

**Collins Co., Ltd.**  
**2022 Sustainability Report**



# Table of Contents

<b>TABLE OF CONTENTS</b>	
<b>0. ABOUT THE REPORT</b>	<b>1</b>
MESSAGE FROM THE CHAIRPERSON	2
<b>1. COMPANY OVERVIEW</b>	<b>3</b>
COMPANY PROFILE	4
OPERATIONAL PERFORMANCE	9
CORPORATE GOVERNANCE	11
COMMUNICATION WITH STAKEHOLDERS	22
<b>2. BUSINESS PARTNERSHIPS</b>	<b>29</b>
SUPPLY CHAIN MANAGEMENT	30
<b>3. CUSTOMER HEALTH AND SAFETY</b>	<b>32</b>
PRODUCT SAFETY	33
<b>4. FRIENDLY WORKPLACE</b>	<b>35</b>
RECRUITING PARTNERS	36
SALARY AND BENEFITS	39
HEALTH AND SAFETY	43
<b>5. SOCIAL INCLUSION</b>	<b>44</b>
SOCIAL ENGAGEMENT	45
<b>6. ENVIRONMENTAL SUSTAINABILITY</b>	<b>46</b>
GREENHOUSE GAS MANAGEMENT	47
GREEN OPERATIONS	48
<b>7. APPENDIX</b>	<b>50</b>
GRI INDEX	51
SASB INDEX	54

# 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 provides a comprehensive overview of Collins’ ESG (environment, society, governance) sustainable management strategy, activities, and performance. It also highlights the outcomes of our communication with stakeholders, representing Collins’ unwavering dedication to sustainable development and our commitment to social and environmental responsibilities.

## ■ Scope of the Report

<b>Report framework</b>	Global Reporting Initiative, GRI - GRI Universal Standards 2021
<b>Disclosure scope</b>	Taiwan head office and affiliated enterprises (Jesco International) For a comprehensive operational overview and financial information, please refer to the “Market Observation Post System” (MOPS) for the Company’s Annual Report of the Shareholders’ Meeting and Consolidated and Individual Financial Reports.
<b>Report period</b>	January 1, 2022 to December 31, 2022
<b>Reporting cycle</b>	Reports are produced annually, with the next report scheduled for release in June 2024.
<b>Restatements of information</b>	The statistics have been divided into two parts: Taiwan Headquarters and Yiho International.
<b>Data measurement</b>	The financial operating performance is derived from the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS). The currency value is expressed in New Taiwan dollars, and the statements have been audited by KPMG. Other relevant data, collected by internal departments, and presented using internationally recognized indicators and units.
<b>Assurance</b>	The content of this report has been prepared by Collins Industry and reviewed and confirmed by the relevant department heads. It has not been guaranteed by an external third-party organization.

## ■ Report Outline

The information and data in this report were obtained through the contact channels of each unit. The Corporate Service Group’s general affairs unit and corporate governance unit compiled the information, and the department heads reviewed its accuracy. The ESG Working Group convener (Corporate Service Group - Vice President) approved the disclosure and prepared it as an official report. We aim to enhance stakeholder comprehension of Collins Co., Ltd.’s corporate sustainability performance and accomplishments in 2022 through improved transparency and comprehensive information disclosure.

## ■ Feedback

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

### **Collins Co., Ltd.**

Contact email: [esg@collins.com.tw](mailto:esg@collins.com.tw)

Telephone: (02)2712-5311 #300

Website: <http://www.collins.com.tw>

Address: 6F., No. 201, Dunhua N. Rd.,  
Songshan Dist., Taipei City, Taiwan



## **Message from the Chairperson**

In recent decades, Taiwan has experienced a rise in environmental and social issues, highlighting the significance and immediacy of sustainable development. In addition to achieving operational growth, Collins has also prioritized fulfilling its corporate social responsibility by actively promoting the implementation of ESG (Environmental, Social, and Governance) practices. In 2022, the Company established a Risk Management Committee and conducted greenhouse gas inventories in its stores, following ISO 14064 standards. Furthermore, Collins has consistently supported sustainability by establishing a recreational center for employees and making donations to social welfare organizations for 13 consecutive years. These initiatives aim to create value for the Company's employees, the environment, and the community.

### **Enhanced Governance and Sustainable Management**

Due to the increasing frequency of extreme weather events, the potential risks posed by climate change are anticipated to affect business operations. Consequently, Collins has established the "Risk Management Committee" in 2022 with the aim of identifying and addressing climate change-related risks. The objective is to minimize the extent of impact and enhance operational resilience. Meanwhile, the Company intends to establish the "Sustainable Development Committee" in order to enhance the sustainable governance of Collins and drive further internal and external ESG initiatives, thereby achieving the objective of sustainable development.

### **Green Energy and Environmental Sustainability**

In line with the "Focus on the environment and future sustainability" initiative, Collins adheres to ISO 14064 greenhouse gas inventory standards and conducts inventories at G2000 stores. The Company's objective is to complete carbon inventories for all G2000 stores in Taiwan by 2025. Furthermore, Collins is implementing a carbon reduction plan that includes the installation of a solar power system at the newly constructed Shulin plant. Additionally, we have made investments in J&V Energy Technology, a company in the green energy industry, as part of our commitment to responsible business practices. Collins is actively expanding into new markets while maintaining a focus on sustainability.

## **Happy Workplace and Community Inclusion**

In 2022, Collins improved several employee benefits that surpass the requirements of the Labor Standards Act. These enhancements include exemption from make-up workdays, 3 days of special leave for new employees on their first day, and the creation of a designated employee recreation area. The Company aims to assist employees in achieving a work-life balance and foster a pleasant, secure, and contented work environment. Collins is committed to the principle of "contributing to society" and has consistently donated rice to orphanages for 13 years. Additionally, we have provided warm clothing to social welfare organizations, helping to brighten lives during the harsh winter season.

## **Looking into the Future and Moving Forward**

Collins will maintain ongoing communication with both internal and external stakeholders. Additionally, we will develop a series of ESG courses aimed at enhancing the sustainability awareness of our management and employees. Our objective is to collaborate with stakeholders in effectively conveying our sustainability policy. In our ongoing pursuit of sustainable transformation, Collins will further reinforce our sustainable governance framework, increase our investment in renewable energy, improve employee benefits and office environment, and contribute to local communities, all in alignment with our mission of sustainable development.



**Chairperson Lee Chung Liang**

# 1. Company Overview

**Company Profile**  
**Operational Performance**  
**Corporate Governance**  
**Communication with**  
**Stakeholders**



# Company Profile



<b>Company name</b>	Collins Co., Ltd.
<b>Stock code</b>	2906
<b>Date of incorporation</b>	May 5, 1969
<b>Capital</b>	NT\$2.09 billion
<b>Number of shares issued</b>	209,111,093 shares
<b>Number of employees</b>	271
<b>Location of operations</b>	6

Note: The above data are as of December 2022

## Company Profile

Collins Co., Ltd. was established on May 5, 1969, with the aim of developing international markets and specializing in the export of construction materials and related processed products. The company's primary objectives at the outset were to increase foreign revenues for Taiwan, cultivate expertise in foreign trade and exports, and create employment opportunities. Over time, Collins has diversified its operations to include global trade, apparel retail, luxury goods agency, and biomedical industries. Furthermore, the company has made strategic investments in forward-thinking sectors like AI and green energy. As Collins continues to prioritize sustainability, its commercial footprint continues to expand.

The Company primarily operates in Taiwan, with subsidiaries or offices located in the United States, Canada, mainland China, Hong Kong, Vietnam, and other locations. Our overseas operations primarily focus on trading and e-commerce retail businesses. In 2022, Collins became the sole agent for Shang Xia, a high-end lifestyle boutique brand. In 2023, Collins plans to collaborate with Baycrew's Group, Japan's largest apparel and restaurant company, to expand its apparel and restaurant brands in Taiwan. This strategic partnership aims to increase market share and deliver enhanced value to customers.

### Headquarters and Information of Operating Bases

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*

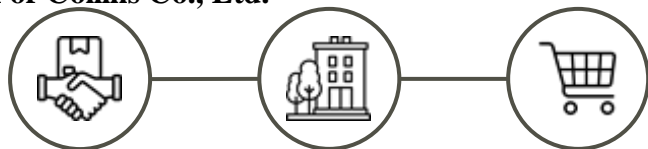
\* Note: Colltex Co., Ltd. set up a subsidiary in Hong Kong and established a garment manufacturing company, Colltex Garment MFY Co., Ltd. (VN), in Vietnam



## Competitive Advantage

Global trade	Service and retail
<ul style="list-style-type: none"> <li>■ A professional team with nearly 50 years of international trade experience</li> <li>■ Accurate understanding of global product and market trends</li> <li>■ Robust financial backing</li> <li>■ A diverse range of products, including both mainstream and innovative options, designed to meet high-quality standards and comply with international safety regulations</li> <li>■ Strong purchasing capabilities in Asia which allow us to leverage abundant supply and bargaining power to ensure the uniqueness of our goods, enabling us to meet customer needs in terms of price and delivery</li> </ul>	<ul style="list-style-type: none"> <li>■ Brand management team with nearly 30 years of accumulated experience</li> <li>■ A wealth of key customers and trade details</li> <li>■ Successful development of numerous brands over the years which is the foundation for our ongoing introduction of new brands</li> <li>■ Deep channel relationships and channel bargaining chips</li> <li>■ Appropriate pricing strategy and inventory control model</li> <li>■ Powerful instant sales system and background management system</li> <li>■ Complete self-built logistics warehousing</li> </ul>

## Value Chain of Collins Co., Ltd.



Upstream suppliers

Collins Co., Ltd.

Downstream customers

International boutique brands	Import agent	Direct sales to consumers
Product manufacturers	Private brand sales	Direct sales to consumers
Product manufacturers	International trade	Sales to consumers by retailers

## Management Vision

Collins adheres to the business philosophy of “good faith, substantiality, perfection, and sociality responsibility.” Our aim is to maintain integrity-based management and foster long-term partnerships with our customers. Internally, we expect our employees to demonstrate discipline and fairness. In light of the dynamic internal and external environment, we strive to innovate, conduct research and development, and serve society while pursuing profitability. By harnessing the power of our enterprise, we aim to contribute to a more prosperous and beautiful society.

Good faith

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.

Substantiality

We attach great importance to customer satisfaction and require everyone to do everything well with a pragmatic attitude.

Perfection

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.

Sociality responsibility

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.

## Introduction of Products and Services

The Company primarily focuses on exporting a wide range of sundries and garments, as well as importing apparel and hemodialysis equipment.

### Domestic Retail Business

The Company primarily focuses on the agency/distribution of imported brands and the retail and sales of fashion, suitcases, leather goods, and other accessories. The Fashion and Lifestyle Business Group at our headquarters primarily represents G2000, a brand specializing in apparel for Hong Kong office workers. Currently, we have established 70 stores and counters in department stores throughout Taiwan. In 2023, Collins will partner with Baycrew's Group from Japan to expand its apparel and food and beverage brands in Taiwan. This includes Journal Standard (a classic select shop), B.C. Stock (known for quality apparel), and Flipper's (a renowned soufflé restaurant). These well-established brands in Taiwan are projected to open 20 new locations within the next three years to meet customer needs.



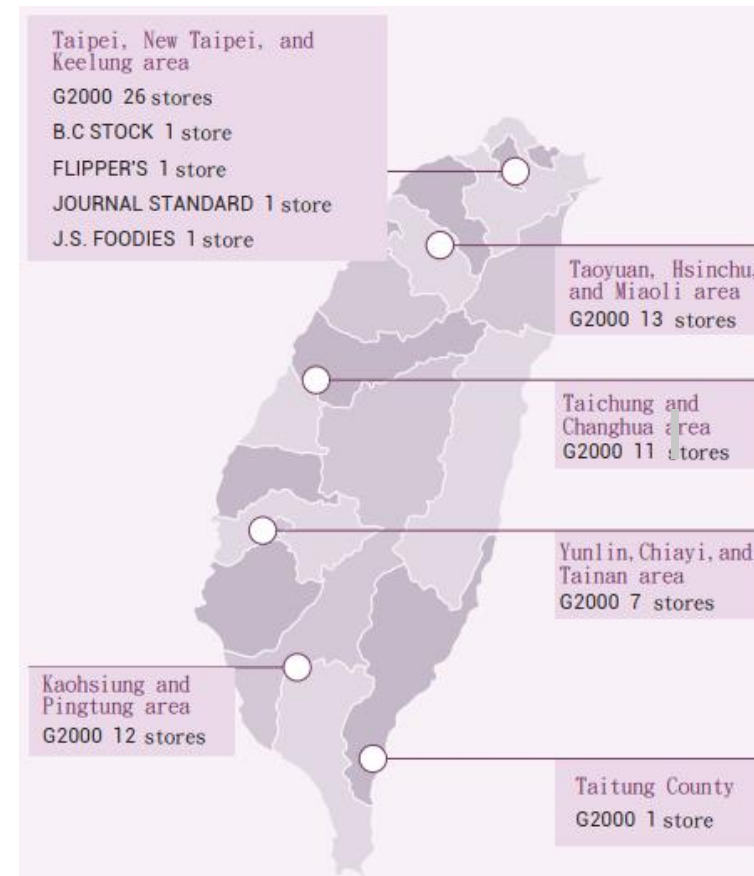
### Introducing new retail technology

To embrace the new retail era, Collins has seamlessly integrated online and offline channels and implemented 91APP, a membership system. Through this app, consumers can conveniently accumulate points. The Company intends to develop low-carbon products in the future. Members will have the opportunity to redeem these products using the points they accumulate in the app. This serves as a way to reward members and encourage sustainable development.

## Brands Represented by the Fashion and Lifestyle Business Group



### Store Locations in Taiwan





### Agent of Luxury Brands

Furthermore, the Company has made an investment in Minoshin International Co., Ltd. to further develop the luxury brand market. Presently, the agency represents esteemed brands such as Delvaux, renowned for their Belgian royal leather goods, Bally, a Swiss boutique specializing in leather goods, Rimowa, Germany's leading luggage brand, Balmain, a top French fashion clothing brand, and Shang Xia, an art boutique brand that highlights Oriental influences. Collins is dedicated to offering the public refined and superior clothing and accessories. The Company aims to further increase its market share in the future by leveraging its professional skills, corporate reputation, and channel advantages.

### Brands Represented by Minoshin

## RIMOWA



Rimowa created the first aluminum luggage in 1937. Since then, the brand has skillfully merged traditional craftsmanship with cutting-edge technology to develop waterproof and highly durable polycarbonate luggage. This exceptional range of luggage serves as the ideal travel companion for discerning customers seeking the utmost quality.

## SHANG XIA



Ms. Jiang Qiong Er is a co-founder of Shang Xia, along with Hermès International S.A. The brand represents the contrasting yet complementary concepts of “shang” (up) and “xia” (down), encapsulating a range of diverse core values. Shang Xia specializes in the creation of harmonious furniture, ready-to-wear clothing, leather goods, and accessories, with the aim of establishing a brand that embodies the art of refined contemporary living.

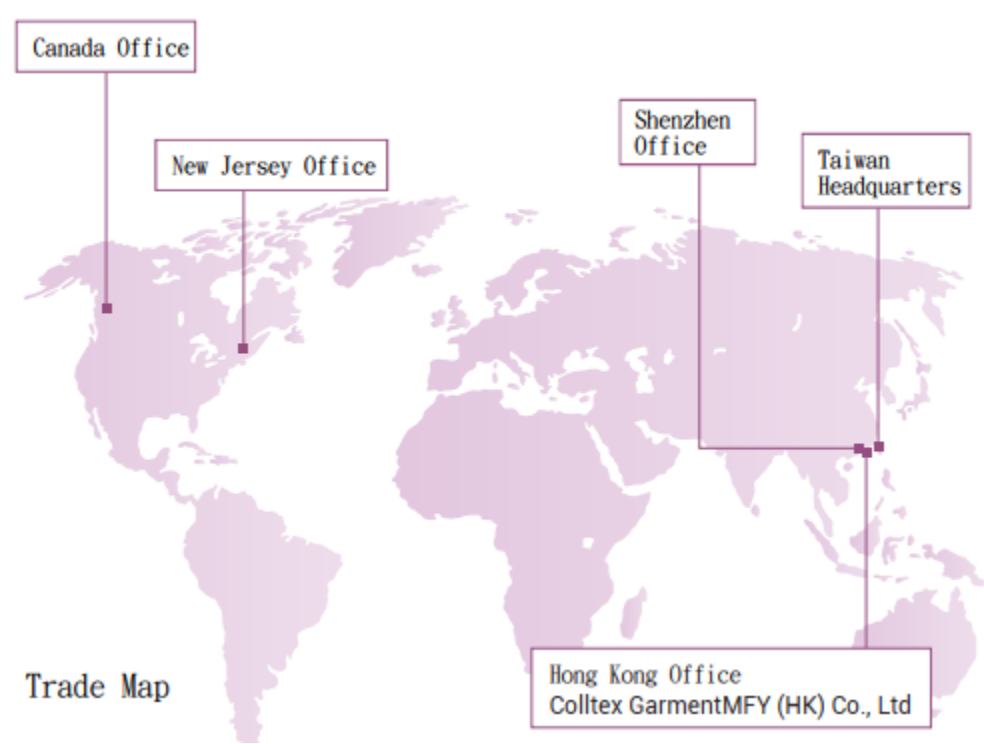
## DELVAUX



Founded in 1829, Delvaux has earned the prestigious title of “Purveyor to the Court” due to its acute awareness of contemporary trends, unwavering commitment to exquisite craftsmanship, and exceptional creative excellence. With a portfolio boasting over 3,000 handbags, the brand remains dedicated to offering opulent leather goods, including tote bags and accessories.




