover in 2021

There were 29 new recruits during the year, accounting for 9.93 % of the total number of employees. About half of the new recruits were concentrated in the 30-50 age group. A total of 42 people left in 2021 (14.4 % of the total number of employees). Classified by age, employees aged 30-50 (accounting for 61.9% of former employees) are the most likely to leave the Group, followed by those younger than 30 (accounting for 28.6% of former employees). The voluntary turnover of in-store employees in 2021 was 14.7% and the involuntary turnover rate was 0%.

Number and Proportion of New Employees

Gender	Female		Male	
	Number	Proportion	Number	Proportion
Age				
<30 years old	10	41.67%	2	40%
30-50 years old	12	50%	3	60%
> 50 years old	2	8.33%	0	0%
Total	24	100%	5	100%
Proportion of recruitment (%)	8.22%		1.71%	

Number and Percentage of Employee Departures

Gender	Female		Male	
	Number	Proportion	Number	Proportion
Age				
<30 years old	12	32.43%	0	0
30-50 years old	22	59.46%	4	80%
> 50 years old	3	8.11%	1	20%
Total	37	100%	5	100%
Proportion of resignation (%)	12.61%		1.71%	

【Industry-University Cooperation】 Trade Talent Training Internship Program

In order to cultivate future talent, Collins and the Department of International Business and Trade of Soochow University have planned a corporate internship program. Dr. Lee Chieh Hsi, the CEO, Wang Pei Yu, Vice President of the Enterprise Services Group, Chang Su Ping, Vice President, and Chen Guan Hua, CEO of the affiliated company, Minoshin, participated in the discussion of the program and held a corporate internship briefing session, with Vice President Wang Pei Yu as the keynote speaker. Finally, three students were selected to participate in the Collins Internship Program.

Through the 2021 internship program, one of the students performed outstandingly and won the “Outstanding International Trade Talent Scholarship” from the “Taipei Import and Export Business Association/Republic of China Trade Education Foundation”, and became an official employee of Collins in 2022. The other two students had the opportunity to gain extensive knowledge of the market and high-end fashion, and they were eventually hired by the affiliated company, Minoshin, to continue their internships, showing that the program has an excellent effect on cultivating talents. In the future, the internship program will continue to introduce more outstanding talents into Collins.



Employee Rights

Collins supports and abides by relevant international labor and human rights norms, and regards human rights protection as a core aspect of management. Employees shall not be treated unequally due to factors such as ethnicity, religion, skin color, nationality, or gender, and there were no cases of employment discrimination in 2021. In addition, Collins also respects the right of all employees to associate freely and organize trade unions in accordance with the law. Collins organizes employee welfare committees and communication channels for employees in accordance with laws and regulations. There were no violations of labor-related laws in 2021.

We attach great importance to the rights and interests of employees, regularly hold labor-management meetings in accordance with the law, listen to employees' opinions and give immediate feedback and improvement, and work together to achieve co-prosperity for both labor and management. In 2021, one labor-management meeting was held, chaired by the Vice President of the Enterprise Service Group, and five labor and management representatives participated in the meeting. The discussion items included the flexible adjustment of make-up shifts and adjustment of special leave for new recruits. The resolution for the makeup shifts is in accordance with the personnel administration bureau's announcement that it is not necessary to go to work or deduct special leave or personal leave. In addition, the new employees will be given 3 days of special leave after the three-month probation period. The Company provides employees with benefits that are superior to the Labor Standards Act. When Collins is involved in incidents related to Article 11 of the Labor Standards Act, it shall communicate with employees in advance about employment. Those who have worked for more than three months but less than one year shall be given 10-day notice. Those who have worked in the Company for more than one year but less than three years shall be notified at least 20 days in advance; and for those who have worked for more than three years in the Company will be notified 30 days in advance.



