



2023

永續報告書

Sustainability
Report



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About the Report

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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

Report framework	According to the Global Reporting Initiative (GRI) 2021 Standards, utilizing the sustainability indicators of the Sustainability Accounting Standards Board (SASB), and referencing the United Nations Sustainable Development Goals (SDGs).
Disclosure scope	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.
Report period	January 1, 2023 to December 31, 2023
Reporting cycle	Reports are produced annually. This report was issued in August 2024, with the next report scheduled for issuance in August 2025.
Restatements of information	Due to the addition of new food and beverage brands in 2023, information on all personnel related to apparel and food and beverage outlets has been consolidated and disclosed. The greenhouse gas inventory now covers 22 locations. Additionally, data on electricity consumption and carbon emissions at the headquarters of Collins’ for 2021-2022 has been recalibrated.
Data measurement	Other relevant data, collected by internal departments, and presented using internationally recognized indicators and units.
Assurance	The content of this report has been prepared by Collins’ and reviewed and confirmed by the relevant department heads. Except for the specific items noted below, the remainder of the report has not been assured or verified by an external third-party organization. Financial Operational Performance: Derived from the consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS), and audited by KPMG. Greenhouse Gas Inventory: 22 retail locations have been verified and certified by DNV according to ISO 14064-1:2018. Other sites, including the headquarters and the Shulin plant office, have conducted self-assessments without relevant certification.

Report Outline

The data and information in this report have been provided by various departmental points of contact. The Corporate Services Group and the Corporate Governance Team have consolidated this data, which was then reviewed for accuracy by the respective department heads. Finally, the report was approved and disclosed by the Board of Directors, and has been prepared as an official report. We are committed to providing comprehensive information disclosure to enable stakeholders who are interested in our operations to better understand the performance and achievements of Collins’ in implementing corporate sustainability in 2023.

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.

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Telephone: (02)2712-5311 #300

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Message from the Chairperson

GRI 2-22

Earth's resources are finite. Scientists evaluate the Earth's limits to assess the amount of resources available for human use each year. By August 2, 2023, the available resources for the year had been exhausted, leading to ecological overshoot and significantly increasing the risk of extreme climate events. In this sustainability report, we aim to assume the role of a green corporate citizen by setting an ambitious goal of achieving carbon neutrality by 2030. We are also actively promoting and implementing ESG practices to create sustainable value for our employees, the environment, and society.

Environmental Priority:

Energy Renewal

In line with the principle of "Prioritizing the Environment, Sustaining the Future," we assess the overall environmental impact of our operations. This includes everything from facility construction and equipment usage to retail sales. We plan and implement environmentally friendly initiatives to address the challenges posed by climate change and are committed to reducing our carbon footprint. Simultaneously, we are expanding our investment in renewable energy by establishing a subsidiary, "Collins Energy Solutions Co., Ltd.," which will serve as the foundation for sustainable green energy development in Taiwan and contribute to Taiwan's energy transition.

Dual-Axis Transformation

Sustainable Future

With a focus on digital and sustainable transformation as our development goals, we are committed to enhancing sustainability awareness at all management levels. We have planned various training programs to strengthen the sustainability knowledge of board members, senior executives, and frontline employees, thereby fostering a corporate culture of sustainable development. Additionally, at the Shulin factory office, we have implemented digital and smart tools to manage rainwater harvesting in real-time, which has also significantly reduced warehouse operational labor by 40%.

Diverse Workplace Giving Back to Society

In the post-pandemic period, Taiwan faced a labor shortage crisis, making the attraction and retention of top talent a critical factor for corporate development. We prioritize equal opportunities in the workplace and are committed to building a diverse and equitable work environment. In 2023, the ratio of male to female senior executives, as well as their compensation, was 1:1. Additionally, we continue to enhance employee remuneration and benefits beyond regulatory requirements, enabling our employees to find a balance between work and life, and creating a comfortable, safe, and fulfilling workplace.

In terms of social engagement, we have aligned with SDG 1 (No Poverty) and SDG 2 (Zero Hunger) by donating rice to social welfare organizations for 14 consecutive years. Additionally, we have responded to the government's "Corporate Promotion of Cultural Development" policy by organizing a private screening of the ecological documentary "Good Morni MIT," with participation from our employees and our subsidiary, Hi-Clearance Inc., to support Taiwan's cultural industry and ecological environment.

Redefining

Corporate Sustainability

In response to the wave of sustainability, we redefined our corporate brand identity in 2023. Drawing on our solid historical foundation and strength, we aim to grow and expand like a tree canopy, continuing to thrive on the international stage. We are also committed to advancing environmental protection and green energy, fulfilling our ESG commitments as a sustainable enterprise, and planting the seeds of sustainability in Taiwan, which will grow into a flourishing forest of tall trees.



Chairperson Lee Chung Liang

1. Sustainable Governance

Sustainable Development
Communication with
Stakeholders
Determination of Material
Topics

Aligning with the SDGs



Sustainable Development

Sustainable Development Policy

GRI 2-12, 2-13, 2-22, 2-23

To implement sustainable development and promote a balance between economic, social, and environmental aspects, Collins' has established a "Sustainable Development Code of Practice." This code is guided by principles of "strengthening corporate governance," "developing a sustainable environment," "upholding social welfare," and "enhancing transparency in sustainability reporting." Additionally, it draws upon the "Eight Dimensions of ESG Ecosystem" proposed by the Taiwan Stock Exchange to define Collins' sustainable development strategy, thereby contributing to the construction of the ESG ecosystem.

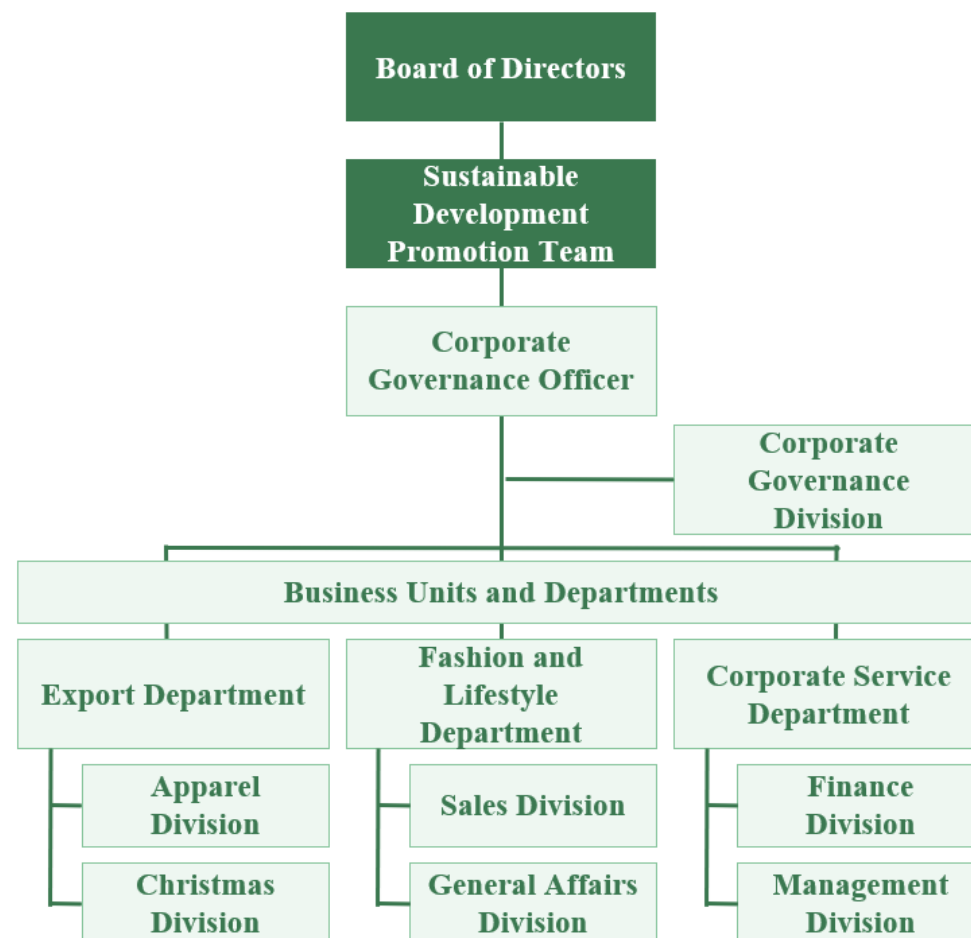
Sustainable Development Promotion Team

Collins' has established a Sustainable Development Promotion Team, led by the Chief Governance Officer, who is responsible for executing, driving, and coordinating efforts. This team guides colleagues from various departments to implement sustainability strategy across economic, governance, environmental, and social dimensions. The focus is on achieving the strategic priorities and leveraging core competencies to realize the Company's vision for sustainable development.

Board Supervision

At least once a year, the results of sustainable development initiatives must be reported to the Board of Directors. Prior to the release of the sustainability report, it must be approved by the Board. The report should review the effectiveness of the year's operations and plan future work activities, including key sustainability highlights and performance, pandemic response, plastic reduction achievements, integration of climate change issues into risk management, low-carbon transition, occupational health and safety of employees, stakeholder communication channels and performance, participation in external sustainability activities, and future directions for enhancing ESG promotion and information disclosure (such as strengthening assessments, aligning with international standards, improving information credibility and interactive communication, and learning from industry benchmarks).

Sustainable Development Execution Framework



■ Shaping a Sustainable Culture

GRI 2-24

To drive the implementation of sustainable development measures across the Company, enhancing sustainability awareness and knowledge at all levels of Collins' is a critical factor. The Company has developed relevant sustainability courses for the Board of Directors, corporate governance officers, the Sustainability Development Promotion Team, and all employees. These courses aim to build a strong understanding of sustainability and integrate it into daily operations, thereby shaping a corporate culture centered on sustainable development. Together, we strive to achieve our 2030 carbon neutrality and sustainability goals.