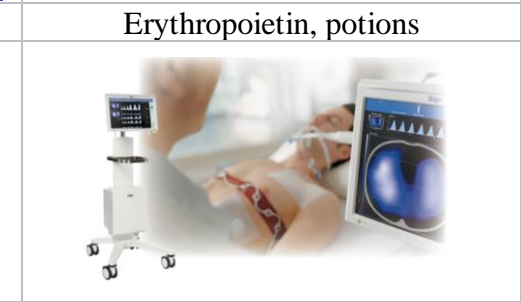
International Trade

The Company primarily exports homeware products, which are mainly sold to large-scale importers and channel operators in Europe and the U.S. Our marketing and sales channels span across China, the U.S., Canada, Hong Kong, Thailand, and more. We have established long-term partnerships with renowned chain stores, retailers, department stores, supermarkets, and importers, offering a wide range of mainstream and innovative products in the market. These products include small home appliances, Christmas ornaments, sporting goods, indoor and outdoor furniture, and more. With our extensive experience in the export business, abundant resources, strong product development capabilities, and solid financial support, we are able to meet our customers’ needs for one-stop shopping. To ensure efficient supply and product inspection, we have established offices in the United States, Canada, China, and Hong Kong. These offices are responsible for supply development and product inspection.



Bio-Medical Business

Collins has ventured into the realm of biotechnology and medical care, expanding its involvement in research and development, production, and sales of biotechnology and medical products through reinvestment. The Company obtained managerial control of HIC and acquired a 56% equity stake in GrowTrend Biomedical Co., Ltd. Using HIC as an example, the company primarily offers dialysis medical equipment, chronic disease consumables, and other medical equipment agency and services. The sales market is primarily focused on the domestic market, with additional presence in Asia. The main targets for direct sales are hospitals and clinics. In the future, we will continue to develop dialysis products and expand our presence in the respiratory equipment consumables, CPAP sleeping aids, dental materials, medical catheters, medicines, and nutritional products industries. Additionally, we will pursue strategic alliances with medical institutions to further develop hospital management consulting services and broaden our business scope.

	
Artificial kidney, circuit tube	Erythropoietin, potions
	
Kidney dialysis machine, repair and maintenance	Breathing and anesthesia

# Operational Performance

## Economic Performance

Collins Group has been actively expanding its business and has achieved impressive results in 2022, benefiting from the gradual recovery from the COVID-19 pandemic. The company's consolidated operating revenue grew by 8.5% compared to the previous year, reaching NT\$375 million in net profit after tax, representing a 24% increase from the previous year. Despite the challenges posed by global inflation and inventory slowdown, all business groups have demonstrated strong growth. The Trading Business Group has defied the trend, achieving a revenue of NT\$3.06 billion in 2022. The Fashion and Lifestyle Business Group has also experienced significant expansion, with revenue reaching NT\$1.19 billion, marking a remarkable 52.56% increase compared to the previous year. The Biotech and Medical Business Group's core operations have shown steady growth, with revenue reaching NT\$4.70 billion. This growth can be attributed to the increased shipment of negative pressure ventilators (NPVs) in response to the COVID-19 pandemic, resulting in a 27.37% increase compared to 2021. The Company plans to continue expanding its businesses and achieve steady growth in the future.

2020-2022 Economic Performance			Unit: NT\$ thousand	
Item	Detailed descriptions	2020	2021	2022
Economic value generated	Operating revenue	6,607,185	8,250,117	8,951,871
	Operating costs	4,899,127	6,324,396	6,675,059
Economic value of distribution	Operating profit and loss	257,531	334,549	450,819
	Salary and benefits	709,858	861,066	988,384
	Cash dividend	62,733	62,733	83,644
	Income tax paid	104,345	101,213	114,173
	Community investment	0	0	0
Economic value retained	Net profit after tax	209,254	302,542	375,155
	Retained earnings	907,591	937,250	1,017,915

## Tax Management

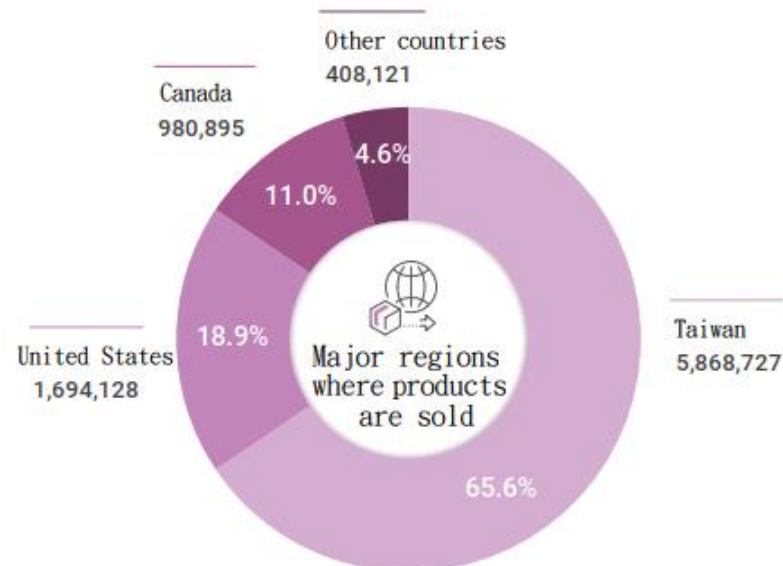
As a global citizen, Collins is dedicated to continuously creating sustainable business value and corporate innovation. We are committed to promoting information transparency and sustainable development, as well as fulfilling our social responsibilities to local countries. Additionally, we strive to bear reasonable tax burdens in our major operating countries.

### Tax Information for the Past Three Years

Unit: NT\$ thousand

Item	2020	2021	2022
Net income before tax	302,436	398,360	505,698
Income tax expense	93,182	95,818	130,543
Income tax rate(%)	30.81%	24.05%	25.80%
Income tax paid	104,345	101,213	114,173

### Amount of product sales by region





## Participation in Industry Associations

Collins actively participates in industry associations and their organized activities. Through our involvement in these associations, we communicate and collaborate with industry peers to promote industrial development. This includes organizing irregular meetings and activities.

### List of Public Associations in which Collins Participates



## External Initiatives

Collins aims to champion significant industry issues and foster industrial development in collaboration with the international community. We aspire to leverage our sustainable development principles to effectively engage with our peers and value chain partners, thereby enhancing our social impact.

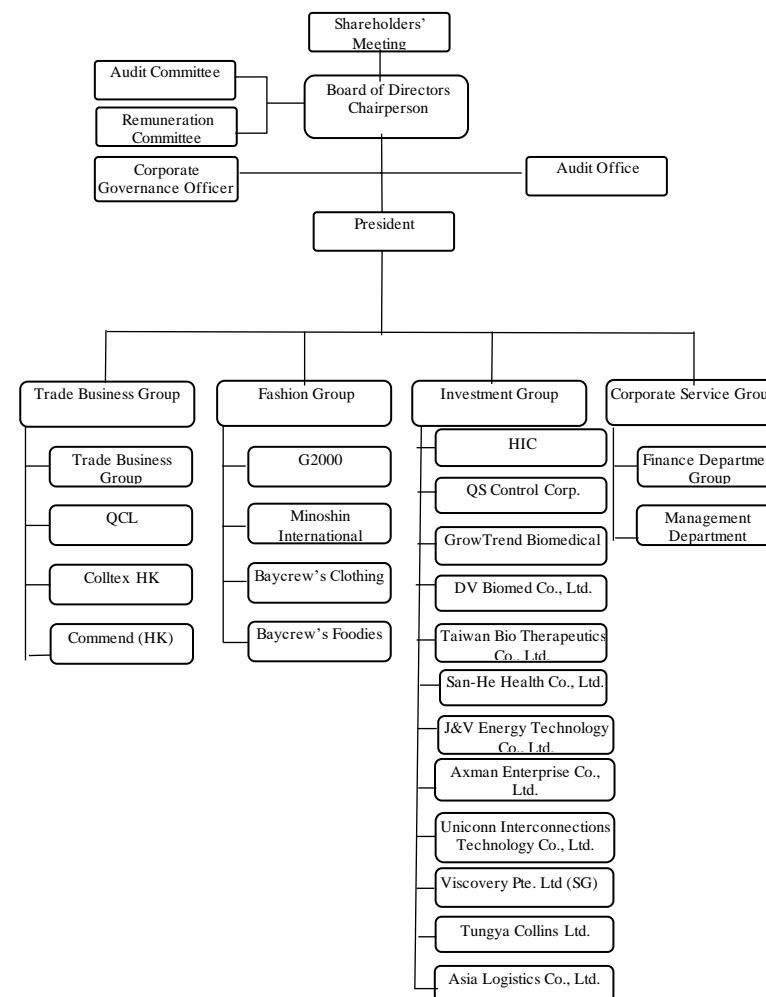
In 2022, Collins actively participated in the “E.Sun ESG Sustainability Initiative” and publicly declared its commitment to sustainable development in the “Sustainable Development Proposal”. Collins acknowledges the significance of ESG practices and strives to contribute to the United Nations SDGs by assuming development goals as its own responsibility. Additionally, Collins vows to address climate change, decrease greenhouse gas emissions, and mitigate environmental impact. In 2022, the Company successfully adhered to ISO 14064 standards and conducted a comprehensive greenhouse gas inventory of the G2000 Zhongxiao Flagship Store. Our future plans include allocating resources to complete greenhouse gas inventories for all G2000 operating locations in Taiwan by 2025. Additionally, we will implement targeted measures to reduce electricity consumption and carbon emissions. With our commitment to becoming a world-class corporate citizen, we will develop sustainable strategies that empower other companies to make positive contributions to the economy, environment, and society throughout the value chain. Our ultimate goal is to embrace a more diverse and resilient sustainable future.



# Corporate Governance

The Board of Directors serves as the highest governing body of the Company. The “Remuneration Committee” was established on November 28, 2011, and the “Audit Committee” was established on June 18, 2019. These committees hold meetings in accordance with the organizational rules approved by the Board of Directors. They exercise the authority delegated by the Board of Directors to comply with laws and regulations, and regularly report their resolutions and activities to the Board of Directors. Collins has established the “Board of Directors Meeting Rules” to uphold the principle of avoiding conflicts of interest. Additionally, the Chairperson of the Board of Directors does not hold a simultaneous position as a senior executive of the Company, further ensuring the directors’ independence. For the policy of avoidance of conflict of interest, please refer to [Page 54 of the 2022 Annual Report](#); for the concurrent service of other capacities by directors, please refer to [Pages 11-15 of the 2022 Annual Report](#)

<b>Corporate Governance Structure</b>	The Company has a total of twelve directors, four of whom are independent directors with expertise in industry knowledge, business management, and finance. The Audit Committee has been established, and the Remuneration Committee is comprised of independent directors.
<b>Shareholders’ Equity</b>	The shareholders’ meeting is conducted in accordance with the “Rules of the Shareholders’ Meeting,” with the Chairperson serving as the meeting’s chair. The Company regularly discloses corporate governance, financial, and business information on its website. It also strictly enforces insider trading prevention regulations among its insiders. The Company has designated a dedicated person and email address to address shareholders’ suggestions, doubts, and other related matters. These measures are implemented by Collins to protect shareholders’ rights and interests.
<b>Roles and Powers of the Board of Directors</b>	The Company’s Board of Directors operates in accordance with the “Articles of Association”. To evaluate the performance of the Board of Directors and directors, the “Rules for Performance Evaluation of Board of Directors” have been formulated.
<b>Stakeholder</b>	In order to safeguard the rights and interests of stakeholders, the Company has implemented a dedicated communication and complaint channel. This platform enables us to gain insight into the needs of stakeholders, effectively address their concerns, and foster transparent and productive dialogues and communication.
<b>Information Disclosure</b>	The Company has established a dedicated website for the purpose of disclosing financial, business, and corporate governance information. This website ensures that all required information is announced and reported within the legally mandated deadlines. Eighteen pieces of material information were issued in 2022. <a href="#">Market Observation Post System</a> Stock Code 2906





## Board of Directors

The Company's "Articles of Association" specify the use of a candidate nomination system for electing directors, in accordance with the "Regulations for the Election of Directors". Directors serve a term of three years. The Board of Directors places great importance on gender equality and expects directors to have a professional background in areas such as law, accounting, industry, marketing, etc. Additionally, directors are expected to possess the necessary knowledge and skills for carrying out their duties, including business management, accounting and financial analysis, crisis management, and industry knowledge, among others.

For details, please refer to Collins Co., Ltd. – [Diversity of the Board Members](#), Page 42-44 of the 2022 Annual Report

The current Board of Directors consists of 12 directors (including 4 independent directors), and the term of office is from June 15, 2022 to June 14, 2025. The Board of Directors convened 6 meetings in 2022.

Title	Name	Gender	Board meeting attendance rate
Chairperson	Lee Chung Liang	Male	100%
Director	Lee Hsi Lu	Male	100%
Director	Chen Chun Hong	Male	100%
Director	Chen Ching Kuhn	Male	100%
Director	Lee Chung Ting	Male	100%
Director	Lee Po Yi	Male	100%
Director	Lee Chieh Hsi	Male	100%
Director	Hou Chun Yu	Male	100%
Independent Director	Chen Yung Chang	Male	100%
Independent Director	Ho Shih Chinn	Male	100%
Independent Director	Chu Li San	Male	100%
Independent Director	Lin Shui Yung	Male	100%

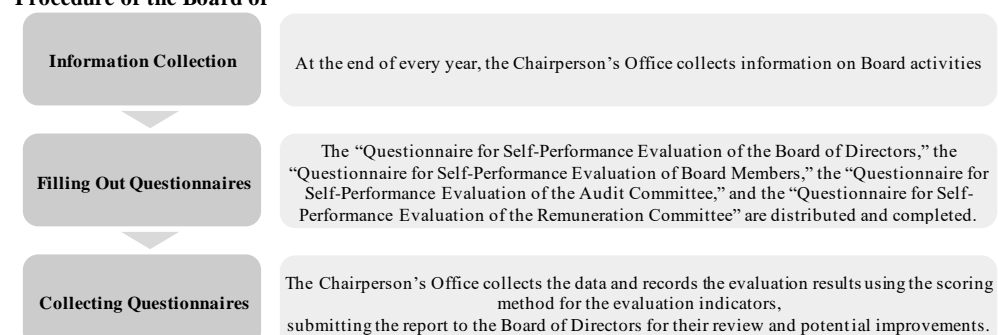
## Performance Evaluation of the Board of Directors

To ensure the ongoing implementation of corporate governance and enhance the effectiveness of the Board of Directors, Collins has developed the "Rules for Performance Evaluation of Board of Directors." These rules aim to improve the operational efficiency of the Board by setting performance targets. The Chairman's Office annually evaluates the performance of the Board of Directors. In 2022, the evaluation focused on the Board of Directors as a whole, individual members of the Board, the Audit Committee, and the Remuneration Committee. The evaluation was carried out through self-assessment using a questionnaire, and the results for the year all exceeded expectations significantly.

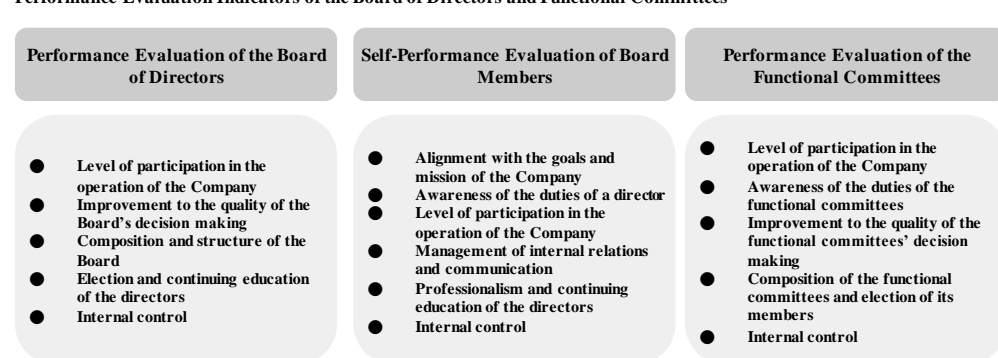
For details regarding the performance evaluation of the Board of Directors, please consult the official website of Collins Co., Ltd.