Employee Communication Channels

<p>Email for communication</p>	<p>There is a dedicated email for communicating with internal employees, and a dedicated window responsible for communicating with employees. No employee complaints were received in 2021. Email for communication: hr@email.collins.com.tw</p>
<p>Labor-management meeting</p>	<p>In order to coordinate labor-management relationships, enhance mutual understanding, and foster labor-management cooperation, the Company organizes labor-management meetings according to the "Implementation Rules of Labor-management Meetings". Both employer and employees shall solve their problems through discussions based on the principles of harmony and good faith, regular meetings, and by sharing their opinions. One labor-management meeting was held in 2021.</p>
<p>Annual performance evaluation</p>	<p>Employees can communicate through the annual performance appraisal, report work problems, and put forward suggestions to the Company. The Company can express work requirements, expectations, and provide guidance and assistance in a timely manner.</p>
<p>Employee Welfare Committee</p>	<p>The Employee Welfare Committee was established in 1978 to oversee employees' benefit measures. Such measures include club activities, group trips, year-end gatherings, Dragon Boat Festival and Mid-autumn Festival incentives, and wedding and funeral assistance.</p>
<p>Reporting unethical behavior</p>	<p>If other employees are found to have violated the integrity of business operations, or any behavior that may conflict with the Company's interests, the matter can be reported through "personal reporting", "telephone reporting", "reporting by email", or other appropriate channels, and the special acceptance unit will be responsible for handling the matter. The Company has established the "Handling Procedures for Reporting Illegal and Immoral or Dishonest Behavior Cases". The Company shall handle the reported cases in a confidential manner, conduct verification through independent channels, and make every effort to protect the whistleblower. The identity of the whistleblower will be kept strictly confidential. The employee will not be mistreated due to reporting. No corruption related incidents occurred in 2021.</p>

Salary and Benefits

Remuneration System

In order to provide a friendly workplace environment and attract and retain outstanding talents, the Company has established a comprehensive performance management and remuneration system, linked the performance goals of the organization and individuals, and conducted regular reviews, feedback, and assessments. The salary of employees is based on their experience, experience, and personal performance and not influenced by gender, ethnicity, religion, political affiliation, or marital status. In 2021, the salary of base-level personnel was 1.18 times higher than the starting salary established by the Labor Standards Act, and the salary of in-store staff in Taiwan was 100% higher than the legal minimum.

Remuneration Ratio by Gender

Item	Male	Female
Management personnel	1	0.9
Full-time employees	1	0.92

Salary of Non-supervisory Full-time Employees

Unit: NT\$ thousand

Item	2019	2020	2021
Number of non-supervisory full-time employees	105	106	109
Average salary of non-supervisory full-time employees	602	586	564
Median salary of non-supervisory full-time employees	542	536	507

Welfare System

Collins has set up an Employee Welfare Committee to take care of the lives of employees and maintain harmony between labor and management through a comprehensive welfare system. This system provides various benefits, including group trips, club trips, year-end dinners, Dragon Boat Festival and Mid-Autumn Festival bonuses, employee weddings and funerals, etc. Benefits stipulated by government legislation, such as labor/health insurance, pension contributions, and various types of leave (personal leave, sick leave, pregnancy checkup leave, maternity leave, paternity leave, menstrual leave, family care leave, marriage leave, bereavement leave, work injury leave, special leave, and unpaid parental leave) are applicable to all employees. The total value of benefits in 2021 was NT\$2.26 million.

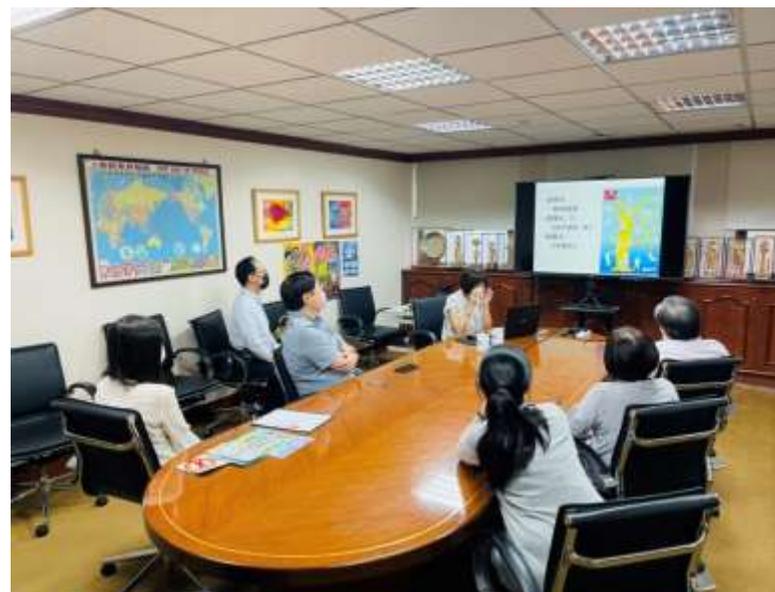
Type	Item
Salary insurance	<ul style="list-style-type: none"> ■ Year-end bonuses, performance bonuses and other bonuses based on individual performance ■ Labor insurance, health insurance, pension contributions ■ Free group insurance (cancer insurance, health insurance, life insurance) and increased pandemic and vaccination insurance in response to the pandemic
Benefits and subsidies	<ul style="list-style-type: none"> ■ Club trips, group trips, year-end gatherings, Dragon Boat Festival and Mid-Autumn Festival bonuses, and wedding and funeral assistance
Leave system	<ul style="list-style-type: none"> ■ Flexible clock on/off (employees work eight hours, starting between 8:00 and 9:00 and finishing between 17:00 and 18:00) ■ New recruits will be given three days of special leave after their three-month probation period ■ Paternity leave, family care leave, and parental leave
Retirement system	<ul style="list-style-type: none"> ■ The Company has formulated the Measures for Employee Pension Scheme in line with the Labor Standards Act: <ul style="list-style-type: none"> · All full-time employees whose years of service have reached 25 years, whose years of service have reached 15 years and are 55 years of age, or served for 10 years and are 60 years of age, may apply for voluntary pension payout. · Employees who are 65 years of age and are mentally or physically incapable of fulfilling their duties may be ordered to retire and given a pension payout by the Company. · Employees who are 65 years of age but have been permitted to retain their position by the President may continue their service, and years of service may continue to count toward the pension scheme.