Target Audience	Strategic Objective	Training Focus	Number of Participants	Total Training Hours
Board of Directors	Establish long-term sustainability strategies to lead Collins' sustainable transformation.	<ul style="list-style-type: none"> ■ [Sustainable Governance] Enhancing corporate governance, ensuring sustainable business operations, ESG investment strategies, and leading sustainable governance. ■ [Climate Change and Net Zero] Sustainable finance and climate change, opportunities and challenges in achieving net zero. ■ This accounts for 44.44% of the total training hours. 	11 person-times	36 hours
Senior Executives/ Corporate Governance Officer	Demonstrate sustainable leadership to ensure alignment between company strategy and sustainability development goals.	<ul style="list-style-type: none"> ■ [Sustainability Management Certification Program] Obtaining the Corporate Sustainability Manager Certification and completing the Climate Action Management Training Program for listed companies. ■ [Sustainability Trends] Enhancing corporate value through SDGs, dual-axis transformation in sustainability and digitalization, corporate governance, business ethics, climate change, and GRI human rights reporting. ■ In 2024, additional training for ISO 14064-1 greenhouse gas inventory certification will be introduced. 	7 person-times	127.5 hours
Sustainable Development Promotion Team	Mastering professional knowledge and practical skills to achieve carbon neutrality by 2030	<ul style="list-style-type: none"> ■ [Carbon Management Talent Development]: In preparation for achieving the carbon neutrality target by 2030, the focus for 2023 will be on carbon management-related courses. This includes training programs for carbon reduction in commercial sectors, Scope 3 training courses, and advanced carbon management workshops. In 2024, additional training for ISO 14064-1 greenhouse gas inventory certification will be introduced. ■ [Sustainability Reporting Practices] Further education on the GRI Standards 2021 human rights reporting guidelines. 	14 person-times	62 hours
All colleagues	Understanding the importance of sustainable development to promote sustainable practices in daily life and work	<ul style="list-style-type: none"> ■ [Net Zero and Regulatory Trends] Industry trends toward net zero, CBAM regulations, sustainable innovation cases, carbon tax, and energy-saving courses. ■ [Healthy Workplace] Prevention of occupational diseases, healthy eating, stress relief and emotional management, awareness of illegal infringements, and enhancement of workplace communication skills. 	462 person-times	691 hours

Communication with Stakeholders

Communication with Stakeholders

GRI 2-29

Collins' operates under the principle of "Integrity as the Foundation," placing significant emphasis on communication with customers, investors, employees, and partners. The Company is committed to providing high-quality products and services with integrity and fostering mutually beneficial relationships with suppliers to achieve a win-win outcome. The Company adheres to the AA 1000 SES (Stakeholder Engagement Standards) by applying its five key principles: Inclusivity, Accountability, Influence, Diversity, and Tension. This approach helps identify seven primary stakeholder groups, including customers/consumers, employees, shareholders/investors, suppliers, government/regulators, the general public, and local communities. Through diverse communication channels, the Company discloses information, collects feedback, and listens to the concerns of stakeholders to ensure effective and positive communication outcomes.

Issues and channels of communication with stakeholders

Stakeholder	The Significance of Stakeholders to Collins	Communication channels	Issue of Concern	Communication Effectiveness	Response Chapter
Customers/ consumers	Trading and retailing are important businesses of Collins', and long-term relationships with customers and consumers are an important factor affecting revenue	<ul style="list-style-type: none"> ■ Ad-hoc telephone and email communications ■ Ad-hoc face-to-face/ video conferences 	<ul style="list-style-type: none"> ■ Information Security ■ Packaging and Material Management ■ Customer Relationship Management 	<ul style="list-style-type: none"> ■ No incidents of customer privacy breaches ■ Assisted in reducing packaging material for two products ■ Average customer satisfaction rating for dining outlets >3 	<ul style="list-style-type: none"> ■ 3. Business Partnerships ■ 6. Environment Sustainability
Employees	Employees are an important asset of Collins. Therefore, in order to attract outstanding talents, we provide a comprehensive remuneration, welfare and training system to give full play to the potential of employees and create maximum operational performance.	<ul style="list-style-type: none"> ■ Ad-hoc internal information promotion ■ Organize labor-management meetings every year ■ Employee Welfare Committee and internal grievance channels 	<ul style="list-style-type: none"> ■ Talent Development and Training ■ Diversity, Equity, and Inclusion ■ Economic Performance 	<ul style="list-style-type: none"> ■ Provided a total of 49 hours of external training related to ESG and diversity and inclusion. ■ Employee benefits expenses for 2023 amounted to NT\$1.01 billion. 	4. Friendly Workplace

Stakeholder	The Significance of Stakeholders to Collins	Communication channels	Issue of Concern	Communication Effectiveness	Response Chapter
Shareholders/ investors	The support of shareholders/investors for Collins will affect the stability of the company's funds. Therefore, creating maximum benefits for shareholders and transparent disclosure of financial information are the company's operating objectives.	<ul style="list-style-type: none"> ■ Annual shareholders meeting and corporate briefing ■ Company website and media information disclosures 	<ul style="list-style-type: none"> ■ Economic Performance ■ Ethical Corporate Management ■ Risk Management 	<ul style="list-style-type: none"> ■ In 2023, a total of 1 shareholders' meeting and 1 corporate briefing were held to communicate the Company's operational status. ■ No incidents of dishonesty occurred. 	2. Company Overview
Suppliers	Suppliers are the main source of products for trade and retail, and establish good partnerships with suppliers to ensure product quality	<ul style="list-style-type: none"> ■ Ad-hoc telephone and email communications ■ Ad-hoc face-to-face/video conferences 	<ul style="list-style-type: none"> ■ Economic Performance ■ Occupational Health and Safety ■ Labor Rights 	A total of 4 suppliers have passed anti-terrorism and human rights-related certifications.	3. Business Partnerships
Government/ Regulator	Government agencies formulate various regulations, Collins Industry follows the laws of various local governments, and works together with the public sector to implement sustainable development	<ul style="list-style-type: none"> ■ Regular internal control audits ■ Participate in symposiums, seminars or courses held by government agencies 	<ul style="list-style-type: none"> ■ Information Security ■ Legal Compliance 	In 2024, joined the "TWCERT Taiwan Computer Emergency Response Team" operated by the National Information and Communication Security Research Institute to share cybersecurity intelligence.	2. Company Overview
Society	Continue to convey the company's brand image to the public, which helps to promote the concept of sustainability to more stakeholders	<ul style="list-style-type: none"> ■ Company website and media information disclosures ■ Company telephone and email 	<ul style="list-style-type: none"> ■ Information Security ■ Community Participation ■ Greenhouse Gas Emissions 	<ul style="list-style-type: none"> ■ No cybersecurity incidents occurred. ■ The Zhongxiao Store received ISO 14064-1 certification in 2023. ■ Donated US\$5,000 to a charitable golf tournament. 	<ul style="list-style-type: none"> ■ 2. Company Overview ■ 5. Social Inclusion ■ 6. Environment Sustainability
Local Community	There are retail outlets all over Taiwan, so a good community-neighbor relationship is an important part of local cultivation and enterprises giving back to the society	<ul style="list-style-type: none"> ■ Company website and media information disclosures ■ Company telephone and email 	<ul style="list-style-type: none"> ■ Community Participation ■ Labor Rights ■ Market Presence 	<ul style="list-style-type: none"> ■ Donated 150 grams of white rice to social welfare organizations. ■ No violations of labor-related laws occurred. ■ 100% of the Taiwan-based operational site managers are Taiwanese nationals. 	<ul style="list-style-type: none"> ■ 4. Friendly Workplace ■ 5. Social Inclusion

Determination of Material Topics

Materiality Analysis Process

GRI 3-1

The Company adheres to the GRI 3 Material Topics while applying the European Union's "Double Materiality" principle. We execute materiality analysis through the following steps: identifying key stakeholders, collecting sustainability issues, assessing impacts, analyzing material topics, and reviewing and discussing findings. This process includes the creation of both positive/negative impact matrices and double materiality matrices. Ultimately, we have identified 13 material topics to serve as the basis for drafting and disclosing our Corporate Social Responsibility (CSR) report, which assesses the Company's sustainability performance.

Materiality Analysis Process

1	Stakeholder identification	Based on the AA 1000 SES Stakeholder Engagement Standard, the seven key stakeholders are identified through the application of five principles: Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. [The 7 key stakeholders] Customers/consumers, employees, shareholders/investors, suppliers, government/regulators, the general public, and local communities.	7 key stakeholders
2	Sustainability Issue Collection	Based on international standards such as GRI and SASB, as well as industry-specific topics of concern, 23 sustainability issues have been identified.	23 Sustainability Issues
3	Stakeholder Survey	Internal employees were assigned to fill out questionnaires from the perspective of stakeholders they closely interact with in their respective roles. The aim was to assess the impact of the Company's sustainability issues on these stakeholders. A total of 16 questionnaires were collected.	16 Stakeholder Questionnaires
4	Impact Survey	Through a questionnaire distribution, an internal survey was conducted to assess the positive and negative impacts of Collins on the economy, environment, and people, as well as the likelihood of these impacts occurring. The survey also evaluated the financial impact of sustainability issues on the Company. A total of 22 materiality questionnaires were collected.	22 Materiality Questionnaires
5	Impact Analysis	The survey results will be consolidated to separately calculate "impacts on the economy, environment, and society" and "impacts on financial performance." Subsequently, the following matrices and charts will be created: a Double Materiality Matrix, a Positive Impact Matrix, a Negative Impact Matrix, and a Materiality Ranking Chart.	Analysis of 4 Types of Charts
6	Establishment of Material Topics	Following discussions by the Sustainable Development Promotion Team and external experts, 9 topics were identified as significant based on the materiality ranking results. To ensure ongoing monitoring of last year's material topics, an additional 4 topics were specifically included: market position, sustainable procurement, ethical business practices, and packaging material management. The final list of 13 key topics was approved by the Corporate Governance Officer.	The 13 Material Topics
7	Disclosure and Reporting	In response to material topics reporting requirements, information is disclosed in the Sustainability Report to communicate Collins's sustainability achievements to stakeholders. Additionally, the materiality of sustainability topics is reviewed annually.	Annual Review