(1) [Rules for Performance Evaluation of Board of Directors](#) (2) [2022 Performance Evaluation Results of the Board of Directors](#)

### Performance Evaluation Procedure of the Board of



### Performance Evaluation Indicators of the Board of Directors and Functional Committees



## Education for Board Members

In addition to pursuing ongoing education in corporate governance and legal compliance, board members also engage in various ESG and corporate sustainability courses. These courses aim to enhance their decision-making abilities, fulfill their supervisory duties, bolster the effectiveness of the Board of Directors, and advance sustainable development. In 2022, the Board of Directors of the Company ensured that a total of 82 hours of training were completed by 12 directors and independent directors.

### Information on the Education of the Board Members in 2022

Title	Name	Course date	Organizer	Course name	Training hours
Chairperson	Lee Chung Liang	2022/06/22	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0
		2022/03/21	Securities & Futures Institute	Training Commissioned to and Organized by Taipao Resins Chemical Co., Ltd. - Advanced Seminar on the Practices of Directors and Supervisors - Corporate Governance and Securities Laws and Regulations	3.0
		2022/03/09	Taiwan Institute of Directors	Leadership Academy Forum: Relaunching under the New Reality - Discovering the Digital New Taiwan	3.0
Director	Lee Hsi Lu	2022/09/06	Accounting Research and Development Foundation	Analysis of Legal Liabilities and Cases Related to Disputes over the Management Rights of Companies	3.0
		2022/08/25	Taipei Exchange	Insider Equity Promotion and Briefing Session of OTC Emerging Companies	3.0
		2022/03/10	Taiwan Stock Exchange Corporation (TWSE) and Quantum International Corp. (QIC)	Discussion on Independent Directors and Supervision of the Board of Directors from an International Perspective	1.0
Director	Chen Chun Hong	2022/08/26	Taiwan Academy of Banking and Finance	Board of Directors Operational Practices and Corporate Governance Workshop	3.0
		2022/03/29	Taiwan Academy of Banking and Finance	Board of Directors Operational Practices and Corporate Governance Workshop	3.0
Director	Lee Chung Ting	2022/10/05	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		2022/06/22	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0
Director	Chen Ching Kuhn	2022/09/21	National Federation of CPA Associations of the R.O.C.	Carbon Management Trends and Actions to Achieve Net-Zero Emissions	3.0
		2022/09/20	National Federation of CPA Associations of the R.O.C.	International Tax Reform and Family Wealth Inheritance	3.0

Title	Name	Course date	Organizer	Course name	Training hours
		2022/06/22	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0
Director	Lee Po Yi	2022/10/12	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		2022/03/09	Taiwan Institute of Directors	Leadership Academy Forum: Relaunching under the New Reality - Discovering the Digital New Taiwan	3.0
Director	Lee Chieh Hsi	2022/10/12	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		2022/03/09	Taiwan Institute of Directors	Leadership Academy Forum: Relaunching under the New Reality - Discovering the Digital New Taiwan	3.0
Director	Hou Chun Yu	2022/07/21	Accounting Research and Development Foundation of the Republic of China	Legal Compliance and Fraud Prevention for Information Security and Privacy Protection	3.0
		2022/07/13	Accounting Research and Development Foundation of the Republic of China	The Latest Corporate Governance Policies and Corporate Governance Evaluation Practices	3.0
Independent Director	Chen Yung Chang	2022/10/12	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		2022/08/18	Taiwan Institute of Directors	SAP NOW Taiwan – Enabling Sustainable Intelligent Enterprise	3.0
Independent Director	Ho Shih Chinn	2022/08/24	Taiwan Corporate Governance Association	Analysis of Important Laws and Regulations on Cross-Strait Investment, Joint Ventures, Mergers, and Acquisitions	3.0
		2022/08/24	Taiwan Corporate Governance Association	Strategic Thinking on Corporate Restructuring of Group Enterprises	3.0
		2022/03/09	Taiwan Institute of Directors	Leadership Academy Forum: Relaunching under the New Reality - Discovering the Digital New Taiwan	3.0
Independent Director	Chu Li San	2022/11/15	Securities & Futures Institute	ESG Information Disclosure Trends and Relevant Regulations	3.0
		2022/11/08	Securities & Futures Institute	Analysis of the Key Points of Corporate Governance Evaluation that Directors and Supervisors Should Pay Attention to	3.0
Independent Director	Lin Shui Yung	2022/10/26	Accounting Research and Development Foundation of the Republic of China	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		2022/09/29	Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX)	2022 Reference Guidelines for the Exercise of Duties and Powers by Independent Directors and Audit Committees Released to Assist TWSE- and TPEX-Listed Companies	3.0

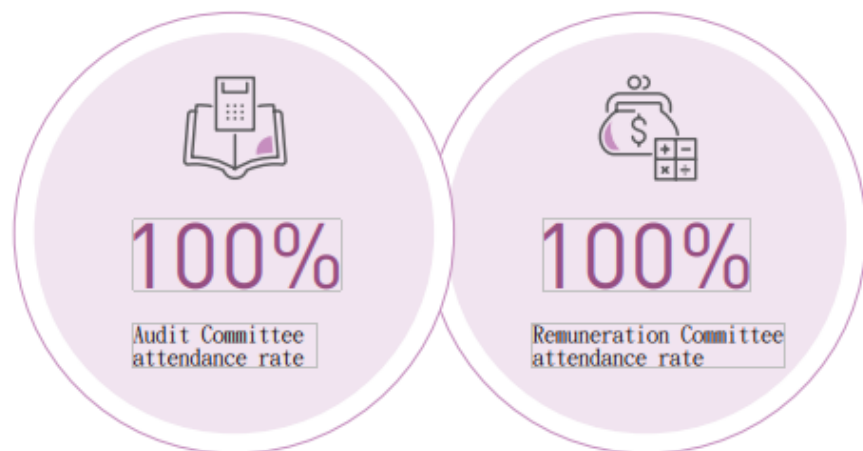
## Audit Committee

To enhance corporate governance and bolster the Board of Directors' functions, the Company has established an Audit Committee. This committee, comprised of 4 independent directors, convenes at least quarterly. Its responsibilities include overseeing the Company's significant asset transactions, monitoring the presentation of financial reports, managing the appointment (and dismissal), independence, and performance of CPAs, ensuring the effective implementation of internal controls, ensuring compliance with relevant laws and regulations, and managing existing and potential risks for the Company.

### Implementation Results in 2022

In 2022, the Audit Committee held 5 meetings, with all members in attendance. A total of 18 motions were adopted, covering various topics such as quarterly financial statements, annual earnings distribution, internal audit plans, the inclusion of the "Preparation and Reporting Operations of Sustainability Report" and the "Risk Management Policies and Procedures", and the amendment of the "Internal Control System". These motions have improved Collins' internal control effectiveness, supported sustainable development policies, and strengthened risk management.

[For details of the operation of the Audit Committee, please refer to Pages 32-34 of the 2022 Annual Report](#)



## Remuneration Committee

The remuneration structure of Collins Co., Ltd. is determined by various factors, including operational objectives, internal and external fairness, hierarchy, industry salary levels, job duties and functions, and contribution to the Company's operations. The Company has established the Remuneration Committee, consisting of 4 independent directors. The purpose of the Committee is to enhance the capabilities of the directors and managerial officers. It is responsible for developing and regularly reviewing performance evaluations, as well as policies, systems, standards, and structures for director and managerial officer remuneration. The Committee also provides recommendations to the Board of Directors. 3 meetings were convened in 2022, and the actual attendance rate of the Remuneration Committee meeting was 100%.

### Remuneration Policy of Directors

In accordance with Article 23 of the Company's Articles of Association, if the Company makes a profit for the year, no more than 3% shall be set aside as the directors' remuneration. Directors' remuneration is determined based on their level of involvement and contribution to the Company's operations, as well as industry standards for remuneration. The Board of Directors determines the specific percentage and amount to be distributed, considering factors such as their performance evaluation, the Company's operating results, and future operational risks. The shareholders will be informed of the directors' remuneration during the shareholders' meeting. The Company's primary operating expenses consist of transportation expenses, which are determined based on industry standards.

### Remuneration Policy of Managerial Officers

The remuneration of managerial officers is divided into four categories: salary, retirement pension, bonuses and special expenses, and employee compensation, as outlined in the Company's Articles of Association. The Board of Directors determines the ratio, amount, and method of distribution, and this information will be reported to the shareholders during the shareholders' meeting. Reasonable compensation is determined by considering factors such as job duties, industry remuneration levels, individual and departmental performance, the Company's operating results, and future risks.

[For details of the directors' and managerial officers' remuneration for the year 2022, please refer to Page 23-29 of the 2022 Annual Report](#)

## Corporate Governance Promotion Team

In 2022, Collins established a “Corporate Governance Promotion Team” to improve corporate governance and transparency in operations and financial information. The team is led by the Corporate Governance Officer, who is responsible for planning and promoting the implementation of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” as the foundation for enhancing the corporate governance structure. The company’s corporate governance and internal management mechanisms are in compliance with applicable laws and regulations. The promotion team has also consulted the Company’s Ethical Corporate Management Action Team, which oversees compliance with the Ethical Corporate Management Operating Procedures, as well as the implementation of the Code of Conduct, registration of notifications, execution of tasks, and supervision of relevant operations.

### Results of Implementation in 2022

In 2022, 5 meetings were held to address topics such as ethical corporate management, the Company’s ESG sustainability plan, and the development of a corporate briefing for stakeholder communication.

### Corporate Governance Officer

The establishment of the Corporate Governance Officer was approved by the Board of Directors in 2021. Vice President Wang Pei Yu, of the Corporate Service Group, serves as the Corporate Governance Officer, with the primary responsibility of being responsible for the promotion of corporate governance-related job duties, which includes the following:

1. Preparing and planning for the annual Board of Directors and shareholders’ meetings
2. Assisting the directors in continuing education and training as well as in the self-assessment of the performance of the members of the Board of Directors and all functional committees
3. Complying with the competent authorities to amend the Company’s bylaws
4. Providing information and documents required for the Board meeting, compiling meeting minutes after each board meeting, and handling the dissemination of material information on important board resolutions

### Information on the Education of the Corporate Governance Officer in 2022

Course date	Educational institutions	Course name	Training hours
2022/05/03	Accounting Research and Development Foundation of the Republic of China	The Latest Corporate Governance Policies and Corporate Governance Evaluation Practices	3.0
2022/10/26	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
2022/10/28	Securities & Futures Institute	2022 Annual Prevention of Insider Trading Promotion Conference	3.0
2022/12/01	Accounting Research and Development Foundation of the Republic of China	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges - Corporate Governance	6.0
2022/12/02	Accounting Research and Development Foundation of the Republic of China	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges - Accounting	3.0
2022/12/02	Accounting Research and Development Foundation of the Republic of China	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges - Professional Ethics and Legal Liability	3.0



## Ethical Corporate Management

Collins has developed the “Code of Integrity Management” and the “Code of Ethical Conduct” specifically for directors and managers, in line with our business philosophy of integrity, transparency, and responsibility. These codes provide guidance on how to handle illegal and unethical behavior, as well as outline the procedures and behavior guidelines that our personnel should adhere to when conducting business.

The Company’s human resources department has created the “Ethical Corporate Management Action Team”. This team is responsible for regularly analyzing and assessing the risks of unethical behavior within the company’s operations. They also oversee the promotion and coordination of integrity policy training, develop a whistleblower system, and provide regular reports to the Board of Directors. In 2022, we conducted internal education and training sessions on the management of confidential information and workplace ethics, with a total of 132 participants. Furthermore, it is mandatory for all employees to sign a statement to guarantee the legality and adherence to regulations of all their actions. As for suppliers, their sales contracts explicitly state that any form of dishonest transactions, including bribery and illegal lobbying, are strictly forbidden. There were no incidents of corruption in all units in 2022.

### Ethical Corporate Management Best Practice Principles

Based on the “Code of Business Integrity”, the “Prevention against Dishonest Behavior” has been formulated to cover the following points:

■	Offering and accepting bribes
■	Illegal political donations
■	Improper charitable donations or sponsorship
■	Offering or acceptance of unreasonable gifts 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

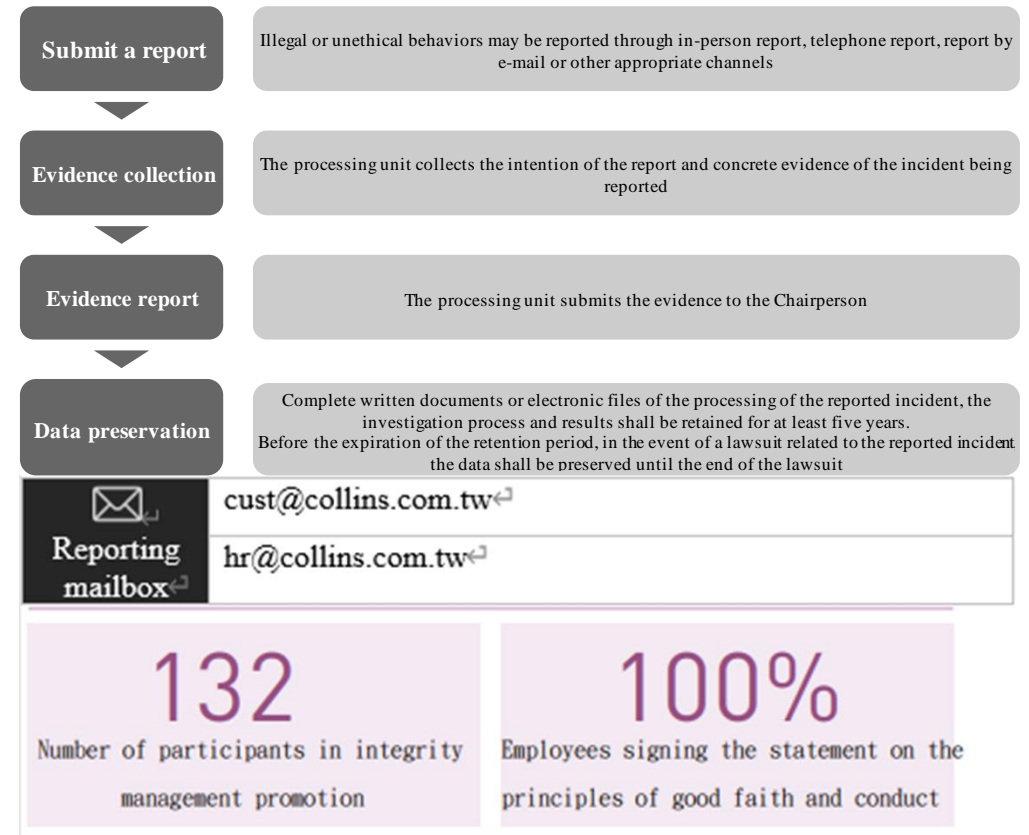
### Handling Cases of Unethical or Dishonest Conduct

To enforce the “Code of Ethical Conduct” and the “Code of Integrity Management”, the Company promotes the reporting of any illegal actions or violations of these codes. To this end, the Company has developed the

“Handling Procedures for Reporting Illegal and Unethical Behavior”. These procedures establish internal and external whistle-blowing channels and processing systems, ensuring the protection of the legal rights and interests of both whistleblowers and those involved in the reported incidents. The Company handles reported cases from whistleblowers in a confidential manner, ensuring the protection of the whistleblower’s identity through independent verification channels. Total confidentiality is maintained throughout the process. If the whistleblower is an employee of the Company, the Company ensures that the employee will not face any improper consequences as a result of their whistleblowing. In 2022, no illegal or unethical behaviors were reported to Collins.

### Reporting and Handling Procedures

#### Reporting channels



## Risk Management

The Company has established Risk Management Policies and Procedures and formed the “Risk Management Committee”, led by the President, to oversee and address various operation-related risks. These risks include operational and strategic risks, climate change and hazard risks, information risks, financial risks, and legal compliance and contract risks, among others. The Committee operates based on a three-tiered system of division of labor for risk management. The individuals responsible for each job duty within each unit are accountable for identifying and controlling risks. Department supervisors are responsible for managing risks related to their respective job duties and staying updated on changes in laws and regulations. Top managerial officers of each business group identify risk factors, assess the effectiveness of the risk management mechanism, and submit risk management monitoring reports. The Risk Management Committee regularly reports the current risk situation to the Board of Directors on an annual basis.