Talent Development

In order to cultivate outstanding talents and improve the professional abilities of employees in their positions, the Company arranges for employees from the various departments to participate in education and training from time to time. Due to the severity of the pandemic in 2021, for the sake of the health and safety of employees, no relevant education and training were held, but courses have been fully planned for 2022. In 2022, education and training courses with different themes have been held on a monthly basis, and a number of sustainability-related courses have been arranged. The courses cover topics such as the TCFD's climate-related financial disclosures, information security, and physical and mental stress relief. We expect to improve the abilities and quality of employees through education and training, while also establishing the concepts of sustainability among employees.

Educational Training Held in 2022

Course date	Course content	Course hours
2022/2/24	Introduction to laws and regulations related to the Trade Secrets Act	0.5
2022/3/24	Energy Saving and Carbon Reduction Collins says Yes	0.5
2022/4/28	Sustainability Report Seminar: Climate-Related Financial Disclosures	3
2022/5/6	ESG X Data Digitalization Driving Enterprise Sustainability	3
2022/5/26	Information security promotion	0.5
2022/6/23	Release stress to improve brain power, strategies 123 of physical and mental relief	1
2022/7/28	Understand business ability and make workplace So Easy Sell yourself and successfully push forward the next step	1.5
2022/8/25	Business power is your competitiveness	1.5



Performance Management

In order to effectively implement personnel performance management, Collins has set up a performance evaluation system. The evaluation items cover six aspects: work intelligence, work quality and attitude, interpersonal relationships, marketing ability, management ability, and other. Under these six aspects are a total of 30 assessment items, with comprehensive comments and suggestions made on the work performance, aptitude, potential, and other aspects of employees. Employees can also put forward suggestions to the Company through the performance evaluation. Communication channels are provided for employees to promote harmony between labor and management and achieve better performance for all employees that meets the Company's expectations. As of December 31, 2021, the total number of employees in the Company was 292, of which all 292 participated in performance evaluations, with 100% of all employees undergoing regular evaluation.

Statistical Table of Evaluation Participants in 2021

Unit: people

Title	Male	Ratio of males	Female	Ratio of females
Supervisors	23	33.8%	20	8.9%
Full-time employees	45	66.2%	204	91.1%
Total	68	100%	224	100%

Note: 1. The scope of employee data collection is the head office and affiliated enterprise, Jesco International. The data was collected up to December 31, 2021.
2. Supervisors are managers above the management level

Retirement System

In accordance with the new labor retirement system under the Labor Pension Act, the Company provides a monthly pension contribution of 6% of the total salary of each employee, depositing the amount into individual pension accounts under the Bureau of Labor Insurance. In addition, under the old system of pensions for foreign employees, 2% of the total monthly salary of the employees is allocated to retirement reserve accounts with the Bank of Taiwan. As of the end of 2021, a total of 20 employees were still using the old pension system and 272 employees were using the new system, for a total of 100% of employees taking part in a pension plan.