Determining Material Topics

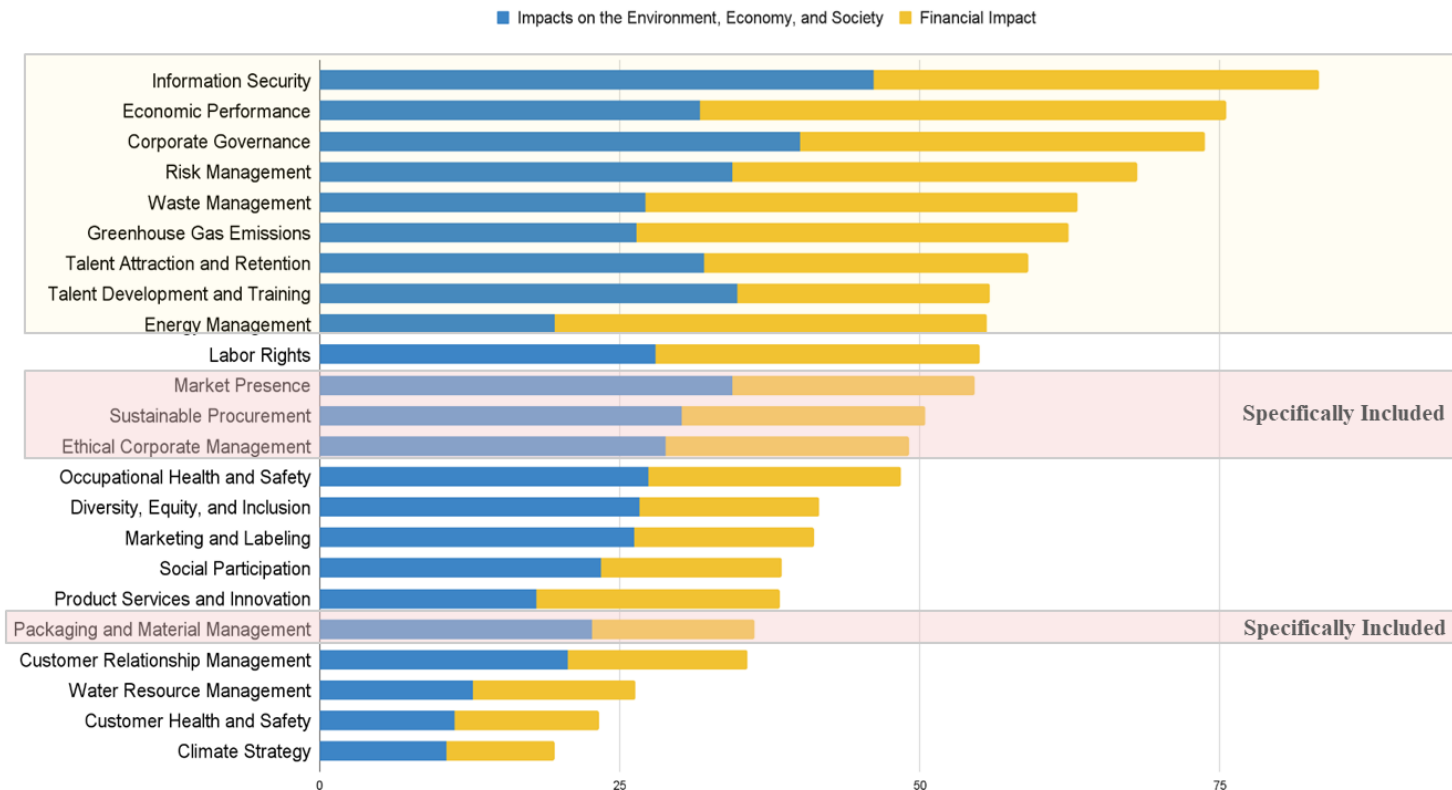
GRI 3-2

Collins, referencing the draft European Sustainability Reporting Standards' principle of double materiality, conducted an assessment of the Company's operational "impacts on the economy, environment, and society," as well as the "financial impacts" of various sustainability trends on the Company. The survey results were consolidated and prioritized for materiality, followed by discussions with external experts, leading to the identification of 9 material topics.

In addition, by comparing last year's material topics, industry common material topics, and SASB industry material topics, it was determined that "market position," "ethical business practices," and "packaging material management," which were highly impactful last year, should continue to be monitored. Therefore, these were specifically included as material topics for this year. "Sustainable procurement" was also included due to its relevance to industry and SASB material topics. As a result, a total of 13 material topics were established.

Materiality Ranking

Materiality Ranking



Dimension	Material topics
Economic	Information Security
	Economic Performance
	Corporate Governance
	Risk Management
	Market Presence
	Sustainable Procurement
	Ethical Corporate Management
Environment	Waste Management
	Greenhouse Gas Emissions
	Energy Management
	Packaging and Material Management
Social	Talent Attraction and Retention
	Talent Development and Training

Double Materiality Analysis

The Company utilizes the Double Materiality Matrix to cross-analyze the impacts and significance related to the economy, environment, society, stakeholders, and company finances. The highest impact topics identified are "Information Security," "Corporate Governance," "Risk Management," and "Economic Performance." While "Customer Health and Safety" holds high importance for stakeholders, its impact is comparatively lower. The Company will continue to ensure product safety and enhance communication with stakeholders.

Change in Topic

GRI 3-2

[Change in Topic Name]

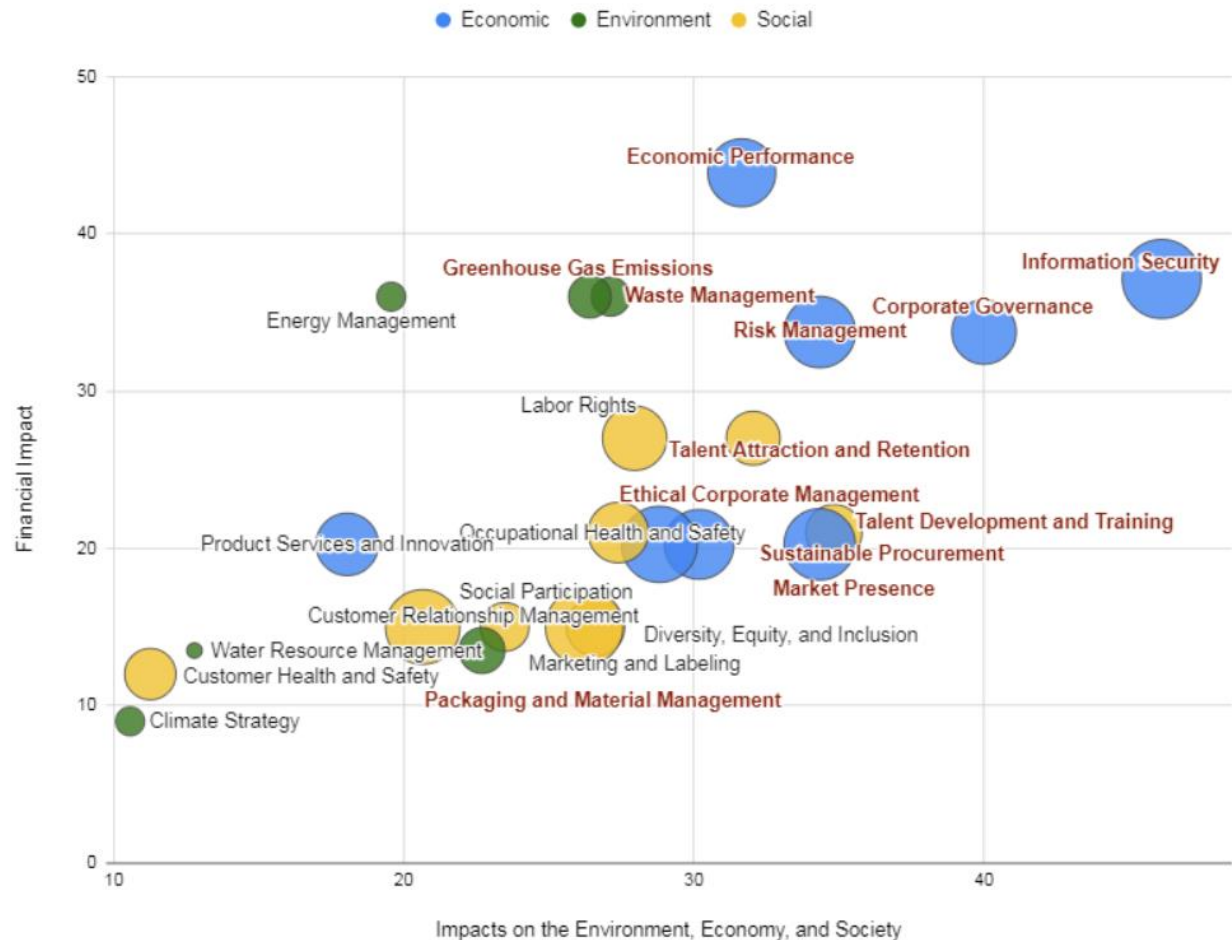
In response to international sustainability trends, the topic previously referred to as "Non-Discrimination" has been renamed to "Diversity, Equity, and Inclusion." Additionally, as product materials for trade and brand agency retail are specified directly by clients, while packaging materials for retail products are decided by Collins, the topic "Raw Material Management" has been revised to "Packaging and Material Management."

[Change in Material Topics]

The impact assessment results for the topic "Non-Discrimination" (renamed this year to "Diversity, Equity, and Inclusion") were relatively low in the previous year. However, due to its inclusion as a material topic under SASB industry standards, it has been specifically considered. Given that the impact results remain low this year, it has been decided not to include this topic as a material issue at present. Nonetheless, it will continue to be monitored for changes and international trends in the future.

Double Materiality Matrix

Double Materiality Matrix

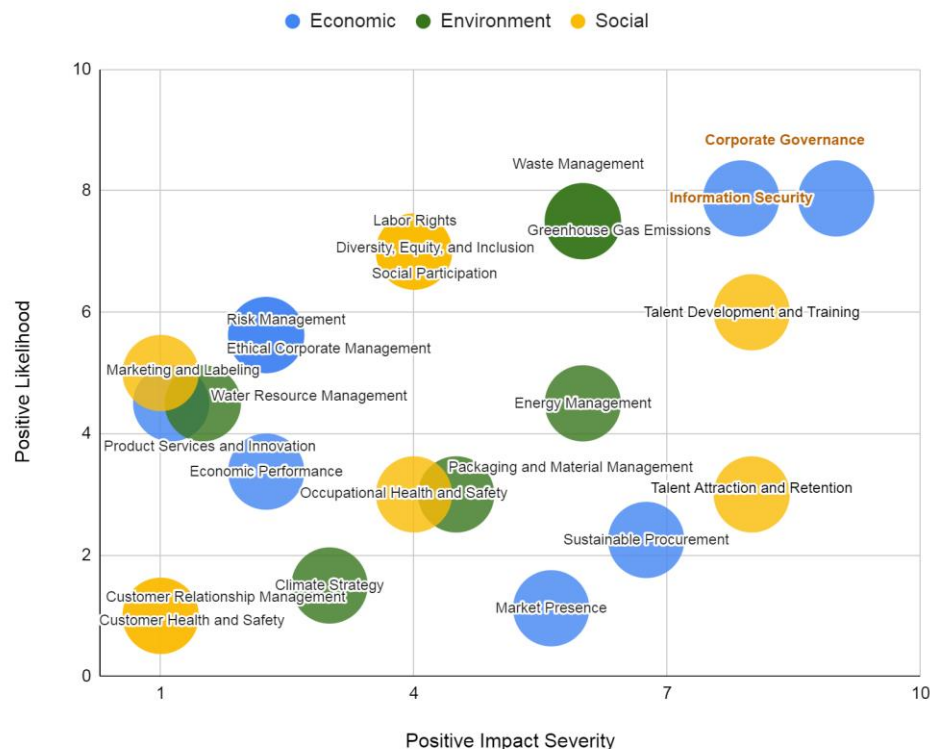


Analysis of Positive and Negative Impacts

Matrices were established to analyze the degree and likelihood of positive and negative impacts separately. The topics with high positive impacts are "Corporate Governance" and "Information Security." Regarding negative impacts, there are currently no sustainability issues with high impact severity or high likelihood. The Company will enhance monitoring and management of topics such as "Corporate Governance," "Economic Performance," "Market Position," and "Talent Attraction and Retention" to prevent significant negative impacts and avoid substantial adverse effects on the economy, environment, society, and stakeholders.