Type of risks	Description of risks	Countermeasures to risks	Risk Management Unit
Operational and strategic risks	<ul style="list-style-type: none"> <li>The emergence of online shopping has had a significant impact on the conventional trade model and physical retail channels.</li> <li>Many foreign retail brands have entered the market, making it challenging to maintain long-term control over the agency rights of these brands.</li> </ul>	<ul style="list-style-type: none"> <li>91APP was introduced to create new online sales channels, which has resulted in increased flexibility in shipment to accommodate the short cycles and diverse purchasing patterns of e-commerce. Additionally, the company has developed private brands for trading and has implemented e-commerce sales and digital marketing professionals or outsourcing services to enhance its capabilities in managing e-commerce channels.</li> <li>The Company improves brand positioning and sustains channel advantages to secure a competitive edge in the retail industry. Additionally, it actively expands the brand agency lineup and product offerings. In 2022, the Company collaborates with BCG Group, Japan’s leading apparel and restaurant corporation, to expand into the Taiwanese market. Simultaneously, it maintains cooperative relationships with foreign boutique brands to further develop the high-end market.</li> </ul>	Finance Department
Financial and operational risks	As a result of significant inflation in the United States, the Federal Reserve increased interest rates in 2023. In response, the Central Bank of the Republic of China (Taiwan) also raised interest rates, which is anticipated to raise the cost of capital.	The Company intends to manage capital costs by extending borrowing periods, utilizing interest swaps, or raising funds with fixed interest rates for longer durations. Additionally, export trade quotes and G2000 retail prices may be adjusted accordingly to respond to the situation and maintain profit margins.	Corporate Service Group, Trade Business Group, and Fashion and Lifestyle Business Group
Compliance and contract risks	Changes in laws and regulations occur swiftly, and failing to respond promptly may lead to the risk of non-compliance.	The Company has a team of specialists who promptly compile and analyze changes in laws, regulations, and accounting standards. These specialists also leverage internal resources to proactively respond, considering the guidance provided by competent authorities as well as the insights of attorneys and accountants.	Legal Affairs, Audit Office, and Corporate Service Group
Investment risks	The Company participates in investments that carry high risk and leverage, potentially resulting in investment losses that can significantly impact the Company.	The Company participates in high-risk and high-leverage investments, lending funds to other parties, providing endorsements and guarantees, and engaging in derivative transactions. These activities are carried out in compliance with the Company’s regulations, systems, and internal control procedures. Funds, endorsements, and guarantees are provided to subsidiaries, while derivative transactions serve as low-risk investments with significant hedging requirements.	Investment and Development Business Group and Finance Department
Human resource risks	The Company oversees talent recruitment and retention, and a high turnover rate will raise human resource costs and diminish the Company’s stability.	The Company conducts regular market surveys to assess industry salary levels. It also offers performance appraisal bonuses and year-end bonuses, which are determined by individual or departmental performance. Additionally, the Company provides leave regulations that surpass statutory requirements. For instance, it eliminates the need for make-up days and grants three days of annual leave upon joining the Company. These measures aim to increase employee retention.	Corporate Service Group and Human Resources Unit

## Climate Change Risks

According to The Global Risk Report 2021 published by the World Economic Forum, the most probable and impactful occurrences are “extreme climate events” and “climate action failures.” This highlights the importance for companies to prioritize climate change as a significant concern. To comprehensively assess the risks and opportunities associated with climate change, Collins utilizes the Task Force on Climate-related Financial Disclosures (TCFD) as the basis for identification and analysis. Collins aligns with the fundamental principles of TCFD through practical measures and provides guidance to businesses on the risks and opportunities associated with transitioning to a low-carbon economy.

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

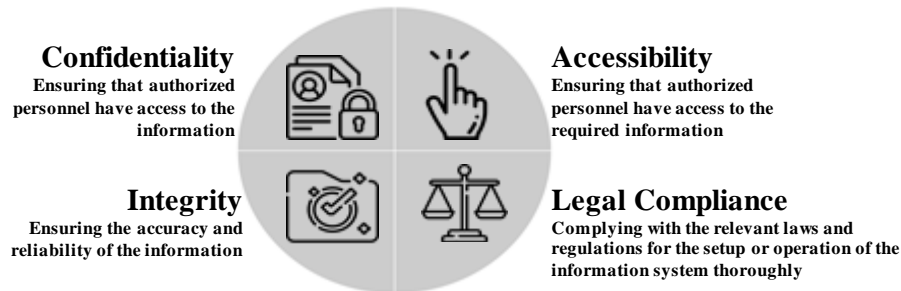
Item	Description
<b>Governance</b>	<ul style="list-style-type: none"> <li>■ Assess the current and future risks and opportunities of climate change for Collins Industries. Ensure compliance with applicable environmental regulations and international standards. Take appropriate measures to protect the natural environment and commit to environmental sustainability goals in all business activities. Relevant management obligations are recorded in the “Code of Practice for Sustainable Development”</li> <li>■ The Risk Management Committee provides an annual report to the Board of Directors, reviewing the operational effectiveness of climate change-related issues. This report also includes future work plans and directions for improving ESG promotion and information disclosure. These directions include strengthening inventory, aligning with international standards, improving information credibility and interactive communication, and learning from benchmark examples.</li> </ul>
<b>Strategies</b>	<p>The Company’s objectives include constructing solar power generation facilities, implementing the carbon inventory program across all business locations in Taiwan, and investing in the green energy industry to decrease carbon emissions and address climate change.</p> <ul style="list-style-type: none"> <li>■ <b>[Sustainable Development Committee]</b> The Company intends to establish the Sustainable Development Committee in 2024. This committee will be responsible for implementing, promoting, and coordinating the integration of sustainability-related operations, with the aim of enhancing sustainability governance.</li> <li>■ <b>[Planning of solar power generation]</b> Solar power generation equipment with a capacity of 162.9kW will be installed in the Shulin Factory Office Building. The installation is scheduled to be completed by the end of 2023.</li> <li>■ <b>[Expansion of carbon inventory program]</b> The G2000 Zhongxiao Flagship Store successfully conducted inventory using the ISO 14064 standard in 2022. It is anticipated that the carbon inventory for all G2000 stores in Taiwan will be completed by 2025.</li> <li>■ <b>[Rainwater recycling and reuse]</b> Eight rainwater retention tanks has been planned for the underground foundation of the new plant, with an active volume of 208m<sup>3</sup> (equivalent to 200,000 liters)</li> <li>■ <b>[Green energy investment for carbon reduction]</b> The Company has invested in J&amp;V Energy Technology and Yu-Guang Energy, and assessed the possibility of cooperating with external parties in search of more green energy investment projects to help promote the development of green energy transformation</li> <li>■ <b>[Building charging piles for electric vehicles]</b> The Company plans to establish charging piles and charging station facilities for electric scooters and vehicles in its self-owned and self-constructed office buildings and factories</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>■ Paying attention to domestic and international climate change trends, as well as the “Greenhouse Gas Reduction and Management Law”. Evaluating the impact of these regulations on the Company in order to mitigate climate-related financial risks.</li> </ul>
<b>Indicators and targets</b>	<ul style="list-style-type: none"> <li>■ Greenhouse gas inventory: Completion of greenhouse gas inventory for all operating sites in Taiwan by 2025</li> <li>■ Formulating environmental management policies: Formulate company policies for energy conservation, carbon reduction, greenhouse gas reduction, water reduction, and other waste management</li> <li>■ Planning for low-carbon commodities: Once the construction of solar energy equipment for the new factory is finished, it will generate electricity and allow us to acquire carbon rights. The Company will utilize green electricity for internal consumption and consider selling low-carbon commodities based on market conditions.</li> </ul>

## Information Security Risks

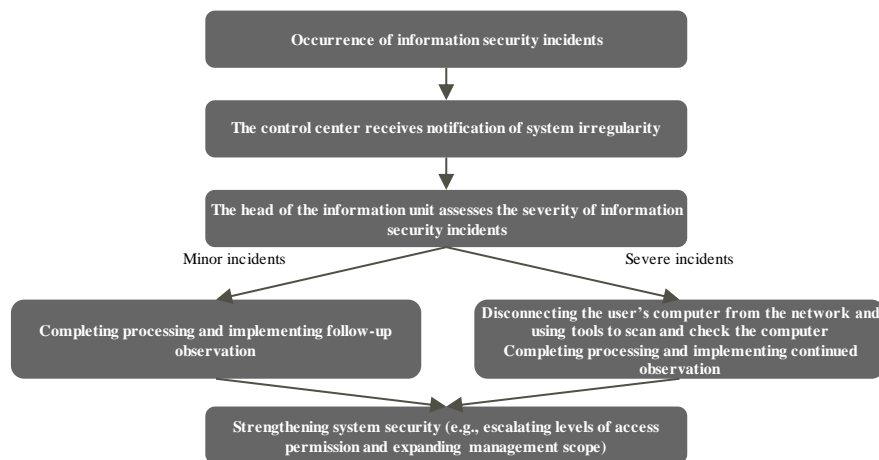
Collins has implemented the “Information Security Management Framework” and developed information security policies and management plans to address the risks associated with information security. Moving forward, the ISO 27001 information security management system will be implemented to enhance information security measures. Presently, the director of the information unit is accountable for overseeing information security matters. The company has established four primary objectives for its information security policies: confidentiality, integrity, availability, and legal compliance. These objectives aim to enhance awareness of information security measures and ensure that all external communication systems and services are suitable for their intended purpose. Additionally, Collins plans to implement specific management solutions, including database encryption and backup, the implementation of an external mail filtering mechanism, and the centralization of important data management. To date, the Company has not encountered any significant information security risks.

The Company has implemented an incident handling process for information security incidents. In the event of an abnormality, the central control center will generate a system notification. The supervisor of the information unit will then assess the user’s status and determine the severity of the incident. In cases of serious incidents, the user will be instructed to disconnect from the network and utilize a scanning tool to check their device. In 2022, the Company continued to enhance its internal information security software and hardware facilities. Additionally, information security awareness campaigns were conducted through email communication with employees. Notably, Collins experienced no information security incidents throughout the year.

## Purpose of the Information Security Policy



## Information Security Incident Notification and Handling Process



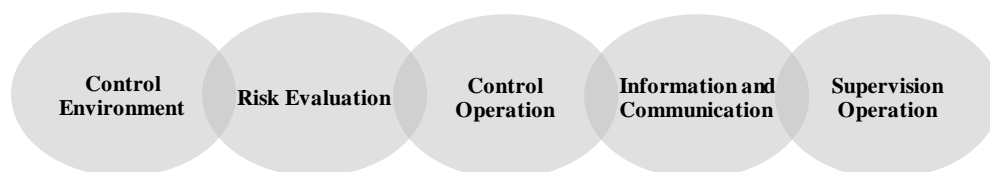
## Using digital transformations to move towards new retail

Collins has implemented digital technologies to integrate online and offline data, allowing G2000 customers to earn points through the app when making purchases. This innovation enhances and streamlines the customer shopping process and improves the overall experience. The Company places significant emphasis on and safeguards the personal data of our customers during the process of digitizing the data. Collins has engaged a cloud vendor that has successfully completed SOC2 (Service Organization Controls) information security audits to oversee the management of member data. We enforce rigorous controls over the security, availability, processing integrity, confidentiality, and privacy protection of our information system. Additionally, we have scheduled regular external audits to enhance data security in the future. In 2022, there were no instances of customer data leaks or information security incidents involving personal information, and no customers were impacted.

## Internal Audits

The purpose of internal audits is to help the Board of Directors and managerial officers identify and assess deficiencies in the internal control system, evaluate the impact and efficiency of operations, and offer timely recommendations for improvement. These audits serve as a foundation for ensuring the sustainable and effective implementation of the internal control system, as well as for reviewing and revising it. The Company's internal audit office reports directly to the Board of Directors and is currently staffed with 1 audit supervisor and 1 auditor. The Audit Committee must approve the appointment and removal of the internal audit supervisor, and it must be submitted to the Board of Directors for resolution. Internal audits are categorized as regular and irregular. Regular audits are conducted by auditors in accordance with the Company's annual audit plan, while irregular audits are performed by auditors based on instructions or business requirements. Auditors should establish an audit cycle to perform regular audits. At the conclusion of each audit, they should compile an audit report, including pertinent information, and report any deficiencies and recommendations for enhancement. Additionally, auditors should consistently monitor the progress of these improvements.

### Five Criteria of the Internal Control System



### Internal Audit Implementation Procedures



## Legal Compliance

The Company complies with laws, regulations, and ethical standards. We adhere to the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and other applicable laws and regulations. To ensure compliance with environmental, economic, and social norms, the Company has established the following regulations and upholds the corporate culture spirit of “good faith, substantiality, perfection, and sociality responsibility”. We have also developed and implemented various ethical policies to promote the sustainable development of the Company. No violations of environmental protection or socio-economic related regulations occurred in 2022.

### List of Company Rules

■ Articles of Association
■ 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
■ Codes of Ethical Conduct
■ Corporate Sustainable Development Best Practice Principles
■ Rules for Performance Evaluation of Board of Directors
■ Procedure for Reporting Illegal and Unethical or Dishonest Conduct
■ Internal Auditor Appointment and Remuneration Measures
■ Ethical Corporate Management Operating Procedures and Code of Conduct
■ Rules Governing the Preparation and Filing of Sustainability Reports










# Communication with Stakeholders

## Communication with Stakeholders

Collins upholds the principle of conducting business with “good faith”. We place significant emphasis on effective communication with our customers, investors, employees, and partners. Our commitment is to provide customers with products and services of the highest quality, while maintaining our integrity. Additionally, we strive for mutually beneficial relationships with our suppliers. The Company has identified seven key stakeholder groups based on AA 1000 SES (Stakeholder Engagement Standards): customers/consumers, employees, shareholders/investors, suppliers, government/regulators, society, and local communities. Additionally, the Company adheres to five core principles: dependability, responsibility, influence, diverse perspectives, and tension. Through various communication channels, the Company discloses information and gathers feedback, actively addressing and comprehending stakeholder concerns. This approach ensures successful and productive stakeholder communication.






## Issues and Channels of Communication with Stakeholders

Stakeholder	Significance of the stakeholder to Collins	Communicated issues	Communication channels
 <b>Customers/ consumers</b>	Trading and retailing are crucial aspects of Collins Industries' business operations, and establishing long-term relationships with customers and consumers significantly impacts our revenue.	Sustainable Procurement, Marketing and Labeling, and Information Security	<ul style="list-style-type: none"> <li>■ Irregular telephone and email communications</li> <li>■ Irregular face-to-face/video conferences</li> </ul>
 <b>Employees</b>	Employees are a crucial asset for Collins. To attract exceptional talent, we offer a comprehensive salary, benefits, and training package. This ensures that we can fully harness the potential of our employees and optimize operational performance.	Talent Attraction and Retention, Non-Discrimination, and Talent Cultivation and Development	<ul style="list-style-type: none"> <li>■ Irregular internal information promotion</li> <li>■ Organizing annual labor-management meetings</li> <li>■ Employee Welfare Committee and internal grievance channels</li> </ul>
 <b>Shareholders /investors</b>	The support of shareholders and investors is crucial for Collins as it directly impacts the stability of the Company's funds. Consequently, our operating objectives include maximizing benefits for shareholders and ensuring transparent disclosure of financial information.	Economic Performance, Market Presence, and Energy Management	<ul style="list-style-type: none"> <li>■ Annual shareholders meeting and corporate briefing</li> <li>■ Company website and media information disclosures</li> </ul>
 <b>Suppliers</b>	Suppliers serve as the primary source of products for trade and retail. Establishing strong partnerships with suppliers is crucial to ensuring the quality of our products.	Sustainable Procurement	<ul style="list-style-type: none"> <li>■ Irregular telephone and email communications</li> <li>■ Irregular face-to-face/video conferences</li> </ul>
 <b>Government/ regulators</b>	Government agencies formulate various regulations, and Collins ensures compliance with the laws of relevant local governments. Additionally, we actively collaborate with the public sector to effectively implement sustainable development initiatives.	Economic Performance, Market Presence, and Forced or Compulsory Labor	<ul style="list-style-type: none"> <li>■ Regular internal control audits</li> <li>■ Participation in symposiums, seminars or courses held by government agencies</li> </ul>
 <b>Society</b>	We are consistently communicating the Company's brand image to the public, thereby promoting the concept of sustainability to a wider range of stakeholders.	Market Presence and Marketing and Labeling	<ul style="list-style-type: none"> <li>■ Company website and media information disclosures</li> <li>■ Company telephone and email</li> </ul>
 <b>Local communities</b>	Maintaining strong relationships with community neighbors is a crucial aspect of cultivating local presence and contributing to society, given the widespread presence of retail outlets throughout Taiwan.	Local Communities and Sustainable Procurement	<ul style="list-style-type: none"> <li>■ Company website and media information disclosures</li> <li>■ Company telephone and email</li> </ul>

## Materiality Analysis

In accordance with GRI 3 material topics, the Company has performed a materiality analysis through the following steps: gathering sustainable issues, conducting surveys, analyzing material topics, reviewing and discussing, mapping positive/negative impact matrix, ranking general impacts, and ultimately selecting 11 material topics. These topics serve as the foundation for compiling the corporate social responsibility report and evaluating the Company's current state of sustainable development.