Parental Leave

For applications for unpaid parental leave, the Company shall operate in accordance with the relevant laws and regulations, and employees can apply for reinstatement when the period of unpaid parental leave expires. In 2021, a total of six women applied for parental leave, with two already on leave expected to be reinstated and two actually reinstated, a reinstatement rate of 100%.

Item	Male	Female	Total
A. Number of people who were eligible to apply for parental leave in 2021	-	-	-
B. Number of people who actually applied for parental leave in 2021	0	6	6
C. Number of people who were expected to be reinstated after parental leave in 2021	0	2	2
D. Number of people who were actually reinstated after parental leave in 2021	0	2	2
Reinstatement rate (D/C)	0	100%	100%
E. Number of people who were reinstated after parental leave in 2020	0	2	2
F. Number of people who continued working for longer than a year after reinstatement in 2020	0	1	1
Retention rate (F/E)	0	50%	50%
A: Number of applicants who have applied for paternity leave and maternity leave between 01/01/2021 and 12/31/2021			
B: Number of applicants who applied for parental leave between 01/01/2021 and 12/31/2021			
C: Number of applicants whose parental leave expired between 01/01/2021 and 12/31/2021			
D: Number of people who resumed work between 01/01/2021 and 12/31/2021			
E: Number of people who resumed work between 01/01/2020 and 12/31/2020			
F: Number of people who resumed work after parental leave between 01/01/2020 and 12/31/2020 and are still working one year later			

Health and Safety

Healthy Workplace

Collins attaches great importance to the health and safety of employees, strictly abides by the norms of the Labor Standards Act, does not use any means to coerce employees to work, and does not force employees to work overtime. In addition, Collins places great importance on the physical and mental health of our employees, so we regularly arrange medical and health care services, track and confirm the physical condition of employees, and conduct regular environmental disinfection and cleaning during the pandemic on a weekly or monthly basis to prevent the spread of the pandemic and put into practice employee health and safety concepts.

Occupational Health Services

Collins cares about the health of employees and entrusts qualified medical institutions to provide health services and consultations so that all employees can receive on-site medical care services. Nurses regularly provide on-site services three times a month during two-hour sessions, and the total number of on-site nurse service hours in 2021 was 72 hours. The doctor provides on-site services once every four months and completes health consultations for all employees of Collins in batches during the year. Consultation and service content includes the confirmation of the condition of chronic diseases such as hypertension and high cholesterol and the promotion of good health among employees. The total number of on-site service hours provided by doctors in 2021 was six hours.



Occupational Safety Training and Education

In order to create a safe working environment, Collins arranges for employees to participate in occupational safety and health-related courses, improves basic first aid knowledge through practical exercises and operations, and strengthens employees' first aid skills. In 2021, two employees participated in the first aid course to learn practical skills such as wound management and AED emergency training, and two employees were appointed to participate in the fire prevention management course to gain familiarity with fire prevention, fire evacuation equipment, and other information. "Class A Occupational Safety and Hygiene Business Supervisor" training courses were organized and two occupational safety certificates have been obtained so far.

Epidemic Prevention Measures

Facing a severe pandemic, to thoroughly take care of the physical and mental health of employees, Collins has provided pandemic insurance and vaccine insurance for all employees and promoted flexible working hours. Employees can arrive for work between 8:00 am and 9:00 am. Online meetings have also been implemented for internal company meetings or interviews with new recruits. The online meeting model is used to ensure that personnel are not put at risk coming to or leaving work, effectively helping to prevent the spread of the pandemic and maintain the health of employees.

Epidemic prevention measures	Method
Flexible work hours	Employees can arrive for work from 8:00-9:00 and only need to ensure their daily working hours reach eight
Online conferences	For internal meetings and interviews with new recruits, Google Meet is used to conduct online meetings to reduce the chance of virus transmission
Pandemic insurance	We provide pandemic insurance and vaccine insurance for all employees and comprehensively take care of their physical and mental health and lives

5. Social Inclusion

Social Engagement



Social Engagement

Social Engagement and Investment

Collins adheres to the spirit of “taking from society and giving back to society,” sparing no effort in social engagement and using its expertise and resources to benefit people and groups in need, such as donating G2000 clothing, donating saliva-based rapid testing kits, and more. Collins will continue to provide care in the future and fulfill its mission of corporate citizenship.