Positive Impact Matrix

Positive Impact Matrix



Negative Impact Matrix

Negative Impact Matrix



■ Boundaries of Material Topics

GRI 3-3

These 13 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 topics	Significance and impact of major issues	Corresponding GRI	Internal		External		
				The Company	Employees	Customers/consumers	Suppliers	Local Community
Economic	Information Security	[Substantial Positive Impact] Establishing a comprehensive information security management framework to prevent the leakage of operational secrets and customer privacy. [Potential Negative Impact] Evolving hacking techniques may potentially lead to the leakage of customer or company confidential information.	418 Customer Privacy	●	●	●	●	○
	Economic Performance	[Potential Negative Impact] A decrease in revenue may affect investor confidence and impact the interests of stakeholders.	201 Economic Performance	●	●	○	○	●
	Corporate Governance	[Substantial Positive Impact] Continuously arrange for members of the Board to pursue further knowledge of sustainability, enhancing their professional capabilities in this regard and helping lead the company toward ongoing sustainable development. [Potential Negative Impact] Violations of significant corporate governance regulations could potentially harm stakeholder interests.	2-9~2-22 Governance	●	●	●	●	○
	Risk Management	[Potential Negative Impact] Failure to strengthen the identification of potential risks and establish corresponding mitigation measures could result in significant economic impacts if risks materialize, thereby affecting stakeholder interests.	Custom Topic	●	●	●	●	●
	Market Presence	[Potential Negative Impact] Failure to provide competitive compensation above regulatory requirements may lead to talent attrition, reducing operational efficiency and impacting overall economic growth.	202 Market Presence	●	●	○	○	●
	Sustainable Procurement	[Potential Positive Impact] Assessing supplier sustainability performance can drive the overall sustainability development of the supply chain and the industry.	204 Procurement Practices 414 Supplier Social Assessment	●	●	○	●	○
	Ethical Corporate Management	[Potential Negative Impact] The occurrence of dishonesty incidents will harm the Company's operations and the rights and interests of stakeholders.	205 Anti-corruption	●	●	●	●	●

●: Direct impact ○: Indirect impact

Dimension	Material topics	Significance and impact of major issues	Corresponding GRI	Internal		External		
				The Company	Employees	Customers/consumers	Suppliers	Local Community
Environment	Waste Management	[Potential Positive Impact] Reducing waste generation and enhancing waste reuse contribute to resource recycling and sustainability. [Potential Negative Impact] Failure to reduce waste generation may place an additional burden on the environment.	306 Waste	●	●	○	●	●
	Greenhouse Gas Emissions	[Potential Positive Impact] Planning to achieve carbon neutrality by 2030 helps mitigate the effects of climate change.	305 Emissions	●	●	●	●	●
	Energy Management	[Potential Positive Impact] Reducing energy consumption and investing in renewable energy lowers greenhouse gas emissions and minimizes environmental impact.	302 Energy	●	●	○	○	●
	Packaging and Material Management	[Potential Positive Impact] Reducing packaging material usage, reusing packaging, and promoting resource reuse to customers enhance resource efficiency. [Potential Negative Impact] Failure to reduce packaging material usage or select recyclable materials can lead to environmental resource waste.	301-3 Reclaimed products and their packaging materials	●	●	●	●	●
Social	Talent Attraction and Retention	[Potential Positive Impact] Enhancing company remuneration and benefits attracts top talent, positively impacting company operations and employee welfare. [Potential Negative Impact] High employee turnover may affect company operations and employee morale.	401 Employment 402 Labor/Management Relations	●	●	○	○	●
	Talent Development and Training	[Potential Positive Impact] Comprehensive employee education and training enhance skills development, positively impacting employees' careers. [Potential Negative Impact] Failure to provide relevant training resources may lead to decreased competitiveness for both the Company and its employees.	404 Training and Education	●	●	●	○	●

Management Approach of Material Issues

GRI 2-13, 2-25, 3-3

Material topics	Information Security	Economic Performance	Corporate Governance
Policies and Commitments	In accordance with ISO 27001 and personal data protection laws, establish an information security management framework to enhance the security of confidential information and customer privacy.	Expand into new international markets, deepen collaboration with international luxury groups, and invest in forward-looking industries to increase company revenue.	Adhere to the Company's corporate governance principles: safeguard shareholder rights, strengthen board functions, leverage the role of independent directors, respect stakeholder interests, and enhance information transparency.
Management Actions	<ul style="list-style-type: none"> Gradually upgrade internal hardware and software to withstand external cybersecurity threats. Require cloud service providers to sign confidentiality and personal data protection agreements, and ensure the implementation of robust data protection frameworks and measures. Ensure that every employee in the trading division signs a "Non-Compete Agreement," treating customer data as a critical company asset. Participate in cybersecurity-related conferences annually to stay updated on the latest trends. 	<ul style="list-style-type: none"> Continue to expand into markets outside the United States, such as Mexico and Central and South America, to identify new customer sources. Continue to enhance the online platform's presence and expand the product line. Expand the portfolio of high-end brand representation, optimize brand products to differentiate from market competitors, and continue to establish new locations and penetrate regional mixed-use shopping centers. Continuously seek investment targets that offer synergies with core business operations. 	<ul style="list-style-type: none"> Enhance the sustainability-related competencies of the Board of Directors. Develop and implement measures based on corporate governance assessments to continually improve governance practices and information transparency. Strengthen regulatory awareness and establish corrective actions for past violations to prevent recurrence of non-compliance issues.
Objectives and Targets	<ul style="list-style-type: none"> 0 cybersecurity incidents reported. 	<ul style="list-style-type: none"> Revenue demonstrated steady growth. 	<ul style="list-style-type: none"> Appointed one additional female independent director in 2024.
Implementation Results in 2023	<ul style="list-style-type: none"> Participated in 6 cybersecurity training sessions, with a total of 9 participants and 6.5 hours of training. No cybersecurity incidents occurred. Joined the Taiwan Computer Network Emergency Response and Coordination Center (TWN-CERT), gaining access to the latest cybersecurity information. 	<ul style="list-style-type: none"> Launched two new product lines—pizza ovens and electric toothbrushes—on Amazon's U.S. website. Collaborated with Japan's Baycrew's Group (BCG) to explore opportunities in the apparel and dining sectors. Established the Collins Energy Solutions subsidiary to expand clean energy-related services and accelerate Taiwan's energy transition. 	<ul style="list-style-type: none"> Board members completed 21 hours of sustainability-related courses, accounting for nearly 40% of the total training hours.
Responsible unit	<ul style="list-style-type: none"> Trading Division, Corporate Services Division - Computer Training Personal Data Protection Implementation Team 	<ul style="list-style-type: none"> Corporate Service Group 	<ul style="list-style-type: none"> Corporate Governance Division Corporate Governance Team
Inspection Mechanism	<ul style="list-style-type: none"> Trading Division, Corporate Services Division - Annual information security inspection key points Personal Data Protection Implementation Team convenes meetings intermittently to track progress. 	<ul style="list-style-type: none"> The Corporate Services Group supports the Company's direct business units and certain invested enterprises with backend management operations. Monthly business meetings are held to monitor and organize operational status. 	<ul style="list-style-type: none"> The Corporate Governance Department is responsible for planning board member training and implementing measures to enhance corporate governance evaluations. Annual assessments of corporate governance status are conducted. Annual performance evaluations of the Board of Directors are carried out to assess directors' functions.
Complaint Mechanism	<ul style="list-style-type: none"> Contact for domestic customers: g2000@collins.com.tw Contact for foreign customers: candy@collins.com.tw ivy@collins.com.tw 	<ul style="list-style-type: none"> Corporate Service Department Contact: perry@collins.com.tw 	<ul style="list-style-type: none"> Corporate Governance Department Contact: cindyshen@collins.com.tw

Material topics	Risk Management	Market Presence	Sustainable Procurement	Ethical Corporate Management
Policies and Commitments	Anticipate and address potential risks to company operations in advance to achieve preventive benefits and ensure the attainment of strategic objectives.	Provide a starting salary higher than the legal salary and hire local talents, and enhance local engagement.	Establish a supplier management policy to collaboratively advance corporate social responsibility (CSR) management practices with suppliers.	Adopt a management philosophy of integrity, fairness, transparency, and self-discipline, and implement various ethical standards and policies.
Management Actions	<ul style="list-style-type: none"> ■ Establish and Implement "Risk Management Policies and Procedures" ■ Integrate and manage all risks that may impact operations and profitability in a proactive and cost-effective manner, and implement appropriate response mechanisms. 	<ul style="list-style-type: none"> ■ Conduct ad-hoc salary surveys and adjust employee starting salaries according to market salary levels. ■ Offer starting salaries and benefits that exceed the minimum wage stipulated by labor laws. 	<ul style="list-style-type: none"> ■ Select suppliers based on their performance in social responsibility and ethical standards, choosing those with strong performance. ■ All suppliers must sign a social responsibility and ethical standards commitment letter before receiving orders or contracts. 	<ul style="list-style-type: none"> ■ Promote integrity in business through relevant educational and training programs. ■ All employees must sign a statement of integrity principles and code of conduct. ■ Establish an electronic complaint mailbox to handle and investigate related complaints.
Objectives and Targets	<ul style="list-style-type: none"> ■ Strengthen the risk management framework and response measures 	<ul style="list-style-type: none"> ■ Continue to provide a starting salary higher than the statutory salary 	<ul style="list-style-type: none"> ■ Enhance overall ESG performance across the supply chain 	<ul style="list-style-type: none"> ■ Implementation of a corporate culture of integrity in business operations ■ 0 incidents of dishonesty occurred.
Implementation Results in 2023	<ul style="list-style-type: none"> ■ Established 7 major risks and 16 risk dimensions, assessed risk probabilities and risk levels, and developed corresponding mitigation measures. 	<ul style="list-style-type: none"> ■ 100% of executives are of Taiwanese nationality. ■ 100% of salaries meet legal standards. 	<ul style="list-style-type: none"> ■ Implemented a "Supplier Management Policy." ■ 4 suppliers have passed third-party certifications related to social responsibility and anti-terrorism security. ■ 48.27% of products procured for food service outlets are certified with sustainability or food safety-related labels. 	<ul style="list-style-type: none"> ■ 100% of employees have signed statements of integrity and ethical conduct. ■ Conducted a total of 4 sessions of integrity and ethical business training, with 488 participants.
Responsible unit	<ul style="list-style-type: none"> ■ Risk Management Team ■ Heads of Units and Responsible Personnel 	<ul style="list-style-type: none"> ■ Corporate Services Group - Human Resources Section 	<ul style="list-style-type: none"> ■ Trade Business Group ■ Fashion Lifestyle Division - Merchandise Department, General Affairs Department 	<ul style="list-style-type: none"> ■ Integrity Management Action Team
Inspection Mechanism	<ul style="list-style-type: none"> ■ The senior executive is responsible for overseeing risk management procedures and reports annually to the Board of Directors on compliance with these procedures. 	<ul style="list-style-type: none"> ■ The Human Resources Department conducts an annual review of industry salary levels. 	<ul style="list-style-type: none"> ■ The Trade Business Group engages in regular communication with suppliers and customers. ■ The Fashion and Lifestyle Business Group performs periodic evaluations of food suppliers. 	<ul style="list-style-type: none"> ■ The Integrity Management Task Force conducts an annual analysis and assessment of risks related to unethical behavior within the business scope and reports the results to the Board of Directors on an annual basis.
Complaint Mechanism	<ul style="list-style-type: none"> ■ Risk Management Team: perry@collins.com.tw 	<ul style="list-style-type: none"> ■ Human Resources Contact email: hr@collins.com.tw 	<ul style="list-style-type: none"> ■ G2000 Contact Email: g2000@collins.com.tw ■ BCG Brand Contact Email: kenji@collins.com.tw ■ Export Business Contact Email: candy@collins.com.tw 	<ul style="list-style-type: none"> ■ Ethics Violation Reporting Email: cust@collins.com.tw ■ hr@collins.com.tw