### List of Material Issues

#	Type	Issues
1	 Economic	Ethical Corporate Management
2		Market Presence
3		Information Security
4		Risk Management
5		Sustainable Procurement
6	 Environmental	Raw Material Management
7		Greenhouse Gas Emissions
8		Energy Management
9	 Social	Talent Cultivation and Development
10		Talent Attraction and Retention
11		Non-discrimination

### Process of Materiality Analysis

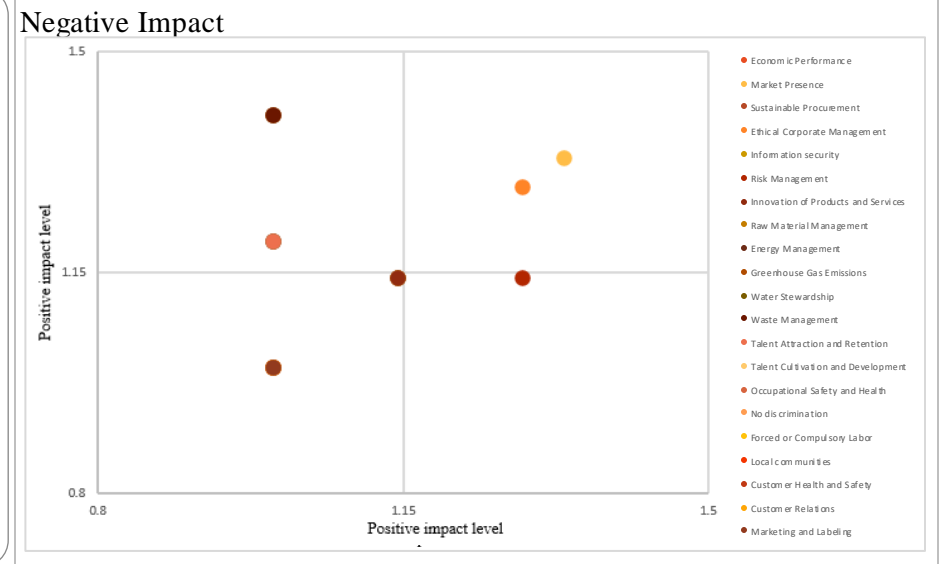
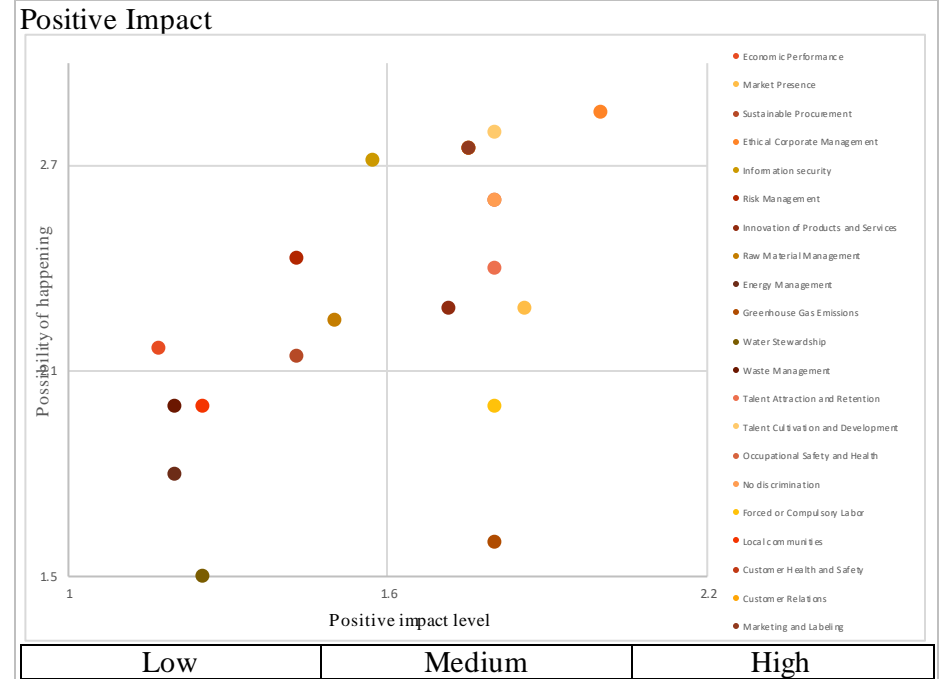
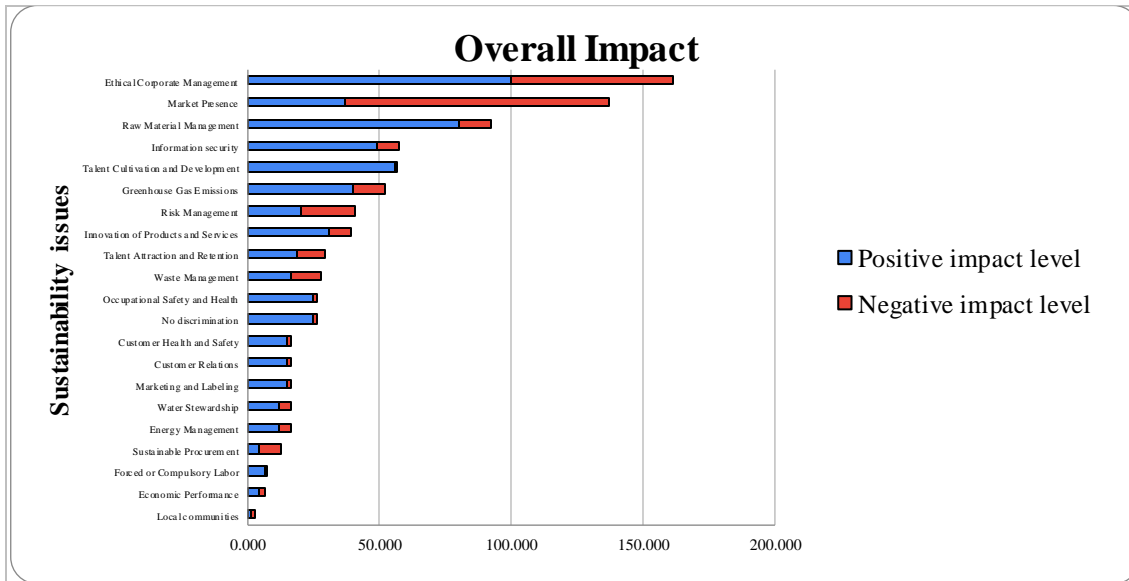
1	2
Collection of sustainability issues	Investigation of impact
<p><u>21 Sustainability Issues</u></p> <p>Based on international standards such as GRI and SASB, as well as industry-specific concerns, we have integrated a total of 21 sustainability issues.</p>	<p><u>17 Materiality Questionnaires</u></p> <p>Questionnaires were distributed to assess the extent and probability of Collins' positive and negative effects on the economy, the environment, and individuals. A total of 17 questionnaires on materiality were collected.</p>
3	4
Analysis of material topics	Review and discussion
<p><u>7 Material Sustainability Topics</u></p> <p>The questionnaire results were summarized, and a matrix was created to assess the positive and negative impacts, taking into account the level of impact and likelihood of occurrence. The overall impact was calculated, and the sustainability issues with an impact higher than the average were chosen as this year's material topics. In total, there are 7 topics.</p>	<p><u>11 Material Topics</u></p> <p>Based on the findings of the materiality analysis, the Sustainable Development Task Force and external consultants held discussions and made the decision to incorporate SASB industry concerns, including "talent attraction and retention," "non-discrimination," "energy management," and "sustainable procurement," into the list of material topics for this year. This brings the total number of material topics to 11. Additionally, a data inventory was conducted using the GRI disclosure indicators.</p>

## Materiality Matrix

Collins assessed the positive and negative effects of sustainability issues, as well as their likelihood of happening. They created an impact matrix and a general impact ranking chart, and identified 11 significant topics.

The implementation of ethical corporate management will have a highly positive impact on the economy. However, if it occurs, it will have a negative impact on the Company's operation and the rights and interests of stakeholders. The Company has established an Ethical Corporate Management Team that operates on ethical principles. The team has implemented education and training programs focused on ethical practices. As a result, all employees have signed statements related to ethical management, demonstrating their commitment to preventing unethical incidents and safeguarding the rights and interests of stakeholders.

Collins has also made significant investments in talent cultivation and development. Throughout 2022, we organized monthly ESG-related courses, which had a positive impact on enhancing the professional capabilities of our colleagues. Meanwhile, the Company has responded to the issue of "Market Presence" by offering competitive salaries and benefits. This measure aims to prevent any adverse effects on the Company's operations and the rights and interests of its employees.



## Boundaries of Material Topics

These 11 material topics represent both positive and negative impacts on the economy, environment, and people of Collins. The impact is used to establish the scope of the material topics and to understand how they affect the organization internally and externally.

●: Direct impact ○: Indirect impact

Dimension	Material issues	Significance and impact of material issues	Corresponding GRI	Internal		External		
				The Company	Employees	Customers/consumers	Suppliers	Local communities
Economic	<b>Ethical Corporate Management</b>	Establishment of the Ethical Corporate Management Team to mitigate adverse effects on the Company's operations and safeguard stakeholders' rights and interests.	205 Anti-corruption	●	●	●	●	○
	<b>Market Presence</b>	We offer our employees comprehensive compensation that exceeds legal requirements. Additionally, we prioritize hiring local residents as managers to enhance our local connections.	202 Market Presence	●	●	○	○	●
	<b>Information security</b>	The implementation of an information security management framework aims to improve employees' security awareness and prevent unauthorized disclosure of operational confidential information and customer privacy.	418 Customer Privacy	●	●	●	●	○
	<b>Risk Management</b>	Planning risk response measures to enhance the Company's operational resilience and mitigate potential negative impacts arising from risks.	Issues proposed by the Company	●	●	●	●	●
	<b>Sustainable Procurement</b>	Increasing the proportion of local procurement, assessing suppliers' sustainability performance, and mitigating supply chain risks and adverse effects on the environment and society	204 Procurement Practices 414 Supplier Social Assessment	●	●	○	●	●
Environmental	<b>Raw Material Management</b>	Minimizing the negative impact of waste generation on the environment through the reuse of product packaging materials.	301 Materials	●	●	○	○	○
	<b>Greenhouse Gas Emissions</b>	Expanding the number of greenhouse gas inventory sites and implementing renewable energy sources to mitigate the adverse effects of climate change on the environment.	305 Emissions	●	●	○	○	○
	<b>Energy Management</b>	Reducing energy consumption, investing in renewable energy sources, minimizing greenhouse gas emissions, and mitigating environmental impact.	302 Energy	●	●	○	○	○
Social	<b>Talent Cultivation and Development</b>	Improving employees' professional capabilities through comprehensive staff education and training will have a positive impact on their rights and interests.	404 Training and Education	●	●	○	○	○
	<b>Talent Attraction and Retention</b>	Providing comprehensive compensation packages to attract top-tier talent, which will have a positive impact on the company's operations and employees' rights and interests.	401 Employment 402 Labor/Management Relations	●	●	●	○	○
	<b>No discrimination</b>	Establishing a workplace environment that is diverse and inclusive, in order to safeguard the rights and interests of all employees.	406 Non-discrimination	●	●	●	○	○



## Management Approach of Material Issues

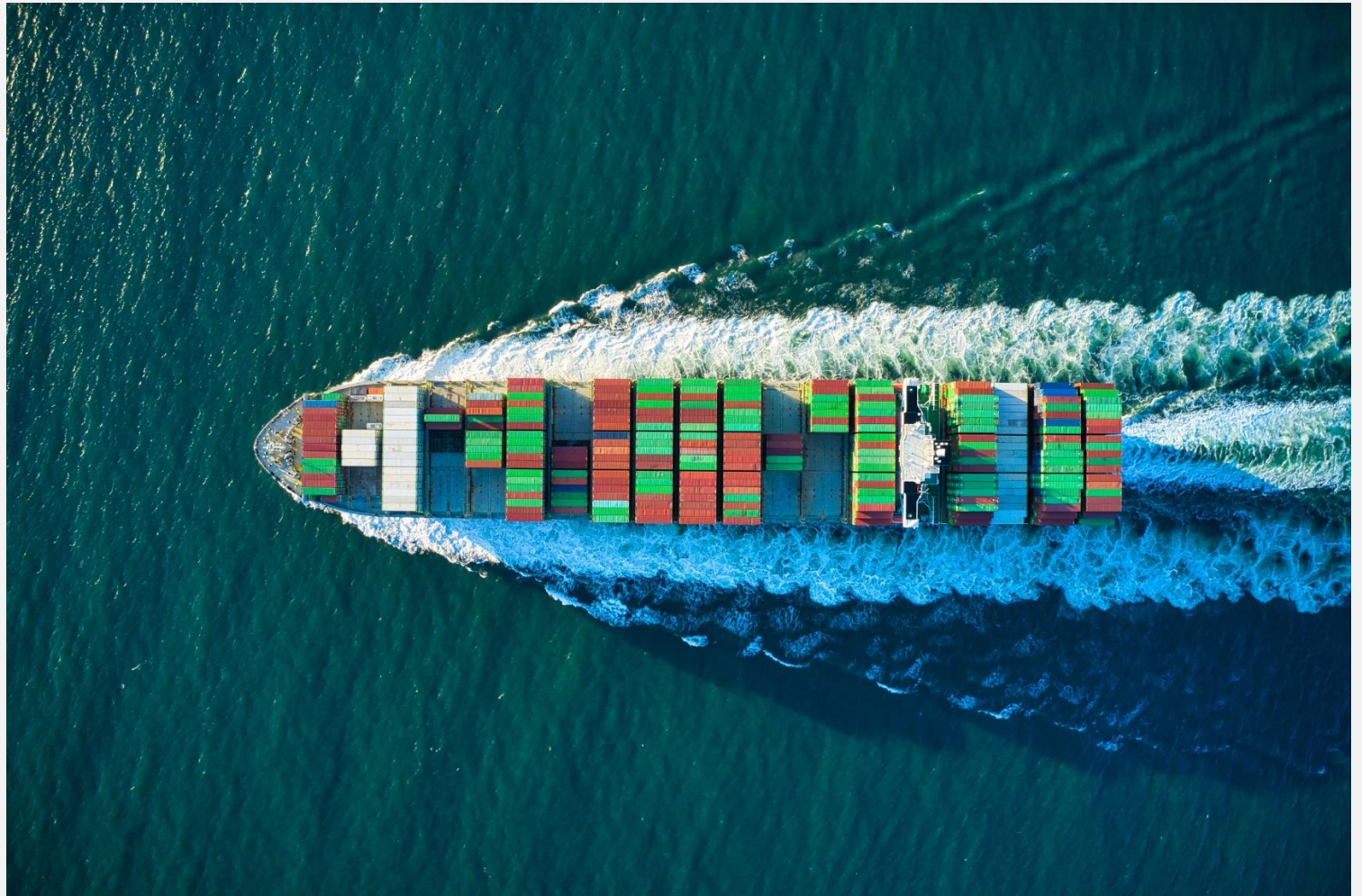
Dimension	Material issues	Policies and commitments	Responsible unit	Objectives and targets	Specific actions	Grievance mechanism
Economic	<b>Ethical Corporate Management</b>	Establishing policies and standards for ethical corporate management, and regularly evaluating the risk of unethical behaviors at operating sites	Ethical Corporate Management Action Team	<ul style="list-style-type: none"> <li>■ Implementation of Ethical Corporate Management Culture</li> <li>■ 0 instances of unethical behavior</li> </ul>	<ul style="list-style-type: none"> <li>■ All Employees must sign a statement on the principles of good faith and conduct</li> <li>■ Organized 2 training sessions on business secrets and 4 sessions on workplace ethics with a total of 132 participants</li> </ul>	Email for reporting unethical incidents: cust@collins.com.tw hr@collins.com.tw
	<b>Market Presence</b>	Offer a starting salary that exceeds the legal minimum and recruit local talent	Corporate Service Group - Human Resources Section	Continue to offer a starting salary that exceeds the legally mandated minimum wage	<ul style="list-style-type: none"> <li>■ Regularly reviewing and adjusting employee starting salaries in accordance with market rates</li> <li>■ Offer a starting salary and benefits that exceed the minimum wage stipulated by the Labor Standards Act</li> </ul>	Contact email for Human Resources: hr@collins.com.tw
	<b>Information security</b>	The establishment of an information security management framework in accordance with ISO 27001 aims to enhance the security of confidential information and protect customer privacy	Trade Business Group and Corporate Service Group - Computer Section Fashion and Lifestyle Business Group - Merchandise Section and Sales Section	0 information security incidents	<ul style="list-style-type: none"> <li>■ Performing vulnerability scanning on a regular basis</li> <li>■ Progressively upgrading internal software and hardware to defend against external information security attacks</li> <li>■ Ensuring the data protection structure and level align with that of cloud service companies to prevent any customer data leakage</li> <li>■ All employees of the Trade Business Group have signed the “Non-compete Agreement” and consider customer information to be a valuable asset of the Company</li> </ul>	<ul style="list-style-type: none"> <li>■ Contact email for domestic customers: g2000@collins.com.tw</li> <li>■ Contact email for international customers: candy@collins.com.tw ivy@collins.com.tw</li> </ul>
	<b>Risk Management</b>	Establishing risk management policies and procedures to assess industry, market, climate change, and other risks	Risk Management Team	Strengthening risk management framework and responsive measures	<ul style="list-style-type: none"> <li>■ Establishment of the Risk Management Team</li> <li>■ Adoption of risk management policies and procedures</li> <li>■ Incorporating climate change issues into risk management</li> </ul>	Contact email of Corporate Service Group: henryya@collins.com.tw
	<b>Sustainable Procurement</b>	Planning the procurement process for global trade, providing assistance to customers in diverse regions with procurement and supplier vetting	Trade Business Group	Increasing the percentage of local procurement	<ul style="list-style-type: none"> <li>■ Third-party verification of suppliers’ sustainability as required by customers</li> <li>■ Adjust purchases and channels of current apparel and agency brands in response to the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>■ Contact email for import businesses: g2000@collins.com.tw</li> <li>■ Contact email for export businesses: candy@collins.com.tw</li> </ul>