Donating Warm Clothing

Collins’ Trade Department has long cooperated with the Rain Spring Charitable Foundation to donate clothes to disadvantaged children in remote villages. In 2021, the Rain Spring Charitable Foundation held the “Warm Clothes for Winter Project,” with Collins donating a total of 115 pieces of clothing. Through the project, warm jackets will be sent to the Pisa’opoan to Kaemangay a Fudafudak indigenous education center in Citong, Taitung, to provide children with warmth. The jackets allow the children to feel the warmth of the public’s care and concern during the cold winter.



Donating Quick Screening Kits

The severity of the pandemic has made the lives of disadvantaged people more difficult than ever. In order to provide better care for disadvantaged families, HIC, in which Collins has invested, donated 38,016 boxes of saliva-based rapid testing kits and 10,000 children’s saliva-based rapid testing kits to the Seed of Love Education Foundation. It is hoped that more companies will follow suit and join the ranks of those helping to protect the health of disadvantaged people.



Donating Rice to Major Social Welfare Organizations

In response to the “No Poverty” and “Zero Hunger” United Nations SDGs, the Company has donated 250 catties (approx. 150 kg) of rice to orphanages and other social welfare organizations. The beneficiaries from 2010 to 2021 include the Taipei Child Welfare Center, Child Welfare League Foundation, Ti-Hwei Children’s Home, and Yu-Cheng Social Welfare Foundation. Over the past 12 years, a total of 3,050 catties (approx. 1,830 kg) of rice have been donated to those who are truly in need.



Sponsored a US Charity Golf Tournament

In response to the client invitation of BJ’S WHOLESALE CLUB in 2021, we sponsored a charity golf tournament with USD 4,000.



Sponsored the T1 Professional Basketball League

In order to participate in national sports and encourage employees to engage in leisure activities, Collins sponsors the T1 professional basketball league to promote domestic basketball events.



6. Environmental Sustainability

**Green Operations
Greenhouse Gas Management**



Green Operations

Green Operations

Upholding the spirit of “Environmental Emphasis, Sustainable Future,” Collins promotes concepts of conservation within the Company and pursues actions such as water conservation, reduction of plastic waste, and resource recycling. Collins actively promotes the construction of renewable energy systems and water resource recovery equipment. A solar power generation system is expected to be built at the new factory office capable of generating 170.64 kW, and eight rainwater retention tanks are planned to be set up with an effective volume of about 200,000 liters. In addition, to reduce energy consumption, we plan to set up electric scooter and electric vehicle charging points and charging station equipment in our buildings and factory offices to encourage environmentally friendly commuting. During the pandemic, we have adopted home office or split-shift work, which has also reduced the fuel consumed by commuter vehicles. It is hoped that by reducing fuel use and promoting more sustainable and environmentally friendly electric solutions, we will lead all employees towards a low-carbon business model.



Planned
Solar Power Generation
System

Scale: 170.64 kW

Resource Management

Collins actively promotes conservation actions. In terms of power, we have adopted energy-saving and environmentally friendly lights in the office, and replaced LED lights in 2017. We replaced the LED T8 lights with LED T5 lights. At the same time, we plan to replace the old air-conditioning equipment in 2022, and the temperature will be maintained above 26 degrees to reduce energy use. In terms of gasoline, Collins leased one company vehicle in October 2021, and will continue to record gasoline consumption. In terms of paper, Collins’ headquarters has fully adopted recycled paper certified by the Forest Stewardship Council (FSC), and a total of 260,000 sheets of recycled paper were purchased in 2021. In the future, Collins will continue to promote various energy conservation measures to reduce our impact on the environment and fulfill our corporate social responsibility.

Resource Consumption of Collins Headquarters in the Past Three Years

Item	2019	2020	2021
Gasoline	-	-	188 liters
Externally purchased electricity	301 kWh (1083.5 MJ)	278 kWh (1001.6 MJ)	281 kWh (1012.6 MJ)
Number of employees	137	127	129
Power consumption per person (kWh)	2.20	2.19	2.18

Note: 1 kWh of electricity = 3.6 megajoules (MJ)

Only FSC-certified recycled paper used in the office

The Forest Stewardship Council (FSC) mark is one of the most widely recognized forest certification standards in the world. As part of our efforts to protect the environment, the Collins offices have fully moved to FSC-certified recycled paper for use as photocopying paper. In 2021, 260,000 sheets of such paper were purchased.