Material topics	Waste Management	Greenhouse Gas Emissions	Energy Management
Policies and Commitments	Reduce waste generation and promote recycling and reuse to advance environmental sustainability.	Develop a phased carbon reduction plan, including the acquisition of carbon credits or green electricity certificates, with a commitment to achieving carbon neutrality by 2030.	Implement a renewable energy system and align it with the Company's carbon reduction plan to execute energy usage reduction.
Management Actions	<ul style="list-style-type: none"> ■ Reusing plastic packaging for apparel in G2000 retail stores ■ Reusing cardboard boxes in retail stores and the Shulin factory office ■ Substituting electronic invoices for paper to reduce paper consumption, encouraging employees to reuse paper, and promoting reduced use of photocopy paper ■ Encouraging employees to use reusable cups and utensils 	<ul style="list-style-type: none"> ■ Implementing greenhouse gas inventory in phases across all operational sites ■ Analyzing greenhouse gas emissions and evaluating carbon reduction strategies ■ Enhancing greenhouse gas emission education and training for employees to increase carbon reduction awareness 	<ul style="list-style-type: none"> ■ Monitoring energy consumption and gradually developing reduction measures ■ Gradually replacing retail store lighting with LED energy-saving fixtures ■ Setting air conditioning temperatures above 26°C to reduce energy usage and emissions
Objectives and Targets	<ul style="list-style-type: none"> ■ Continuously reducing waste generation 	<ul style="list-style-type: none"> ■ Completing 100% operational site audits by 2025 ■ Achieving carbon neutrality by 2030 	<ul style="list-style-type: none"> ■ Continuously improving energy efficiency
Implementation Results in 2023	<ul style="list-style-type: none"> ■ Continue reusing plastic packaging for apparel in G2000 retail stores ■ Continue reusing cardboard boxes in retail stores and the Shulin factory office 	<ul style="list-style-type: none"> ■ Completed greenhouse gas inventories for 22 retail outlets and obtained ISO 14064-1 certification. ■ The Shulin Factory Office Building selected low-carbon, green building materials, installed a solar power generation system, and utilized R410a environmentally friendly refrigerant in the air conditioning systems. 	<ul style="list-style-type: none"> ■ The Shulin Factory Office Building installed a solar power generation system with a capacity of 162.9 kW. ■ The retail outlets replaced lighting fixtures with energy-efficient LED lighting. ■ The Shulin Factory Office Building adopted first-class energy-efficient air conditioning equipment.
Responsible unit	<ul style="list-style-type: none"> ■ Corporate Services Group - General Affairs Section ■ Fashion Life Group - General Affairs Section 		
Inspection Mechanism	<ul style="list-style-type: none"> ■ The General Affairs Department of the Corporate Services Group and Fashion & Lifestyle Business Group conducts annual assessments of waste generation and evaluates waste reduction targets. 	<ul style="list-style-type: none"> ■ The General Affairs Department of the Corporate Services Group and Fashion & Lifestyle Business Group conducts annual greenhouse gas inventories to monitor and verify the status of greenhouse gas emissions. 	<ul style="list-style-type: none"> ■ The General Affairs Department of the Corporate Services Group and Fashion & Lifestyle Business Group conducts annual energy usage audits and develops energy reduction measures.
Complaint Mechanism	<ul style="list-style-type: none"> ■ Enterprise service group contact mailbox: henryya@collins.com.tw ■ Fashion Life Group contact email: hpt1211@collins.com.tw 		

Material topics	Packaging and Material Management	Talent Attraction and Retention	Talent Development and Training
Policies and Commitments	Reduce packaging material usage, promote the reuse of packaging, and select more environmentally friendly materials to collaborate with customers in reducing plastic use.	Attract top talent and enhance the retention of key personnel by creating a fair, inclusive, and growth-oriented work environment.	Identify and promote key talent while striving to realize the Company philosophy of "Integrity, Pragmatism, Pursuit of Excellence, and Service to Society," fostering mutual growth between employees and the Company.
Management Actions	<ul style="list-style-type: none"> ■ G2000 stores are promoting a spend-and-receive campaign, offering eco-friendly tote bags as a gift for purchases meeting a certain threshold. Additionally, paper bags are no longer provided by default, encouraging consumers to reduce the use of single-use packaging. ■ In trade services and customer evaluations, discussions are being held regarding the reduction of packaging materials or the use of alternative materials. 	<ul style="list-style-type: none"> ■ The Company monitors industry salary and benefits trends and consistently offers welfare benefits that exceed regulatory requirements. ■ Employee physical and mental well-being is highly valued. Regular employee travel activities and health check-ups are organized, with travel subsidies provided. ■ Campus recruitment seminars are conducted to attract and recruit internship talent from educational institutions. 	<ul style="list-style-type: none"> ■ Monthly seminars are held to enhance employee competencies and knowledge in ESG-related fields. ■ Succession planning for key management positions is being developed, focusing on cultivating management knowledge, skills, leadership abilities, and enhancing business management capabilities and strategic thinking. ■ Based on employees' career development needs, appropriate on-the-job and professional training courses are provided, and employees are encouraged to attend external classes or participate in internal job rotations.
Objectives and Targets	Continuously reduce packaging materials.	Lower employee turnover rate.	Conduct educational training sessions monthly.
Implementation Results in 2023	<ul style="list-style-type: none"> ■ During store events, distributed 1,811 eco-friendly cups and 552 eco-friendly tote bags. ■ Successfully assisted clients in reducing packaging materials for two product lines. 	<ul style="list-style-type: none"> ■ Introduced a "Birthday Cash Gift" benefit, providing a birthday cash gift to employees born in the current month. ■ The Welfare Committee organized three welfare activities and two team-building travel events. ■ Recruited five interns, with two transitioning to full-time positions upon completion of their training. 	<ul style="list-style-type: none"> ■ A total of 2,971.3 hours of educational training were conducted, with 1,264 participants. ■ 22 employees participated in ESG-related external training courses, accumulating a total of 226.5 hours of training.
Responsible unit	<ul style="list-style-type: none"> ■ Fashion Life Group - Business Section ■ Trade Business Group 	<ul style="list-style-type: none"> ■ Corporate Services Group - Human Resources Section 	<ul style="list-style-type: none"> ■ Corporate Services Group - Human Resources Section
Inspection Mechanism	<ul style="list-style-type: none"> ■ The Fashion Lifestyle Division's Sales Department develops annual plans to reduce packaging materials. ■ The Trade Services Group plans to reduce product packaging materials based on customer needs. 	<ul style="list-style-type: none"> ■ The Corporate Services Group's Human Resources Department is responsible for talent recruitment. Through annual labor-management communication meetings, employee feedback is gathered to plan relevant retention measures. 	<ul style="list-style-type: none"> ■ The Corporate Services Group's Human Resources Department coordinates and plans general on-the-job training courses. ■ Each department schedules its own specialized training, which is submitted in advance within the annual budget.
Complaint Mechanism	<ul style="list-style-type: none"> ■ Import business contact mailbox: g2000@collins.com.tw ■ Export Business Contact Email: candy@collins.com.tw 	<ul style="list-style-type: none"> ■ Human Resources Contact email: hr@collins.com.tw 	<ul style="list-style-type: none"> ■ Human Resources Contact email: hr@collins.com.tw

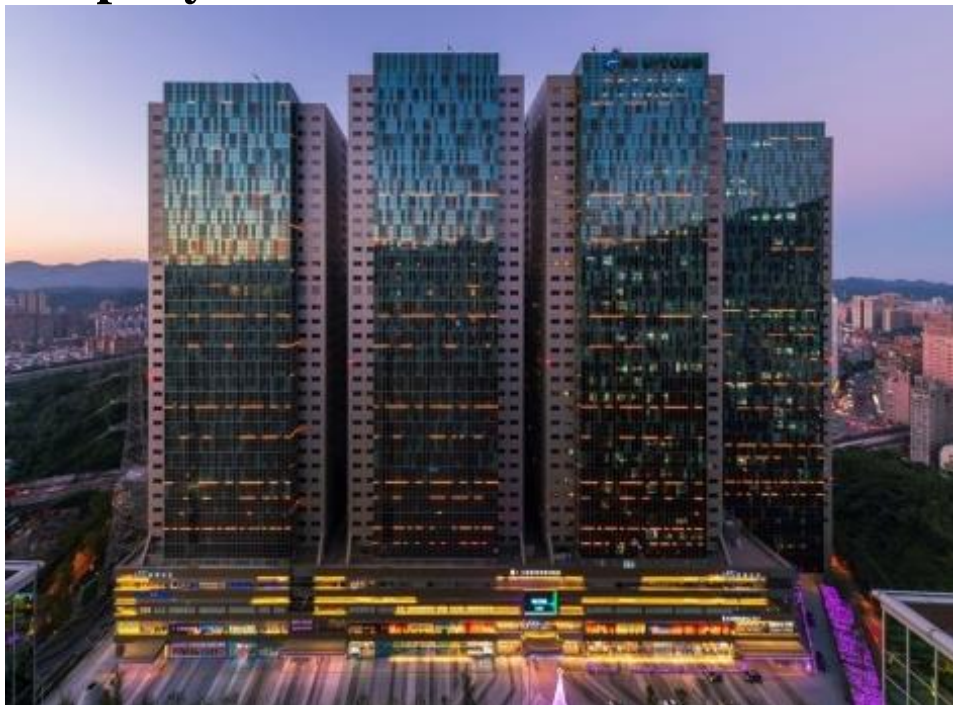
2. Company Overview

Company Profile
Operational Performance
Corporate Governance

Aligning with the SDGs



Company Introduction



Company Name	Collins Co., Ltd.
Stock Code	2906
Date of Incorporation	5 May, 1969
Capital	NT\$20.91 billion
Number of shares issued	209,111,093 shares
Number of employees	346
Location of operations	6
Note: The above data are as of December 2023	

Company Introduction

GRI 2-1

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 2023, the Company partnered with BAYCREW'S GROUP, Japan's largest fashion and dining conglomerate, to develop its fashion and dining brands in the Taiwan market, aiming to expand market presence. Concurrently, it established a new energy holding company, Collins Energy Solutions, to promote clean energy and electric vehicle charging integration services.