## Management Approach of Material Issues

Dimension	Material issues	Policies and commitments	Responsible unit	Objectives and targets	Specific actions	Grievance mechanism
Environmental	<b>Raw Material Management</b>	Encouraging store personnel to reuse plastic packaging materials and planning activities to provide customers with free eco-friendly bags in order to collectively reduce plastic	Trade Business Group	Stores continue to reuse plastic packaging materials	<ul style="list-style-type: none"> <li>G2000 stores continue to reuse plastic packaging materials</li> <li>Promoting the free tote bag campaign to encourage consumers to reduce the use of disposable packaging</li> </ul>	<ul style="list-style-type: none"> <li>Contact email for import businesses: g2000@collins.com.tw</li> <li>Contact email for export businesses: candy@collins.com.tw</li> </ul>
	<b>Greenhouse Gas Emissions</b>	Implementation of the greenhouse gas inventory schedule for each operational site and planning of a gradual carbon reduction program	Corporate Service Group - General Affairs Section Fashion and Lifestyle Business Group - General Affairs Section	<ul style="list-style-type: none"> <li>Completion of greenhouse gas inventory at 8 operating sites by 2023</li> <li>Completion of greenhouse gas inventory at all operating sites by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Completion of greenhouse gas inventory the Zhongxiao flagship store</li> <li>Expansion of solar power generation at Shulin Logistics Center</li> </ul>	<ul style="list-style-type: none"> <li>Contact email of Corporate Service Group: henryya@collins.com.tw</li> <li>Contact email of Fashion and Lifestyle Business Group: hpt1211@collins.com.tw</li> </ul>
	<b>Energy Management</b>	Carrying out energy conservation planning, such as the construction of renewable energy systems and the construction of water resource recovery equipment	Corporate Service Group - General Affairs Section Fashion and Lifestyle Business Group - General Affairs Section	Improving energy use efficiency and expanding renewable energy use	<ul style="list-style-type: none"> <li>Construction of solar power generation equipment and rainwater retention tanks for the new factory</li> <li>Invest in J&amp;V Energy Technology to promote the growth of the green energy industry</li> </ul>	<ul style="list-style-type: none"> <li>Contact email of Corporate Service Group: henryya@collins.com.tw</li> <li>Contact email of Fashion and Lifestyle Business Group: hpt1211@collins.com.tw</li> </ul>
Social	<b>Talent Cultivation and Development</b>	Organizing monthly seminars to enhance the professional capability and ESG knowledge of employees	Corporate Service Group - Human Resources Section	Holding monthly training programs	<ul style="list-style-type: none"> <li>Conducted 15 ESG-related trainings</li> <li>Trained 3 interns</li> </ul>	<ul style="list-style-type: none"> <li>Contact email for Human Resources: hr@collins.com.tw</li> </ul>
	<b>Talent Attraction and Retention</b>	Providing competitive salary and benefits, recruiting campus interns, and strengthening labor relations	Corporate Service Group - Human Resources Section	Reducing employee turnover rate	<ul style="list-style-type: none"> <li>Planning to expand industry-university cooperation</li> <li>Adoption of day off on make-up days</li> <li>Organizing regular labor-management meetings to exchange views and ideas between employers and employees</li> </ul>	<ul style="list-style-type: none"> <li>Contact email for Human Resources: hr@collins.com.tw</li> </ul>
	<b>No discrimination</b>	The company adheres to and upholds international human rights standards, ensuring equal treatment regardless of factors such as race, religion, skin color, nationality, gender, and more	Corporate Service Group - Human Resources Section	0 workplace discrimination incidents	<ul style="list-style-type: none"> <li>Promoting Act of Gender Equality in Employment and Sexual Harassment Prevention Act to achieve gender equality in the workplace</li> <li>Providing a grievance channel for employees, and the staff of the Human Resources Section takes care of the physical and mental conditions of the employees from time to time</li> </ul>	<ul style="list-style-type: none"> <li>Contact email for Human Resources: hr@collins.com.tw</li> </ul>

## 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. The Company ensures customer satisfaction through effective supplier management. We regularly request suppliers to evaluate labor rights, health, safety, and environmental protection in their manufacturing processes. Furthermore, our supplier partnership agreements include provisions that allow us to terminate contracts or dismiss suppliers in cases of severe violations against corporate social responsibility.

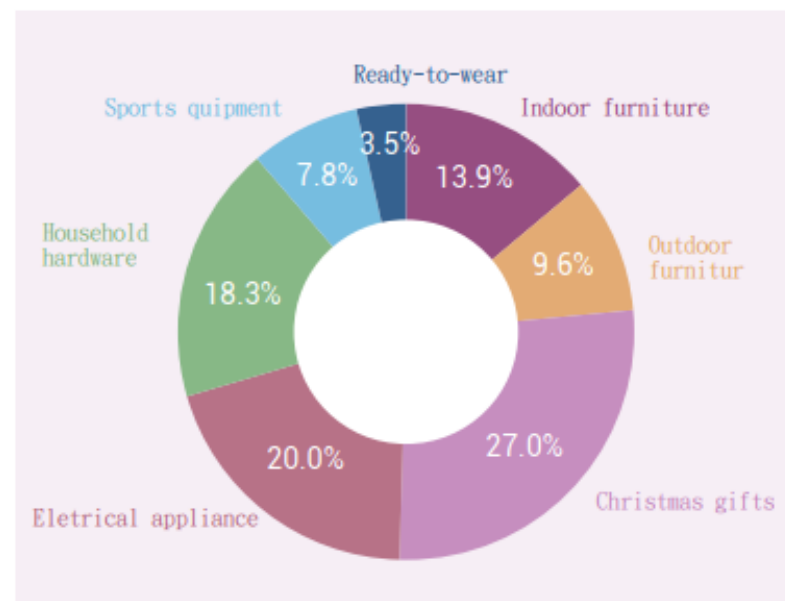
In terms of trade, there are 115 suppliers covering Taiwan, Vietnam, Cambodia, Thailand, and China. The supplier category includes seven categories, such as the total trade purchase amount in 2022 is US\$27.2 million. In terms of retail, the G2000 apparel products, mainly represented by the Fashion and Lifestyle Business Group, are procured by the G2000 head office in Hong Kong and manufactured by the factory. Once completed, they are shipped to Taiwan and distributed by Collins to various stores for sale.

## Supply Chain Management - Trade

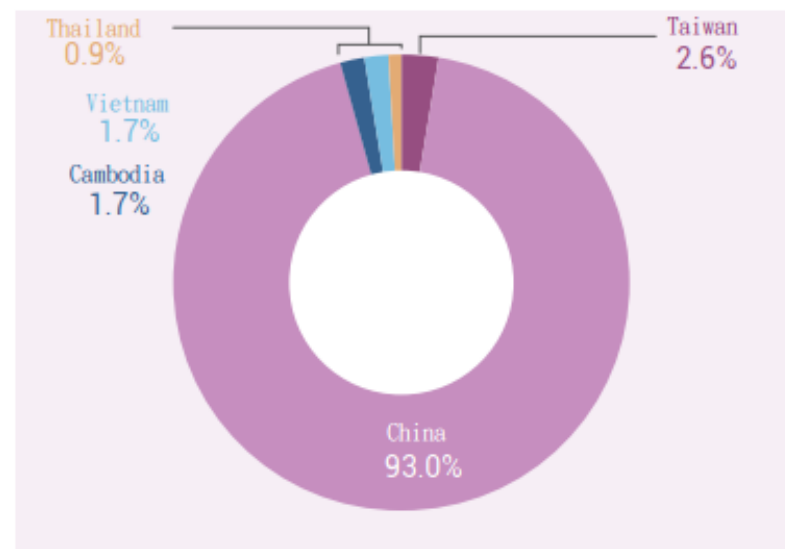
On the trade side, the majority of Collins' customers consist of medium and large importers and distributors in Europe and the United States. These customers have specific factory inspection and certification requirements for their suppliers. It is important to note that most customers have a zero-tolerance policy regarding significant social responsibility concerns, such as child labor, abuse, and bribery. Consequently, the Company ensures that orders are carefully screened and managed in accordance with the customers' certification requirements for suppliers.

## Supplier Types and Distribution of the Trade Business Group

■ Supplier type percentages



■ Proportion of suppliers by location





## Supplier Evaluation

Most customers require suppliers to have successfully completed social responsibility and anti-terrorism plant inspections or certifications during supplier evaluations. Social responsibility evaluations encompass 13 evaluation items related to suppliers, such as social management systems, labor protections, non-discrimination, remuneration, and freedom of association and negotiation. On the other hand, anti-terrorism evaluations focus on 9 key aspects, including physical security, access control, procedure security, and employee safety, which are assessed annually. In 2022, 2 factories belonging to the suppliers of the Christmas Gift Section of the Trade Business Group successfully obtained third-party certifications for social responsibility and anti-terrorism plant inspections. Moving forward, the Company will maintain its commitment to conducting plant inspections and collecting statistical data on the different types of suppliers within the Trade Business Group.

### Social Responsibility Evaluation Items

■ Social management system
■ Labor engagement and protection
■ Freedom of association and the right to collective bargaining
■ No 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 safety
■ Access control
■ Procedure security
■ Container and transportation safety
■ Employee safety
■ Information network security
■ Training and education and awareness campaigns
■ 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	Maturity is insufficient; 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 division directly under Collins, primarily manages the retail operations of the G2000 clothing line. The clothing items are sourced from Hong Kong and then transported to different stores in Taiwan for sale. The suppliers of the materials used in production are chosen by the G2000 Hong Kong headquarters. Collins primarily procures finished products, and all G2000 items must undergo SGS certification to guarantee 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 2022 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**

Prior to shipping products, the G2000 Hong Kong headquarters mandates third-party testing to ensure product quality. The testing encompasses various aspects such as size changes, appearance, warping, and seam performance after washing. It is worth noting that all G2000 products have successfully obtained SGS certification. Collins has a well-established procedure for verifying the quality of the finished G2000 clothing products that are procured. Upon arrival, a sample testing is conducted in the warehouse to ensure the accuracy of labels, washing tags, and sizes. During the quality control (QC) stage, our sales staff meticulously inspects the products for any color differences or loose threads. If any significant color differences or color fading issues are identified, they are promptly reported to the Company for further action.

### **■ Product Marketing and Labeling**

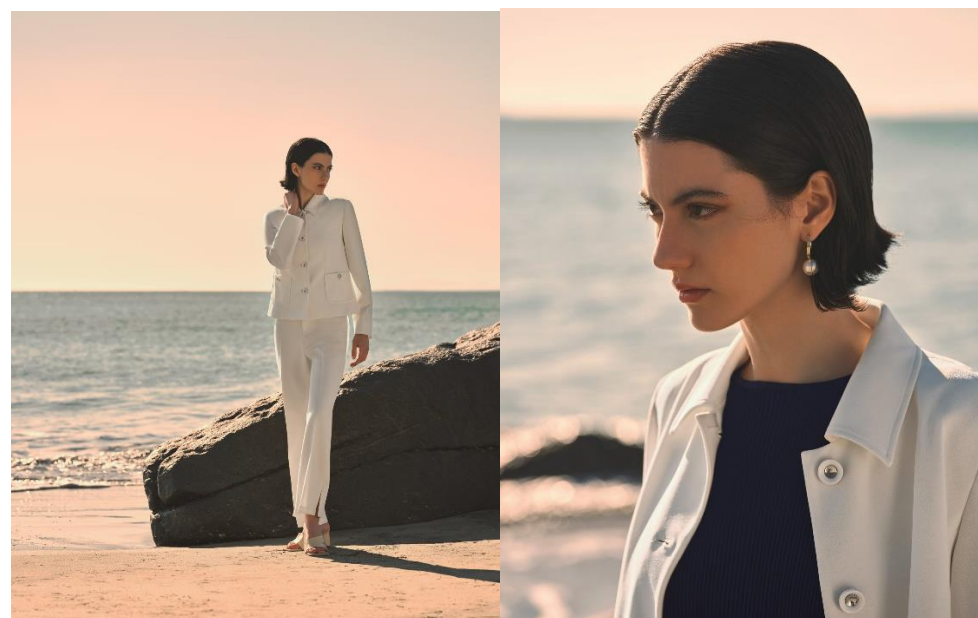
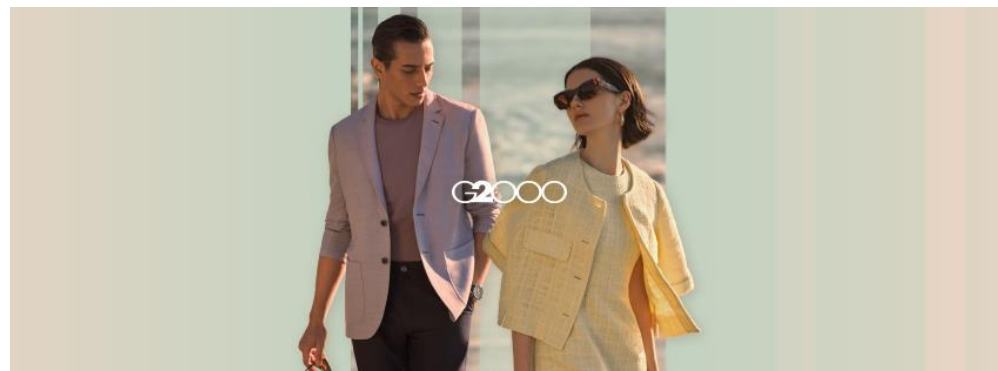
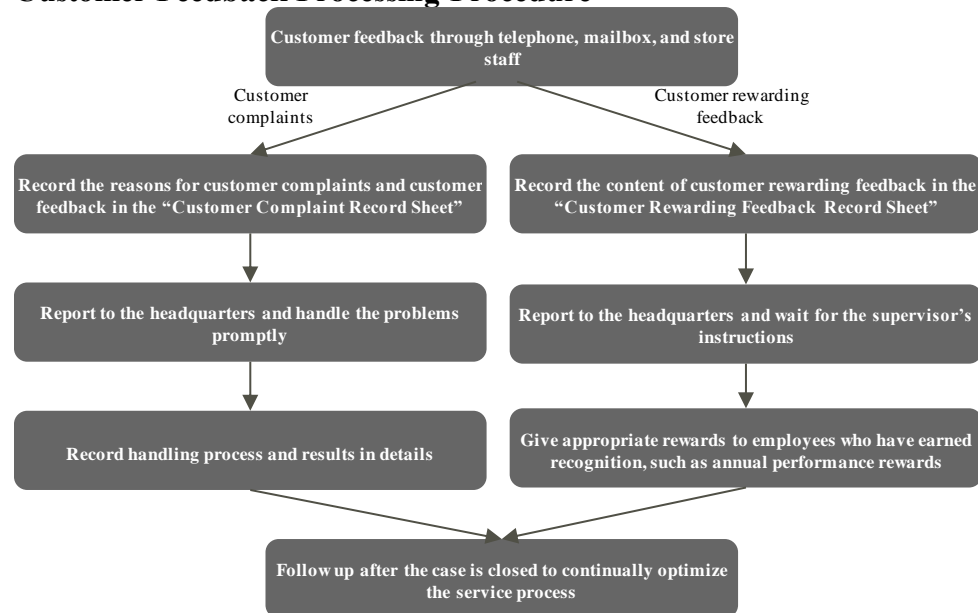
The products purchased by the Collins' Trade Business Group comply with the local government regulations and standards regarding product labels. For instance, appliance-related products will have labels such as electrical appliance labels and reference toxicity labels on their packaging, as required by regulations. Retail products are also labeled with information such as raw materials, manufacturing origin, washing instructions, and size, in accordance with national regulations and standards, providing consumers with relevant product information. In 2022, there were no violations of laws and regulations pertaining to product and service information, labeling, marketing, and communications.



## Actively Responding to Customer Opinions

Collins places significant emphasis on customer feedback and proactively addresses any raised complaints. Customers have the option to submit their complaints through phone, email, or at service counters. Our sales staff diligently document the reasons for these complaints on “Customer Complaint Record Sheets”, which are then promptly reported to headquarters for resolution. The entire handling process and its outcomes are meticulously recorded to aid in future enhancements of our products and services. Likewise, any favorable feedback or support from customers is documented on “Incentive Record Sheets”. Employees who receive positive comments are duly recognized and rewarded, thereby transforming customer feedback into incentives for employee growth and improvement. In 2022, there were 6 customer complaints and 4 instances of positive and rewarding feedback. The majority of the complaints pertained to the attitude of the services provided. The Company has addressed these concerns by communicating with the employees, ensuring that all issues have been appropriately resolved.