Green Shopping Complexes

Collins actively builds green shopping complexes. In addition to providing customers with a healthy, environmentally friendly shopping environment through the use of green building materials, packaging materials are also reused to reduce resource consumption. We have also launched a campaign where purchases of sufficient value will include a free tote bag, encouraging consumers to reduce their use of plastic bags while also promoting sustainable development through practical action.

Using Green Construction Materials

To protect the environment and provide customers with safe and healthy spaces, Collins is committed to using green building materials in the building of its G2000 stores. For example, the light partitions and ceiling materials of the G2000 Zhongxiao flagship store use calcium silicate board, a certified green building material with a product safety label. A total of 81 calcium silicate boards were used in the store.



Energy Savings

Most of G2000's lighting fixtures have been replaced with LED lighting to reduce power consumption; to address air-conditioning power consumption, automatic doors were installed in larger G2000 stores and roadside stores in 2019 to reduce the escape of cold, air-conditioned air and consequent energy use.

Reuse Packaging Materials, Encourage "Bring Your Own Bag"

To cut down on packaging materials, when products are shipped to G2000 stores around Taiwan, the cartons and plastic bags of the packaged goods are reused. Headquarters advocates that every store recycle packaging materials to reduce paper and plastic waste. In addition, consumers are also encouraged to bring their own shopping bags, as part of which we launched a campaign giving away tote bags with purchases of a certain amount; the bags involved are made with 100% pure cotton and are free of formaldehyde and eight major heavy metals. In 2021, all 2,000 tote bags were given away, and through this, we hope to have inspired consumers to reduce their use of plastic bags.



Greenhouse Gas Management

Greenhouse Gas Emissions

In order to measure and manage greenhouse gas emissions more accurately, Collins set up a Greenhouse Gas Inventory Team to take stock of energy usage in Collins headquarters and G2000 Zhongxiao flagship store in 2021 and calculate greenhouse gas emissions. In 2022, we plan to implement ISO 14064, and the G2000 Zhongxiao flagship store will implement a greenhouse gas inventory plan. In the future, other stores will be included in the inventory and carbon emission management and reduction actions will be implemented to help us fulfill our mission as a global citizen.

Energy Usage and Emissions of G2000 Zhongxiao Flagship Store in 2021

Item	Consumption	Equivalent emissions (kgCO ₂ e/year)
Externally purchased electricity	93,574 kWh (336,866.4 MJ)	46,974.1480
Water (1000 liters)	546	82.9920
Total greenhouse gas emissions (kgCO ₂ e/year)	-	47,057.1400

Note 1: 1 kWh of electricity = 3.6 megajoules (MJ)
 Note 2: CO₂ emission equivalent of purchased electricity = electricity usage x electricity emission factor x 1; the electricity emission factor uses the 2020 electricity emission factor announced by the Bureau of Energy, Ministry of Economic Affairs in 2021 = 0.502 kgCO₂e/kWh
 Note 3: The CO₂ emission equivalent per thousand liters of water is based on the Taiwan Water Supply Corporation's "equivalent carbon dioxide (CO₂) equivalent per thousand liters of water used," and the value used is from the 2020 annual data published in 2021 = 0.152 kgCO₂/1000 liters

Energy Usage and Emissions of Collins Headquarters in the Past Three Years

Item	2019	2020	2021
Gasoline	-	-	188 liters
Externally purchased electricity	301 kWh (1083.5 MJ)	278 kWh (1001.6 MJ)	281 kWh (1012.6 MJ)
Total greenhouse gas emissions (kgCO ₂ e/year)	153.1963	139.6720	585.1178

Note 1: 1 kWh of electricity = 3.6 megajoules (MJ)
 Note 2: CO₂ emission equivalent of purchased electricity = electricity usage x electricity emission factor x 1; the electricity emission uses the value announced by the Bureau of Energy, Ministry of Economic Affairs, with the electricity emission factor in 2019 calculated as 0.509 kgCO₂e/kWh and in 2020 calculated with reference to the 2020 annual electricity emission coefficient in the 2021 announcement = 0.502 kgCO₂e/kWh
 Note 3: The total amount of greenhouse gas emissions = the amount of energy and fuel used x the emission factor announced by the EPA x the IPCC GWP value required by the EPA; calculation is based on the greenhouse gas emission factor v6.0.5 announced by the EPA and the GWP value from the IPCC Fourth Assessment Report, 2007. t