Headquarters and overseas locations information

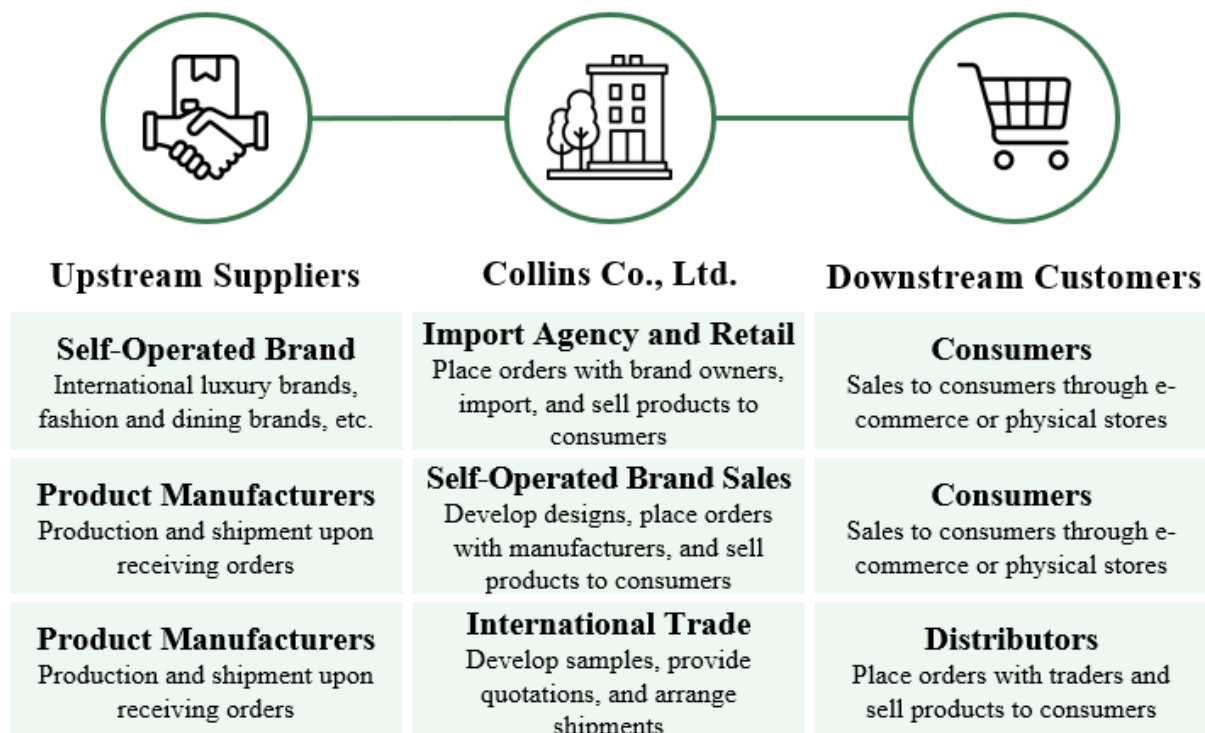
Location type	Location name	Location region
Headquarters	Collins Co., Ltd.	Taiwan
Office	New Jersey Office	United States
Office	Canada Office	Canada
Office	Hong Kong Office	Hong Kong
Office	Shenzhen Office	China
Subsidiary	Colltex Garment MFY(HK)Co.,Ltd.	Hong Kong, Vietnam*

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

Value Creation

Collins Value Chain

GRI 2-6



Competitive Advantage

Global trade	Service and retail
<ul style="list-style-type: none"> ■ A professional team with over 50 years of international trade experience. ■ Accurate grasp of global product and market trends ■ Strong financial support ■ A wide range of products, providing a variety of mainstream products and innovative products in the market, and can meet high-quality requirements and international safety standards ■ Strong purchasing capabilities in Asia, using abundant supply and negotiating chips to ensure the uniqueness of goods, price and delivery can meet customer needs 	<ul style="list-style-type: none"> ■ A brand management team with over 40 years of experience ■ Rich main customers and their transaction information ■ The achievements of developing many brands over the years have become the basis for continuing to introduce new brands ■ Profound channel relationship and channel negotiation chips ■ Appropriate pricing strategy and inventory control model ■ Powerful instant sales system and background management system ■ Complete self-built logistics warehousing

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.

Integrity as a core principle



We operate the company with integrity-based philosophy.

- Externally, establish long-term partnerships with customers, select cooperative suppliers fairly, and achieve mutual benefits with integrity and mutual benefit to achieve a win-win situation.
- Internally, employees are required to be disciplined and fair.

Seek truth from facts



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

Keep improving



In response to the rapid changes in the internal and external environment, only by adhering to the spirit of excellence, continuous innovation and research and development, can we surpass ourselves and pursue excellence.

Servicing society



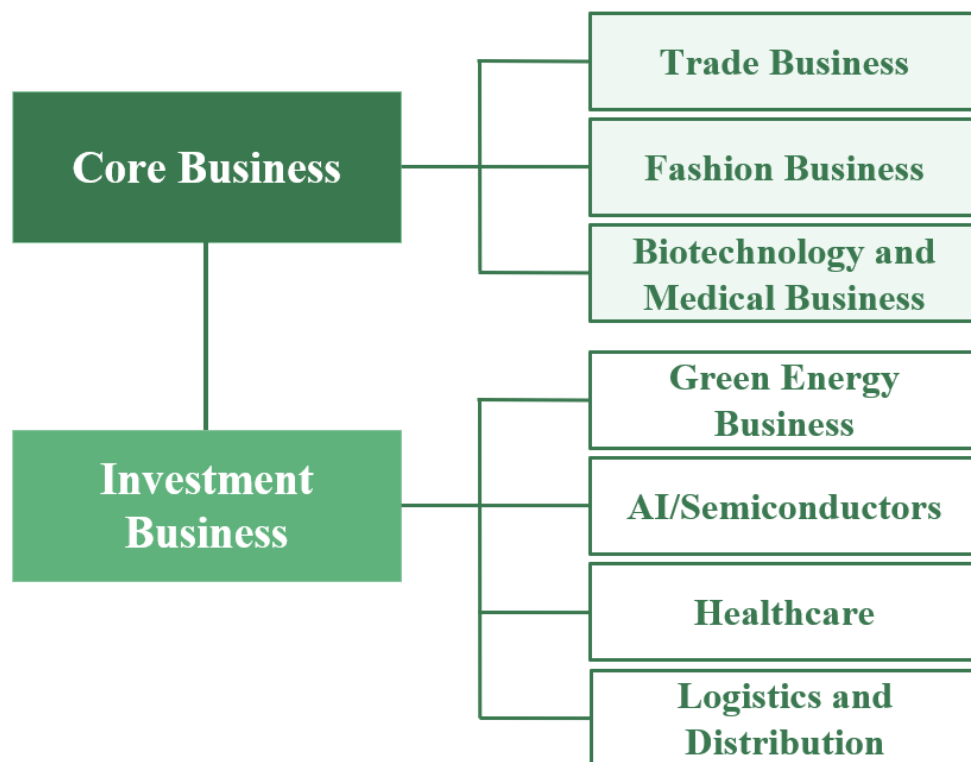
Take it from the society and use it for the society. While pursuing profits, the company does not forget to serve the society and fulfill its social responsibilities, so as to make the society more prosperous and beautiful with the power of the enterprise.

Product Services and Innovation

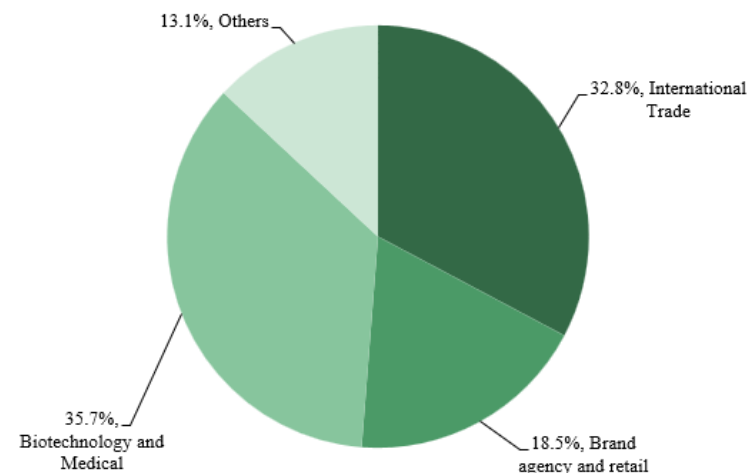
GRI 2-6

The core businesses of the Group primarily encompass international trade services in general merchandise/apparel, agency and retail of fashion, dining, and luxury brands, as well as the sales and services of biotech and medical products. Additionally, the Group has invested in high-growth potential sectors, including biotechnology and medical, green energy, AI, and electronics. In 2023, the Group initiated investments in the new energy sector and established a new energy holding company, Collins Energy Solutions, in March, to expedite Taiwan's achievement of its net-zero carbon emissions target.

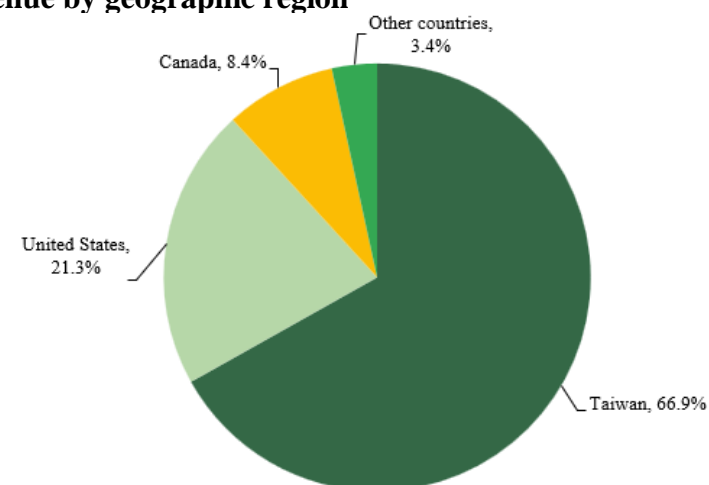
The business portfolio of Collins



Revenue contribution by business segment



Sales revenue by geographic region



International Trade

The Company's international trade services primarily focus on the export of household consumer products, with major clients being medium to large importers and distributors in Europe and North America. Our long-term trade partners include globally recognized chain stores, retailers, department stores, supermarkets, and importers. We offer a wide range of mainstream and innovative products, including small appliances, Christmas decorations, sporting goods, outdoor equipment, indoor and outdoor furniture, and more. Additionally, we have developed our own brand, which we sell directly to consumers (B2C) through e-commerce platforms.

Leveraging years of accumulated experience and resources in export business and product development capabilities, along with strong financial backing, we meet our clients' one-stop procurement needs. Collins has established offices in the United States, Canada, China, and Hong Kong, responsible for sourcing products and conducting quality inspections.