### Customer Feedback Processing Procedure





## 4. Friendly Workplace

**Recruiting Partners**  
**Salary and Benefits**  
**Health and Safety**



# Recruiting Partners

## Recruiting Partners

Employees are the most valuable asset of Collins, and as such, the Company places significant emphasis on the treatment and benefits provided to them. Competitive salaries and benefits play a crucial role in attracting and retaining talented individuals, as well as motivating employee performance. This, in turn, has a direct impact on the operational efficiency of the organization. Consequently, we are dedicated to establishing a salary system that is competitive within the market. Collins has enhanced its planning and execution of annual performance appraisals, as well as the issuance of year-end and performance bonuses, in order to incentivize and retain exceptional talent. This improvement is based on a thorough examination of the Company's finances, operating conditions, and individual performance.



## Human Resources Structure

As of the end of December 2022, the Company had a total of 271 employees, of which 83.4% were women and 16.6% were men. The supervisors were all Taiwanese citizens, and the proportion of locally hired supervisors is 100%. Jesco International is overseen by the Fashion and Lifestyle Business Group at our Taiwan headquarters. The majority of the employees are salespeople at G2000 stores, and as such, they hold non-supervisory positions. Furthermore, it is important to note that the Company strictly adheres to labor laws and does not employ any individuals under the legal working age. Given the nature of our business, which primarily involves sales and office logistics, there is currently no need for the employment of foreign migrant workers.

**Number of Employees in 2022**

Unit: people

Employment contract type	Taiwan Headquarters		Jesco International	
	Male	Female	Male	Female
Senior supervisor	17	15	0	0
Junior supervisor	9	35	0	0
Non-supervisor employees	14	29	5	147
<b>Total</b>	<b>40</b>	<b>79</b>	<b>5</b>	<b>147</b>

**Employee Educational Information, 2022**

Unit: people

Item	Taiwan Headquarters		Jesco International	
	Number	Percentage	Number	Percentage
<b>PhD</b>	1	0.8%	0	0%
<b>Master</b>	10	8.3%	0	0%
<b>University</b>	80	66.7%	10	6.6%
<b>High school or below</b>	28	24.2%	142	93.4%



## Types of Employment

Collins primarily hires regular, full-time employees. In 2022, we had 3 interns, all of whom completed their internships by the end of June. The data below represents labor and employment statistics as of the end of 2022, indicating 0 temporary and part-time employees. Our company does not employ individuals without guaranteed working hours. The cleaning staff and security personnel at our Taiwan headquarters are non-employee workers.

### Types of Employment, 2022

Unit: people

Type	Item	Male	Female	Total
Employment contract type	Full-time employees	45	226	271
	Temporary employees	0	0	0
	Employees whose working hours are not guaranteed	0	0	0
Employment status	Full-time	45	226	271
	Part-time	0	0	0

### Non-employee Workers, 2022

Unit: people

Type	Male	Female	Total
Cleaning staff from cleaning company	0	2	2
Security staff	2	0	2

Note 1: The above are non-employee workers in Taiwan headquarters of Collins Co., Ltd.

## New Employees and Employee Turnover

In 2022, the number of new employees totaled 44 (accounting for 16.2% of the total employees), and the total number of employee turnover was 60 (accounting for 22.1% of the total employees), with colleagues aged 30-50 years old being the group with a higher turnover rate. The voluntary turnover rate for store employees in 2022 was 23.7% and the involuntary turnover rate was 0%.

### Number and Proportion of New Employees

Unit: people

Gender	Headquarters				Jesco International			
	Female		Male		Female		Male	
Age	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
< 30 years old	8	44.4%	1	16.7%	4	20%	0	-
30-50 years old	10	55.6%	5	83.3%	10	50%	0	-
> 50 years old	0	0%	0	0%	6	30%	0	-
Total	18	100%	6	100%	20	100%	0	-
Percentage of new recruitment (%)	22.2%		15.4%		13.6%		0%	

### Number and Percentage of Employee Turnover

Unit: people

Gender	Headquarters				Jesco International			
	Female		Male		Female		Male	
Age	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
< 30 years old	6	31.6%	2	40%	5	14.3%	1	100%
30-50 years old	10	52.6%	1	20%	23	65.7%	0	0%
> 50 years old	3	15.8%	2	40%	7	20%	0	0%
Total	19	100%	5	100%	35	100%	1	100%
Percentage of resignation (%)	23.5%		12.8%		23.8%		20%	

## Employee Rights

Collins upholds and adheres to applicable international labor and human rights standards, considering the safeguarding of human rights as a fundamental element of our management approach. We ensure that employees are not subjected to unequal treatment based on factors such as ethnicity, religion, skin color, nationality, or gender. It is worth noting that there were no instances of employment discrimination reported in 2022. Collins also acknowledges and upholds the employees' right to freely associate and form trade unions, as permitted by the law. Furthermore, Collins establishes employee welfare committees and communication channels, in compliance with applicable laws and regulations. It is worth noting that there

We place significant emphasis on the rights and interests of our employees. In compliance with the law, we consistently conduct labor-management meetings, actively listen to employees' opinions, provide prompt feedback and implement necessary improvements. Our aim is to foster a mutually beneficial outcome for both labor and management. 2 labor-management meetings were conducted throughout the year to facilitate communication with employees. In 2022, the Company introduced new benefits for its employees. These include flexible holidays for make-up days and 3 days of special leave for new employees within three months of joining. Employees are not obligated to work on the make-up days specified by the Directorate-General of Personnel Administration. Furthermore, these off days are not deducted from the special leave or personal leave entitlements. As a result, employees enjoy benefits that exceed the requirements outlined in the Labor Standards Act. When it will provide advance communication to employees regarding their employment. Employees who have worked for more than three months but less than one year will be given a 10-day notice. Employees who have worked for the company for more than one year but less than three years will be notified at least 20 days in advance. Employees who have worked for more than three years in the company will be notified 30 days in advance.



## Employee Communication Channels

<b>Email for communication</b>	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 2022. Email for communication: hr@collins.com.tw
<b>Labor-management meeting</b>	To facilitate labor-management relationships, promote mutual understanding, and encourage cooperation, the Company arranges labor-management meetings in accordance with the "Implementation Rules of Labor-management Meetings." Both employers and employees should resolve their issues through open and constructive discussions, guided by the principles of harmony and good faith. Regular meetings should be held to facilitate these discussions and encourage the sharing of opinions. 2 labor-management meetings were held in 2022.
<b>Annual performance evaluation</b>	Employees can communicate with the Company through the annual performance appraisal, report any work-related issues, and offer suggestions. In turn, the Company can communicate work requirements, expectations, and provide timely guidance and assistance.
<b>Employee Welfare Committee</b>	The Employee Welfare Committee was established to supervise the various benefits provided to employees. These benefits encompass club activities, group trips, year-end gatherings, incentives for the Dragon Boat Festival and Mid-autumn Festival, as well as assistance for weddings and funerals.
<b>Reporting unethical behaviors</b>	If any other employees are found to have violated the integrity of business operations or engaged in 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. The special acceptance unit will be responsible for handling the matter. The Company has implemented the Handling Procedures for Reporting Cases of Illegal, Immoral, or Dishonest Behavior. These cases will be treated with utmost confidentiality, verified through independent channels, and every effort will be made to safeguard the whistleblower. The identity of the whistleblower will be strictly protected, and no mistreatment will be tolerated towards the employee for reporting. No corruption related incidents occurred in 2022.

## Salary and Benefits

### Remuneration System

To foster a welcoming work environment and attract and retain exceptional talent, the Company has implemented a thorough performance management and compensation system. This system aligns the organization's goals with individual performance objectives and includes regular reviews, feedback, and assessments. Employee salaries are determined by their experience, expertise, and personal performance, without any consideration of gender, ethnicity, religion, political affiliation, or marital status. The ratio of the basic salary Collins and Jesco International to the basic salary in the Labor Standards Act is 1, and the salary of every in-store staff in Taiwan is above the minimum wage.

#### Remuneration by Gender

Item	Taiwan Headquarters		Jesco International	
	Male	Female	Male	Female
Management personnel	1.49	1	-	-
Full-time employees	0.94	1	1.04	1

#### Salary of Non-supervisory Full-time Employees

Unit: NT\$ thousand

Item	2020	2021	2022
Number of non-supervisory full-time employees	106	109	115
Average salary of non-supervisory full-time employees	586	564	588
Median salary of non-supervisory full-time employees	536	507	524

### Welfare System

Collins has established an Employee Welfare Committee to oversee the well-being of employees and foster a harmonious relationship between labor and management through a comprehensive welfare system. This system offers a range of benefits, such as group outings, club excursions, year-end banquets, bonuses for the Dragon Boat Festival and Mid-Autumn Festival, as well as support for employee weddings and funerals. All employees are entitled to benefits mandated by government legislation, including labor/health insurance, pension contributions, and various types of leave such as 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. The total amount of employee remuneration and benefits in 2022 was NT\$988 million.

Type	Item
Salary insurance	■ Year-end bonuses, performance bonuses, and other exceptional bonuses awarded based on individual performance
	■ Labor insurance, health insurance, and pension contributions
	■ Free group insurance (cancer insurance, health insurance, life insurance) and increased pandemic and vaccination insurance in response to the COVID-19 pandemic
Benefits and subsidies	■ Club trips, group trips, year-end gatherings, Dragon Boat Festival and Mid-Autumn Festival bonuses, and wedding and funeral assistance
Leave system	■ 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 granted 3 days of special leave following the completion of their three-month probationary period.
	■ Make-up days are provided for taking days off (special leave and personal leave are not deducted).
	■ Paternity leave, family care leave, and parental leave
Retirement system	■ The Company has formulated the Measures for Employee Pension Scheme in line with the Labor Standards Act: <ul style="list-style-type: none"> <li>• Full-time employees who have completed 25 years of service, or have reached 15 years of service and are 55 years of age, or have served for 10 years and are 60 years of age, are eligible to apply for voluntary pension payout.</li> <li>• The Company may require employees who are 65 years of age or who are mentally or physically unable to perform their duties to retire and receive a pension payout.</li> <li>• Employees who are 65 years old and have been granted permission by the President to retain their position may continue their service, with their years of service still counting towards the pension scheme.</li> </ul>

## Talent Development

To foster exceptional talent and enhance the professional capabilities of our employees, the Company organizes education and training programs across various departments. Throughout 2022, we have conducted monthly courses with diverse themes, including a significant focus on sustainability. These courses encompass a range of topics, such as trade secret laws and regulations, energy conservation and carbon reduction, climate-related financial disclosures according to the TCFD, information security, and methods for managing physical and mental stress. Our aim is to bolster the skills and expertise of our employees through these educational initiatives, while also instilling a strong sense of sustainability within our workforce.

### Educational Training Held in 2022

#	Course content	Course hours	Number of sessions	Number of participants
Environ- mental aspect	Energy Saving and Carbon Reduction: Collins says Yes	0.5	1	30
	Sustainability Report Seminar: Climate-Related Financial Disclosures	3	1	6
Social aspect	Release Stress to Improve Brain Power: Strategic 123 of Physical and Mental Relief	1	1	66
	Exercise for Office Workers: Keep Body Pain Away from Me	1	1	49
Governance aspect	Introduction to Laws and Regulations related to the Trade Secrets Act	0.5	1	30
	Raising Awareness on Information Security	0.5	1	18
	Cultivate Sales Ability and Make Workplace So Easy	1.5	1	58
	Sell Yourself and Successfully Push forward the Next Step			
	Business Power is Your Competitiveness	1.5	1	59
	Trade Secret and Personal Data	0.5	1	23
	Collins 2023 Future Directions of ESG and Sustainability Report	1	1	39
	Workplace Ethics	1	4	79



“Exercise for Office Workers: Keep Body Pain Away from Me” seminar, in which staff were invited to move their bodies!



The employees actively participated in the education and training session titled “Cultivate Sales Ability and Make Workplace So Easy.” This session greatly enhanced their professional capability.



## Campus Internship Program

Talents are the fundamental resources of an enterprise, and the recruitment and retention of exceptional talents are crucial factors for the success of a company. Collins actively engages in campus recruitment and collaborates with universities and colleges in Taiwan to promote student participation in internship programs during their free time.

The internship program consists of semester and summer internships. Under the guidance of department supervisors and practical workplace operations, the program assists students and new employees in acquiring the necessary skills and knowledge for working in an enterprise. Additionally, it offers valuable opportunities for them to engage with different departments of the Company, thereby enhancing their cross-departmental communication and cooperation skills. In 2022, 3 interns were employed at Collins and demonstrated strong performance throughout their internship. 2 of these interns were subsequently promoted to full-time positions in 2022 and 2023, respectively, thanks to their ongoing contributions to Collins' success.

To expand intern recruitment, the Company plans to increase the number of internship partner schools in 2023. A training program with Soochow University is being organized, which will provide 8 internship positions. This initiative aims to attract exceptional talents to Collins, allowing them to showcase their abilities. Additionally, the Company is in the process of developing an industry-university cooperation program with Chihlee University of Technology. This program aims to recruit more talented individuals who can grow and expand alongside the Company.



## Industry-University Cooperation Trade Talent Training Internship Program

Collins and the Department of International Business and Trade at Soochow University have collaborated to develop a corporate internship program aimed at nurturing future talent. President Lee Chieh Hsi, Vice President of the Enterprise Services Group Wang Pei Yu, Vice President Chang Su Ping, and CEO of affiliated enterprise Minoshin, Chen Guan Yeh, took part in a discussion regarding the program. They also conducted a corporate internship briefing session, with Vice President Wang Pei Yu delivering the keynote address. Ultimately, three students were chosen to participate in the Collins Internship Program.

During the 2021 internship program, one student demonstrated exceptional performance and was awarded the Outstanding International Trade Talent Scholarship by the Taipei Import and Export Business Association/Republic of China Trade Education Foundation. This student subsequently joined Collins as an official employee in 2022. The other two students had the opportunity to acquire extensive market knowledge and expertise in high-end fashion. As a result, they were offered internships at the affiliated enterprise, Minoshin, further highlighting the program's effectiveness in nurturing talent. In the future, the internship program will continue to introduce more outstanding talents into Collins.





## Performance Management

Collins has established a performance evaluation system to effectively implement personnel performance management. The evaluation system covers six key areas: work intelligence, work quality and attitude, interpersonal relationships, marketing ability, management ability, and other factors. Within these areas, there are a total of 30 assessment items, which provide comprehensive comments and suggestions on employees' work performance, aptitude, potential, and other aspects. Additionally, employees have the opportunity to offer suggestions to the company through the performance evaluation process. Communication channels are provided to foster harmony between labor and management, and to ensure that all employees achieve the Company's expectations and improve their performance.

Statistical Table of Evaluation Participants in 2022

Unit: people

Title	Taiwan Headquarters				Jesco International			
	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Supervisors	18	100%	16	100%	0	-	0	-
Non-supervisor employees	23	100%	64	100%	5	100%	150	100%

Note: 1. The scope of employee data collection is the head office and the affiliated enterprise Jesco International. The data was collected up to December 31, 2022

2. Supervisors are managers above the manager level

3. The ratio is calculated as the number of persons being appraised for the job title / the number of persons of the job title by gender

## Retirement System

In compliance with the Labor Pension Act's new labor retirement system, the Company contributes 6% of each employee's total salary to their individual pension accounts under the Bureau of Labor Insurance. Furthermore, for foreign employees, 2% of their monthly salary is allocated to retirement reserve accounts with the Bank of Taiwan, as per the old pension system. As of the end of 2022, a total of 17 employees were still using the old pension system and 253 employees were using the new system, for a total of 100% of employees taking part in a pension plan.

## Parental Leave

The Company will adhere to applicable laws and regulations regarding applications for unpaid parental leave. Employees may request reinstatement upon the conclusion of their unpaid parental leave. In 2022, there were 2 women who applied for parental leave. Additionally, two women who were already on leave are expected to be reinstated, and 2 have already been reinstated. This results in a reinstatement rate of 100%.

Item	Male	Female	Total
A. Number of people who were eligible to apply for parental leave in 2022	0	2	2
B. Number of people who actually applied for parental leave in 2022	0	2	2
C. Number of people who were expected to be reinstated after parental leave in 2022	0	2	2
D. Number of people who were actually reinstated after parental leave in 2022	0	2	2
<b>Reinstatement rate (D/C)</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
E. Number of people who were reinstated after parental leave in 2021	0	0	0
F. Number of people who continued working for longer than a year after reinstatement in 2021	0	0	0
<b>Retention rate (F/E)</b>	<b>-</b>	<b>-</b>	<b>-</b>
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 applicants whose parental leave expired between 01/01/2021 and 12/31/2021 and resumed work during this period			
E: Number of people who resumed work during the period between 01/01/2020 and 12/31/2020 after taking the parental leave			
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 places significant emphasis on the well-being and safety of its employees. We adhere strictly to the regulations outlined in the Labor Standards Act, ensuring that no form of coercion is used to compel employees to work or to force them into overtime. Collins prioritizes the well-being of our employees, both physically and mentally. To ensure this, we consistently organize medical and healthcare services, monitor and verify the physical well-being of our employees, and regularly carry out environmental disinfection and cleaning. These measures are implemented on a weekly or monthly basis during the pandemic to prevent its spread and uphold our commitment to employee health and safety. A total of 224 employees underwent health checks in 2022.