Air Pollutant Emissions

In order to maintain the air quality of the workplace, Collins' headquarters office conducts manual testing of carbon dioxide concentration twice a year. The testing results for the past three years are provided below:

Carbon Dioxide Concentration of Collins Headquarters in the Past Three Years

Item/Year	2019	2020	2021
Carbon dioxide concentration	769 ppm	749 ppm	762.5 ppm

7. Appendix

GRI Index
SASB Index



GRI Index

Type	Item	Index code	Title of Standards	Page number
GRI 102 General Disclosures (2016)	Organizational Profile	102-1	Name of the organization	
	Organizational Profile	102-2	Activities, brands, products, and services	
	Organizational Profile	102-3	Location of headquarters	
	Organizational Profile	102-4	Location of operations	
	Organizational Profile	102-5	Ownership and legal form	
	Organizational Profile	102-6	Markets served	
	Organizational Profile	102-7	Scale of the organization	
	Organizational Profile	102-8	Information on employees and other workers	
	Organizational Profile	102-9	Supply chain	
	Organizational Profile	102-10	Significant changes to the organization and its supply chain	
	Organizational Profile	102-11	Precautionary principle or approach	
	Organizational Profile	102-12	External initiatives	
	Organizational Profile	102-13	Membership of associations	
	Strategy	102-14	Statement from senior decision-maker	
	Ethics and Integrity	102-16	Values, principles, standards and norms of behavior	
	Governance	102-18	Governance structure	
	Stakeholder Engagement	102-40	List of stakeholder groups	
	Stakeholder Engagement	102-41	Collective bargaining agreements	
	Stakeholder Engagement	102-42	Identifying and selecting stakeholders	
	Stakeholder Engagement	102-43	Approach to stakeholder engagement	
Stakeholder Engagement	102-44	Key topics and concerns raised		
Reporting Practice	102-45	Entities included in the consolidated financial statements		
Reporting Practice	102-46	Define report content and topic boundaries		
Reporting Practice	102-47	List of material topics		
Reporting Practice	102-48	Restatements of information		

	Reporting Practice	102-49	Changes in reporting	
	Reporting Practice	102-50	Reporting period	
	Reporting Practice	102-51	Date of most recent report	
	Reporting Practice	102-52	Reporting cycle	
	Reporting Practice	102-53	Contact point for questions regarding the report	
	Reporting Practice	102-54	Claims of reporting in accordance with the GRI Standards	
	Reporting Practice	102-55	GRI content index	
	Reporting Practice	102-56	External assurance	None

Type	Item	Index code	Title of Standards	Page number
GRI 103 Management Approach (2016)	Management Approach	103-1	Explanation of the material topic and its boundary	
	Management Approach	103-2	The management approach and its components	
	Management Approach	103-3	Evaluation of the management approach	

Type	Item	Index code	Title of Standards	Page number
Economy	Economic Performance 2016	201-1	Direct economic value generated and distributed	
	Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	
	Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	
	Economic Performance 2016	201-4	Financial assistance received from government	
	Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
	Market Presence 2016	202-2	Proportion of senior management hired from the local community	
	Procurement Practices 2016	204-1	Proportion of spending on local suppliers	
Environment	Energy 2016	302-1	Energy consumption within the organization	
	Energy 2016	302-3	Energy intensity	
	Energy 2016	302-4	Reduction of energy consumption	
Society	Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
	Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
	Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	
	Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	
	Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	
	Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	

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Material topics	Accounting metrics	Descriptions of metrics	Unit	Corresponding Chapter	Page number
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	GJ, percentage (%)	Environmental Sustainability - Green Operations Green Operations - Green Shopping Complexes	
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	None	Corporate Governance-Risk Management	
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Numbers, percentage (%)	Corporate Governance-Risk Management	
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Currency, percentage (%)	Salary and Benefits - Remuneration System	
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Proportion	Recruiting Partners - Human Resources Structure	
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Currency	Recruiting Partners - Employee Rights	
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation in: (1) management and (2) all other employees	Percentage (%)	Recruiting partners - Human Resources Structure	
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Currency	Recruiting partners - Employee Rights	
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Currency	Supply Chain Management - Sustainable Supply Chain Supply Chain Management - Retail	
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	None	Customer Health and Safety - Product Safety	
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	None	Green Operations - Green Shopping Complexes	



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