Self-Operated Brand

Electric Toothbrush Brand	Outdoor Equipment Brand	Storage and Organization Brand	Space Renovation Brand	Outdoor Leisure Brand
				

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 71 stores and counters in department stores throughout Taiwan. In 2023, we collaborated with Japan's BAYCREW'S GROUP to develop their apparel and dining brands in the Taiwanese market. This includes renowned brands such as the classic select shop JOURNAL STANDARD, the premium fashion brand B.C STOCK, and the highly popular "FLIPPER'S (a renowned soufflé restaurant)." Currently, we have launched 7 retail locations, with plans to expand to 20 operational locations in the future, offering consumers a wider range of choices.

Brands represented by the Fashion & Lifestyle Business Group

G2000



JOURNAL STANDARD



B.C STOCK



relume
JOURNAL STANDARD



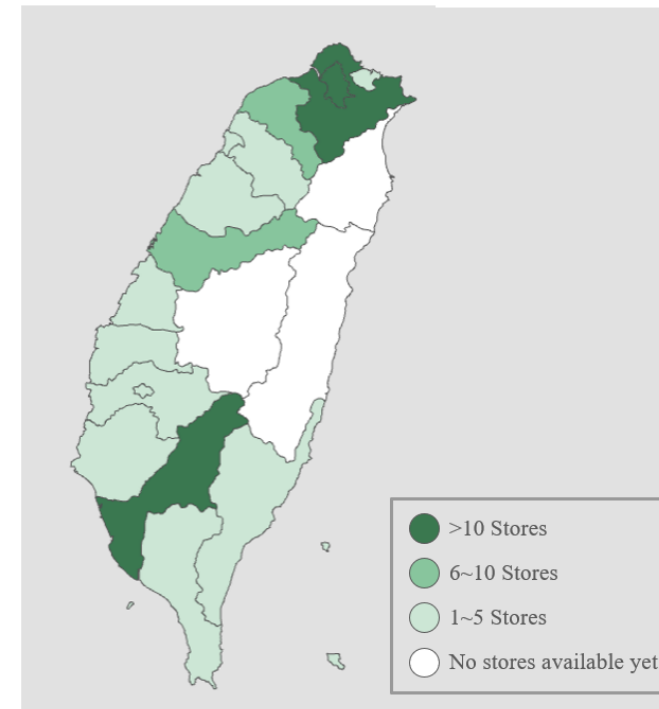
FLIPPER'S



J.S. FOODIES



Store Locations in Taiwan



Introducing new retail technology

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

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, Rimowa has combined handicraft and high technology to launch waterproof and extreme weather-resistant polycarbonate luggage, which is the best travel partner for top customers.

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.

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. We primarily provide dialysis medical equipment, chronic disease and home healthcare products, dental products, and other medical devices, along with related agency services. Our primary sales market is domestic, supplemented by the Asian region. Our direct sales targets are mainly hospitals and clinics, and we collaborate with dialysis centers, nursing homes, and long-term care systems.

We will expedite the introduction of our proprietary branded respirators and ultrasonic lifting devices into domestic sales channels while exploring opportunities for OEM partnerships with international brands. Concurrently, we are initiating the certification process for the entry of our respirator products into the U.S. market. In addition, we will continue to develop our existing medical fields and enhance the autonomy of our distribution channels. Simultaneously, we will venture into new medical fields, including digital AI healthcare, physical therapy devices, and biomedical materials.



GrowTrend Biomedical was awarded the Gold Medal at the 2023 Taiwan Innovation Technology Expo Invention Competition



GrowTrend Biomedical's "Micro Respirator," featuring a patented noise reduction design, significantly reduces noise generated by the fan operation. Coupled with a patented "Anti-Backflow Valve" design, it effectively mitigates the issue of food and medication backflow from the nasogastric tube after feeding, addressing the shortcomings of both single-segment and double-segment nasogastric tubes currently available on the market. **This innovation was awarded the Gold Medal at the 2023 Taiwan Innovation Technology Expo Invention Competition.**

The "Respiratory Baseline Tracking Acceleration Method" patent improves the comfort of high-end respirators in certain situations where they may not synchronize well with the user's breathing. By utilizing an additional computation module to accelerate the adjustment of the respirator, it reduces the perception of discomfort and maintains effective sleep. **This invention received the Bronze Medal at the 2023 Taiwan Innovation Technology Expo Invention Competition.**

Investment Business

Collins is evaluating investments in industries with future development potential and sustainable management principles. Currently, the Company has invested in sectors such as AI, energy, electronics, biotechnology, and logistics. This includes investments in companies such as J&V Energy Technology, VISCOVERY (AI visual imaging solutions), Axman Enterprise, and Asia Logistics Co., Ltd. In the future, Collins will continue to seek investment opportunities in high-growth sectors such as biotechnology, electronics, and energy. The Company will also focus on investments that provide synergistic benefits to its core business. Additionally, Collins will enhance post-investment management to maximize the activation of its financial assets.

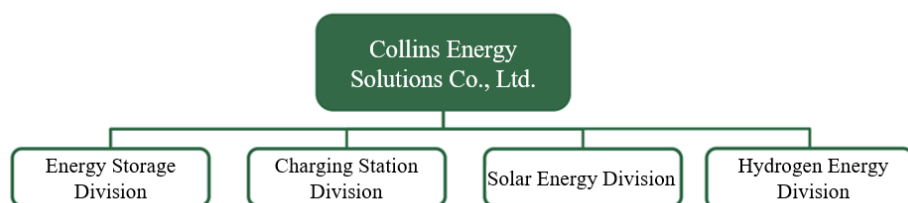


[Green Energy Investment] Established an energy subsidiary with an investment of NT\$150 million in the green energy sector, positioning for the 2030 carbon neutrality target.

In response to the government's green energy policies in 2023, we initiated investments in the new energy sector and established Collins Energy Solutions in March. This subsidiary focuses on the development of renewable energy power plants, with core areas including photovoltaic solar energy, onshore wind power, biomass energy, hydrogen energy, small hydropower, and energy storage. Our comprehensive advisory services cover all stages from project site development to operational status, including land integration, grid interconnection, financial modeling, legal compliance, and interpretation of regulations and directives from government agencies.

In 2023, we invested NT\$150 million in the green energy sector. Collins Energy Solutions is projected to secure 54.9 MW of energy storage projects and 57.1 MW of solar photovoltaic projects in 2024. Moving forward, we will expand our green energy investment footprint to offer diverse energy solutions, aligning with Collins's 2030 carbon neutrality target. We aim to achieve energy conservation and carbon reduction goals, supported by carbon credits or green electricity certificates, to realize a low-carbon and sustainable future.

Collins Energy Solutions Business Portfolio



In addition to Collins Energy Solutions, Collins has also invested in other renewable energy companies, including J&V Energy Technology, Yu Guang Energy Co., Ltd., and Tuo-Sen Energy Co., Ltd.. After six months of construction and testing, the Company's first energy storage project has passed Taipower's capacity test and officially commenced AFC frequency regulation service.



Left Image: An international bond technology consultant conducts an on-site inspection of the electrical and EMS (Energy Management System) equipment at Yu Guang Energy and expressed approval of the project's equipment quality.

Right Image: The Yu Guang energy storage project, located in Guanyin District, Taoyuan City, has a capacity of 4.5 MW for dReg0.25 energy storage.

Operational Performance

Economic Performance

GRI 201-1

Collins's consolidated revenue for 2023 amounted to NT\$8,001 billion. The decrease in overall revenue, down 10.62% compared to the previous year, was primarily due to the ongoing impact of inventory destocking by overseas customers on export orders and subsidiary shipments. Additionally, with the easing of the pandemic, sales of saliva rapid test products from Hi-clearance Inc significantly declined. The operating conditions of the invested subsidiaries remain in the development stage, resulting in limited contributions to profits. Consequently, net profit after tax decreased by 7.22%. We will continue to expand our market reach to regions such as Mexico and Central and South America, actively pursuing orders. We will also implement rigorous customer credit management, develop new product lines, and enhance the competitiveness of existing products.

Operational Performance over the Past Three Years (Unit: NT\$ thousand)

Item	Detailed descriptions	2021	2022	2023
Economic value generated	Operating revenue	8,250,117	8,951,871	8,001,065
	Operating costs	6,324,396	6,675,059	5,615,164
Economic value of distribution	Operating profit and loss	334,549	450,819	455,167
	Salary and benefits	861,966	947,093	1,010,779
	Cash dividend	62,733	83,644	125,467
	Income tax paid	101,213	114,173	130,608
	Community investment	111	5,833	153
Economic value retained	Net profit after tax	302,542	375,155	348,075
	Retained earnings	937,250	1,017,915	1,026,249

Note: The operating costs include salary and welfare expenses.

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	2021	2022	2023
Net income before tax	398,360	505,698	484,673
Income tax expense	95,818	130,543	136,598
Income tax rate (%)	24.05%	25.80%	28.18%
Income tax paid	101,213	114,173	130,608

Government subsidies

201-4

In 2023, Collins received two government subsidies: one for performances by artists with disabilities and another to assist its subsidiary, Yu Guang Energy, in applying for energy storage equipment subsidies. The total amount of subsidies received was NT\$3.6285 million.

Project Name	Government Agency	Subsidy Amount	Project Achievement
Taipei City subsidy pilot program for private enterprises and organizations inviting performances by disabled (street) artists	Taipei City Department of Labor Reconstruction and Utilization	NT\$ 8,500	Inviting performances by disabled artists at company year-end banquets
Taoyuan City 2022 energy storage equipment and power demonstration project subsidy program	Department of Economic Development, Taoyuan	NT\$3.62 million	The energy storage site has passed Taipower's capability testing and has officially joined the AFC frequency regulation service.

Participation in Industry Associations

GRI 2-28

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. To advance the Company's sustainability development policies, we joined the "BCSD Taiwan" in 2023. By participating in sustainability-related seminars and courses, we aim to gain insights into the latest international trends and corporate case studies, laying a foundation for the implementation of our sustainability actions.

List of public associations in which Collins participates

Name of the organization/association	Participation status	Purpose of Participation
Taipei Import and Export Business Association	Members	To obtain government and industry information to support the development of the Company's trade business.
Taiwan Stock Affairs Association	Founding member	Stay updated on regulatory information
BCSD Taiwan	Permanent Member	Understanding the latest sustainability trends helps drive internal sustainability initiatives within the Company.

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.

E.Sun ESG Sustainability Initiative

Participating in the "E.Sun ESG Sustainable Initiative," the Company has declared in the "Sustainable Development Commitment Statement" its dedication to practicing ESG principles and advancing the United Nations Sustainable Development Goals (SDGs). The Company pledges to continually exert its influence by taking action on climate change, controlling greenhouse gas emissions, and mitigating the impact on the climate.



"Green Enterprise" Organic Association

Collins has participated in environmental seminars such as "Toxin-Free and Lightweight" and "Relax and Unwind: The Relationship Between Stress and Health." These seminars, which addressed the impacts of climate change and the importance of employee physical and mental well-being, saw participation from over 60 attendees. The Company was awarded the "Green Enterprise" certification by the Organic Association.