## Occupational Health Services

Collins prioritizes employee health and relies on qualified medical institutions to deliver on-site healthcare services and consultations. Nurses provide on-site services three times a month, with each session lasting two hours. In 2022, a total of 72 hours of on-site nurse services were provided. The doctor offers on-site services once every four months and conducts health consultations for all Collins employees in batches throughout the year. These consultations cover the assessment of chronic conditions like hypertension and high cholesterol, as well as the promotion of overall employee well-being. In 2022, a total of 6 hours of on-site doctor services were provided.



## Occupational Safety Training and Education

To foster a secure work environment, Collins facilitates employee participation in occupational safety and health courses, enhances first aid proficiency through hands-on exercises and operations, and reinforces employees' first aid capabilities. In 2022, an employee from the Human Resources Section participated in a 6-hour "On-the-job Education and Training of Class A Occupational Safety and Hygiene Business Supervisor" course. The purpose of this training was to enhance knowledge in preventing occupational hazards and diseases, as well as improving the workplace environment. The Taiwan Headquarter invited the firefighters from the Taipei City Fire Department's Songshan Battalion to our office. The purpose was to raise awareness of fire safety among our colleagues and enhance employees' understanding of disaster prevention.

## Employee Recreation Center

To alleviate work-related stress among employees, the Taiwan Headquarter office has devised a plan to repurpose the currently unused office space into a recreational area for employees in 2022. This area will be equipped with game facilities, including air hockey, soccer tables, and darts, to facilitate stress relief and foster camaraderie among employees. The aim is to enhance team rapport, strengthen friendships, promote physical well-being, and ultimately improve work efficiency. In addition, the space utilizes green building materials, specifically certified calcium silicate boards, to establish a comfortable and sustainable environment for employees.



## 5. Social Inclusion

Social Engagement





# Social Engagement

## ■ Social Engagement and Investment

Collins Industry is committed to the principle of “contributing to society”, actively engaging in social initiatives, and utilizing its expertise and resources to support individuals and groups in need. This includes donations of G2000 clothing, rice, and financial assistance. Moving forward, Collins will persist in providing assistance and fulfilling its corporate responsibility.

### Donating Warm Clothing

The Trade Business Department of Collins has a longstanding partnership with the Rain Spring Charitable Foundation to provide clothing donations to underprivileged children in remote villages. In 2022, the Rain Spring Charitable Foundation implemented the “Warm Clothes for Winter Project,” in which Collins generously contributed clothing items to individuals in need, providing them with warmth and support throughout the chilly winter season.



### Responding to Customer H-E-B's Mexico Charity Donation Campaigns

Collins partnered with our customers to support the local community and made a donation of approximately US\$3,700 in 2022 to H-E-B, our customer's supermarket chain in Mexico, to aid their charitable initiatives. Through these donations and volunteer services, the Company assisted underprivileged children in their daily lives, ensuring they have the opportunity to attend school and receive a proper education.

### Donating Rice to Major Social Welfare Organizations

In accordance with the United Nations SDGs on “No Poverty” and “Zero Hunger,” the Company has contributed 250 catties (approximately 150 kg) of rice to orphanages and other social welfare organizations. The recipients from 2010 to 2022 include the Taipei Child Welfare Center, Child Welfare League Foundation, Ti-Hwei Children's Home, and Yu-Cheng Social Welfare Foundation. In total, 3,300 catties (approximately 1,980 kg) of rice have been donated over the past 13 years to those in genuine need.



13 years of cumulative donations

3,300 catties of white rice

### Sponsoring a US Charity Golf Tournament

In 2022, Collins responded to the customer invitation from BJ'S Wholesale Club by sponsoring in 2022, Collins sponsored a charity golf tournament with a donation of US\$4,000. The funds will be used to support various foundations and nonprofit organizations, such as Feeding America, Boston Children's Hospital, and DonorsChoose, an education program funding platform, among others.



## 6. Environmental Sustainability

**Greenhouse Gas Management  
Green Operations**





# Greenhouse Gas Management

## Greenhouse Gas Emissions

To enhance the precision and control of greenhouse gas emissions, Collins has formed the “Greenhouse Gas Inventory Implementation Committee.” The committee is chaired by the Company’s CEO and is responsible for overseeing and deliberating on strategies to advance greenhouse gas inventory management. In 2022, G2000 Zhongxiao Flagship Store conducted a greenhouse gas inventory in accordance with ISO 14064. The Company intends to complete greenhouse gas inventories for 8 G2000 operating locations in 2023 and for all G2000 stores in 2025. These inventories will enable the implementation of emission management and carbon reduction actions, aligning with our commitment to being a global citizen.

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

Item	2020	2021	2022
Gasoline	-	188 liters	402 liters
Externally purchased electricity	278,231 kWh ( 1001.6 GJ )	281,270 kWh ( 1012.6 GJ )	313,194 kWh ( 1130.2GJ )
Total greenhouse gas emissions (tCO <sub>2</sub> e/year)	139.672	143.609	160.465
Carbon emissions per capita (tCO <sub>2</sub> e/person)	1.010	1.112	1.348

Note 1. 1 kWh of electricity = 3.6 megajoules (GJ)

Note 2. CO<sub>2</sub> 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 2020 calculated as 0.502 kgCO<sub>2</sub>e/kWh and in 2021 and 2022 calculated with reference to the 2020 annual electricity emission coefficient in the 2022 announcement = 0.509 kgCO<sub>2</sub>e/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 v6.0.4 announced by the EPA and the GWP value from the IPCC Fourth Assessment Report, 2007.

### Statistics of Greenhouse Gas Emissions from G2000 Zhongxiao Flagship Store (Category 1-6)

Type	2021	2022
Category 1: Direct greenhouse gas emissions	0	0
Category 2: Indirect emissions from energy	47.8715	49.8525
Note 1. The refrigerant R-22 was used, but it was not included in the calculation of greenhouse gas emissions because it is not currently included in the inventory.		
Note 2. The Company has scheduled ISO14064 verification for G2000 Zhongxiao Flagship Store in August 2023. The figures for 2022 will be derived from the existing inventory, and the verification findings will be disclosed in the 2023 Sustainability Report.		

Type	Item	2021	2022
Category 3: Indirect emissions from transportation	Employees commuting to work	0.6477	0.9335
Category 4: Emissions from the use of products by the organization	Upstream emissions associated with the purchase of electricity	8.6808	9.1881
	Upstream emissions associated with the purchase of water	0.1668	0.1480
	Disposal of solid and liquid waste	0.1897	0.1683
Category 5: Indirect emissions associated with the use of products from organizations	N/A	0	0
Category 6: Emissions from other sources	N/A	0	0

Note 1. The Company has scheduled ISO14064 verification for G2000 Zhongxiao Flagship Store in August 2023. The figures for 2022 will be derived from the existing inventory, and the verification findings will be disclosed in the 2023 Sustainability Report.

# 100%

Carbon Inventory to be completed at all G2000 operating sites in Taiwan by 2025

# Green Operations

## Green Operations

In line with our commitment to “focus on the environment and future sustainability,” Collins actively promotes conservation practices within the company. We prioritize initiatives such as water conservation, reducing plastic waste, and implementing resource recycling. Collins actively promotes the implementation of renewable energy systems and water resource recovery equipment. At the new factory office, a solar power generation system has been constructed, capable of generating up to 162.9 kW. Additionally, plans are underway to install eight rainwater retention tanks with a combined effective volume of approximately 200,000 liters. To further decrease energy usage, our plan includes the installation of electric scooter and electric vehicle charging points and equipment at our buildings and factory offices. This initiative aims to promote eco-friendly commuting. Additionally, in response to the COVID-19 pandemic, we have implemented remote work and split-shift schedules, resulting in reduced fuel consumption by commuter vehicles. We aim to lead all employees towards a low-carbon business model by reducing fuel consumption and promoting sustainable and environmentally friendly electric solutions.



**Planned  
Solar Power Generation  
System  
Scale: 162.9 kW**

## Resource Management

Collins is actively promoting conservation efforts. Regarding power consumption, we have implemented energy-saving and eco-friendly lighting in our office, completely transitioning to LED panel lights in 2022. Furthermore, all outdated air-conditioning equipment has been replaced this year, and we have maintained a temperature above 26°C to minimize energy usage. As for paper usage, Collins headquarters has fully embraced the use of Forest Stewardship Council (FSC) certified recycled paper. In 2022, we purchased a total of 82,500 sheets of recycled paper. In the future, Collins will continue to promote a range of energy conservation measures in order to minimize our environmental impact and uphold our corporate social responsibility.

### Resource Consumption of Collins Headquarters in the Past Three Years

Item	2020	2021	2022
Gasoline	-	188 liters	402 liters
Externally purchased electricity	278,231 kWh ( 1001.6 GJ )	281,270 kWh ( 1012.6 GJ )	313,194 kWh ( 1130.2GJ )
Number of employees	127	129	119
Power consumption per person (kWh)	2,190.80	2,180.39	2,638.10

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

### Only FSC-certified recycled paper is 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 2022, 82,500 sheets of such paper were purchased.



## Green Construction Materials

Collins is dedicated to utilizing green building materials in the construction of its G2000 stores in order to protect the environment and provide safe and healthy spaces for employees and customers. The G2000 Zhongxiao flagship store, for instance, incorporates calcium silicate boards for its light partitions and ceiling materials. These boards are certified as green building materials and carry a product safety label. In 2022, a total of 559.8 m<sup>2</sup> of certified calcium silicate boards were used in the renovation of the headquarters, aiming to minimize environmental impact.



## Air Pollutant Emissions

Collins' headquarters office conducts biannual manual testing of carbon dioxide concentration to uphold workplace air quality. The testing results for the past three years are as follows:

**Carbon Dioxide Concentration of Collins Headquarters in the Past Three Years**

Item/Year	2020	2021	2022
Carbon dioxide concentration	749.0 ppm	762.5 ppm	654.2 ppm

## Green Shopping Complexes

Collins is actively involved in constructing environmentally friendly shopping complexes. Our focus is on creating a healthy shopping environment for customers by using green building materials. Additionally, we promote resource conservation by reusing packaging materials. To further encourage sustainable practices, we have introduced a campaign where customers who make purchases of a certain value will receive a complimentary tote bag. This initiative aims to reduce the use of plastic bags and promote practical actions towards sustainable development.

### Energy Savings

In order to reduce power consumption, G2000 has replaced the majority of its lighting fixtures with LED lighting. Additionally, in 2019, automatic doors were installed in larger G2000 stores and roadside stores to address air-conditioning power consumption. This measure aims to minimize the escape of cold, air-conditioned air and thereby reduce energy usage.

### Reusing Packaging Materials and Encouraging “Bring Your Own Bag”

To minimize the use of packaging materials, G2000 stores in Taiwan employ a practice of reusing cartons and plastic bags for shipped products. Our headquarters strongly advocates for each store to actively participate in recycling packaging materials, thereby reducing paper and plastic waste. Furthermore, we actively encourage consumers to bring their own shopping bags. To support this initiative, we launched a campaign offering complimentary tote bags with purchases exceeding a certain amount. These tote bags are crafted from 100% pure cotton and are free from formaldehyde and eight major heavy metals. In 2022, all 1,600 tote bags were distributed, aiming to inspire consumers to reduce their reliance on plastic bags.





# 7. Appendix

GRI Index  
SASB Index



# GRI Index

Type	Item	Indicator code	Indicator name	Page number
<b>GRI 2 General Disclosures ( 2021 )</b>	The organization and its reporting practices	2-1	Organizational details	4
		2-2	Entities included in the organization's sustainability reporting	2
		2-3	Reporting period, frequency and contact point	2
		2-4	Restatements of information	2
		2-5	External assurance	2
	Activities and workers	2-6	Activities, value chain and other business relationships	5
		2-7	Employees	33
		2-8	Workers who are not employees	33
	Governance	2-9	Governance structure and composition	12
		2-10	Nomination and selection of the highest governance body	12
		2-11	Chair of the highest governance body	11
		2-12	Role of the highest governance body in overseeing the management of impacts	19
		2-13	Delegation of responsibility for managing impacts	26 、 27
		2-14	Role of the highest governance body in sustainability reporting	23
		2-15	Conflicts of interest	11
		2-16	Communication of critical concerns	11
		2-17	Collective knowledge of the highest governance body	13 、 14
		2-18	Evaluation of the performance of the highest governance body	12
		2-19	Remuneration policies	15
		2-20	Process to determine remuneration	15
		2-21	Annual total compensation ratio	The annual total compensation ratio of Collins in 2022 is 16.15 and the ratio of change in total remuneration is -9.5%, while the annual total remuneration ratio of Jesco International is 1.58 and the change in total remuneration is 0.02.



Type	Item	Indicator code	Indicator name	Page number
<b>GRI 2 General Disclosures ( 2021 )</b>	Strategy, policies, and practices	2-22	Statement on sustainable development strategy	3
		2-23	Policy commitments	28 、 29 、 34
		2-24	Embedding policy commitments	17 、 28 、 29
		2-25	Processes to remediate negative impacts	25 、 26 、 27
		2-26	Mechanisms for seeking advice and raising concerns	17 、 26 、 27
		2-27	Compliance with laws and regulations	21
		2-28	Membership of associations	10
	Stakeholder engagement	2-29	Approach to stakeholder engagement	22
		2-30	Collective bargaining agreements	34

Type	Item	Indicator code	Indicator name	Page number
<b>GRI 3 Material Topics ( 2021 )</b>	Disclosures on material topics	3-1	Process to determine material topics	23
	Disclosures on material topics	3-2	List of material topics	23
	Disclosures on material topics	3-3	Management of material topics	26 、 27

Type	Item	Indicator code	Indicator name	Page number
<b>Economic</b>	Anti-corruption   2016	205-2	Communication and training about anti-corruption policies and procedures	17
	Anti-corruption   2016	205-3	Confirmed incidents of corruption and actions taken	17
	Market Presence   2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	35
	Market Presence   2016	202-2	Proportion of senior management hired from the local community	32
	Procurement Practices   2016	204-1	Proportion of spending on local suppliers	28

Type	Item	Indicator code	Indicator name	Page number
Environmental	Materials   2016	301-3	Reclaimed products and their packaging materials	43
	Energy   2016	302-1	Energy consumption within the organization	42
	Energy   2016	302-3	Energy intensity	42
	Energy   2016	302-4	Reduction of energy consumption	42
	Energy   2016	302-5	Reductions in energy requirements of products and services	42
	Emissions   2016	305-1	Direct (Scope 1) GHG emissions	41
	Emissions   2016	305-2	Energy indirect (Scope 2) GHG emissions	41
	Emissions   2016	305-3	Other indirect (Scope 3) GHG emissions	41
	Emissions   2016	305-4	GHG emissions intensity	41
	Emissions   2016	305-5	Reduction of GHG emissions	42

Type	Item	Indicator code	Indicator name	Page number
Social	Employment   2016	401-1	New employee hires and employee turnover	33
	Employment   2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	35
	Employment   2016	401-3	Parental leave	38
	Labor/Management Relations   2016	402-1	Minimum notice periods regarding operational changes	34
	Training and Education   2016	404-1	Average hours of training per year per employee	36
	Training and Education   2016	404-2	Programs for upgrading employee skills and transition assistance programs	36
	Training and Education   2016	404-3	Percentage of employees receiving regular performance and career development reviews	38
	Non-discrimination   2016	406-1	Incidents of discrimination and corrective actions taken	34
	Supplier Social Assessment   2016	414-1	New suppliers that were screened using social criteria	29
	Supplier Social Assessment   2016	414-2	Negative social impacts in the supply chain and actions taken	29
	Customer Privacy   2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	20

# SASB Index

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	42
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	None	Corporate Governance - Risk Management	20
	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	20
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) Percentage of in-store employees earning minimum wage by region	Reporting currency, Percentage (%)	Salary and Benefits - Remuneration System	35
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Percentage	Recruiting Partners - Human Resources Structure	33
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Reporting currency	Recruiting Partners - Employee Rights	34
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for: (1) management and (2) all other employees	Percentage (%)	Recruiting Partners - Human Resources Structure	32
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Reporting currency	Recruiting Partners - Employee Rights	34
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Reporting currency	Supply Chain Management - Sustainable Supply Chain Supply Chain Management - Retail	29
	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	30
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	None	Green Operations - Green Shopping Complexes	43



Collins Co., Ltd.

<http://www.collins.com.tw>

6F., No. 201, Dunhua N. Rd.,  
Songshan Dist., Taipei City, Taiwan

( 02 ) 2712-5311