Corporate Governance

GRI 2-11, 2-15, 2-16

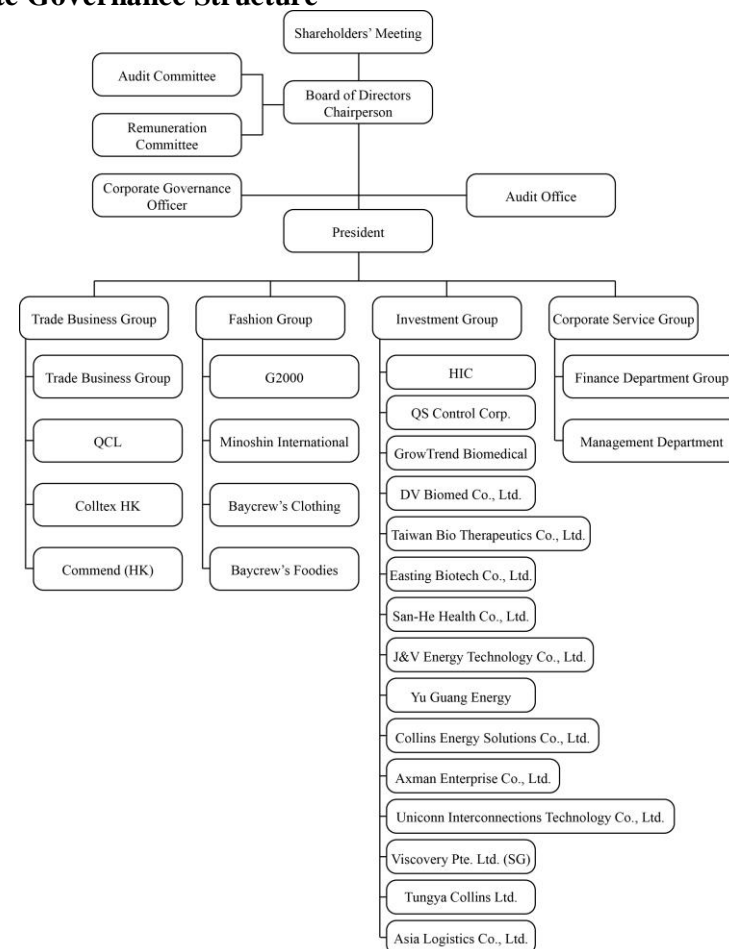
The Board of Directors is the highest governance body of the company and has established a Compensation Committee and an Audit Committee to strengthen the company's management functions. The Company is structured into three major business divisions: the Trade Business Division, the Fashion Business Division, and the Investment Business Division. Additionally, there is a Corporate Services Division responsible for supporting the Company's directly affiliated business units and managing the back-office operations of certain investee enterprises.

Corporate Governance Structure	The Company has a total of 11 directors, 3 of which are independent directors, with expertise in industry knowledge, business management, and finance. The Audit Committee has been established and the Remuneration Committee consists of Independent Directors
Shareholders' equity	The operation of the shareholders' meeting is carried out in accordance with the "Standards of Shareholders' Meeting Procedures", and the Chairperson serves as the Chairperson. The Company regularly discloses information on corporate governance, financial performance, and business operations on its website. It strictly enforces internal regulations concerning insider trading, with designated personnel and an email address dedicated to handling shareholder suggestions or inquiries, in order to safeguard shareholder interests.
Roles and Powers of the Board of Directors	The operation of the board of directors of the company is carried out in accordance with the "Articles of Association", and "the performance evaluation method of the board of directors" has been formulated to evaluate the performance of the board of directors and directors.
Stakeholder	The company has established a channel for stakeholders to communicate and report complaints to safeguard the rights and interests of stakeholders. Through this channel, we can understand the needs of stakeholders, respond to and deal with issues of concern to stakeholders, and promote transparent and effective communication. Dialogue and Communication
Disclosure of Significant Information	The Company has established a dedicated website to disclose information related to financial performance, business operations, and corporate governance. Significant events and proposals, as stipulated by applicable regulations, are discussed and approved by the Board of Directors before being publicly announced. 22 pieces of material information were issued in 2023: Market Observation Post System Stock Code 2906

Collins convenes meetings in accordance with the organizational regulations approved by the Board of Directors, exercising powers granted by laws or authorized by the Board. It regularly reports relevant resolutions and activities to the Board. The Company adheres to the principle of avoiding conflicts of interest and ensures that the Chairman of the Board does not concurrently hold a senior executive position, thereby enhancing the independence of the Board members.

- » [Conflict of Interest Policy: Please refer to page 30 of the 2023 Annual Report.](#)
- » [Director Dual Positions: Please refer to pages 8-12 of the 2023 Annual Report.](#)

Corporate Governance Structure



Board of Directors

GRI 2-9, 2-10

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. As of the end of 2023, the current Board of Directors consists of 11 members, including 3 independent directors. None of the independent directors have served consecutive terms exceeding 9 years. In accordance with the "Board Meeting Rules" of Collins, the Board of Directors convenes quarterly meetings. During the 2023 fiscal year, the Board held a total of 7 meetings.

Title	Name	Gender	Attendance rate of the Board of Directors
Chairperson	Lee Chung Liang	Male	100%
Director	Lee Hsi Lu	Male	100%
Director	Chen Chun Hung	Male	78%
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	Ho Cheng 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%

Note: In July 2023, Independent Director Chen Yung Chang resigned, having maintained a 100% attendance rate at Board meetings prior to his resignation. Consequently, as of the end of 2023, Collins has 11 Board members. It is anticipated that a female independent director will be elected at the 2024 shareholders' meeting to fill the vacant seat.

Board Diversity

GRI 2-9, 2-10

In accordance with Chapter 3 of the "Corporate Governance Best Practice Principles," the Company strengthens the functions of the Board of Directors by considering the diversity of its members. Emphasis is placed on gender equality, as well as diversity in age, nationality, and cultural values. The Board members are selected based on their professional backgrounds in areas such as law, accounting, industry, finance, marketing, and technology, along with their professional skills and industry experience. This diversity provides a range of perspectives that contribute to the company's growth.

The current Board of Directors includes members with expertise in finance, business, management, engineering, finance, and information technology. The members possess extensive and highly specialized professional backgrounds from industry, academia, and practical experience. In 2024, we will continue to enhance the diversity of the Board of Directors, with plans to elect a female independent director at the shareholders' meeting.

» For further details, please refer to the Board of Directors Diversity section on Collins's official website and pages 41-44 of the 2023 Annual Report.

91.67% Financial and Investment Analysis Capability	75% International Marketing Expertise
66.67% Technology Expertise and Financial Analysis Capability	1 Female Independent Director Newly Added in 2024

Performance Evaluation of the Board of Directors

GRI 2-18

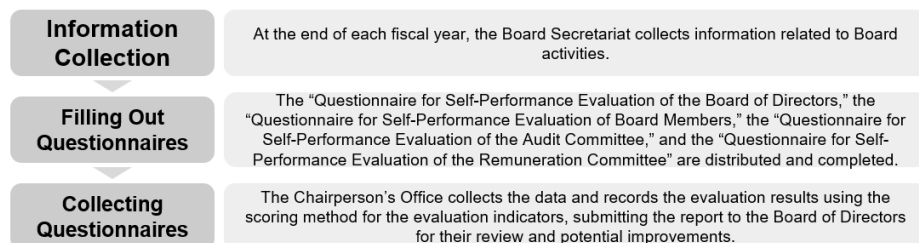
To ensure the ongoing implementation of corporate governance and enhance the effectiveness of the Board of Directors, Collins has developed the “Rules for Performance Evaluation of Board of Directors.” These rules aim to improve the operational efficiency of the Board by setting performance targets. The Chairman’s Office annually evaluates the performance of the Board of Directors. In 2023, 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)[2023 Performance Evaluation Results of the Board of Directors](#)

Board Performance Evaluation Procedure



Performance Evaluation Indicators of the Board of Directors and Functional Committees

Performance Evaluation of the Board of Directors	Self-Performance Evaluation of Board Members	Performance Evaluation of the Functional Committees
<ul style="list-style-type: none"> Level of participation in the operation of the Company Improvement to the quality of the Board's decision making Composition and structure of the Board Election and continuing education of the directors Internal Control 	<ul style="list-style-type: none"> Alignment with the goals and mission of the Company Awareness of the duties of a director Level of participation in the operation of the Company Management of internal relations and communication Professionalism and continuing education of the directors Internal Control 	<ul style="list-style-type: none"> Level of participation in the operation of the Company Awareness of the duties of the functional committees Improvement to the quality of the functional committees' decision making Composition of the functional committees and election of its members Internal Control

2023 Board Performance Evaluation Results

Assessment Target	Score	Evaluation Results	Description
Overall Board of Directors	98.33 points	Significantly exceeds standards	Directors have a high attendance rate at Board meetings and maintain effective communication with the Company's management team. They engage in thorough discussions on agenda items. The Board members are industry elites with professional expertise, contributing positively to the overall efficiency and effectiveness of the Board.
Individual Board Members	97.86 points	Significantly exceeds standards	Directors are informed about the Company's operational objectives, industry characteristics, and associated risks. They continuously pursue professional development to enhance their decision-making skills, thoroughly express their opinions on proposals, and fulfill their duties with diligence.
Audit Committee	99.39 points	Significantly exceeds standards	The attendance rate of the Audit Committee members is high, and they provide timely and objective professional opinions to the Board of Directors. There is thorough communication during meetings, and the overall efficiency and contribution of the Audit Committee are positively evaluated.
Remuneration Committee	98.60 points	Significantly exceeds standards	The Remuneration Committee has a high attendance rate, with thorough discussion and communication during meetings. The committee effectively fulfills its functions, and its overall efficiency and contribution are positively evaluated.

Continuing Training for Board Members

GRI 2-17

To enhance the Board of Directors' knowledge in sustainable development, Board members, in addition to ongoing education in corporate governance and legal compliance, are also enrolled in ESG-related and corporate sustainability courses. This initiative aims to improve decision-making quality, fulfill supervisory responsibilities, strengthen the Board's functions, and promote sustainable development. In 2023, the Board of Directors, including 11 directors and independent directors, collectively completed 81 hours of training, with 36 hours dedicated to courses related to corporate sustainability.

Information on the Continuing Training of the Board Members in 2023

Title	Name	Organizer	Course Name	Training Hours	Total Hours of Continuing Training for the Year
Legal Representative	Lee Hsi Lu	Taipei Exchange	Insider Equity Promotion and Briefing Session of OTC Emerging Companies	3.0	6.0
		Accounting Research and Development Foundation	How to Correctly Understand Corporate Governance Evaluation Indicators	3.0	
Legal Representative	Lee Po Yi	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0	6.0
		The Chinese National Association of Industry and Commerce	Corporate Resilience and Taiwan's Competitiveness	3.0	
Legal Representative	Lee Chieh Hsi	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0	6.0
		The Chinese National Association of Industry and Commerce	Corporate Resilience and Taiwan's Competitiveness	3.0	
Legal Representative	Ho Cheng Yu	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis of Tax Crimes	3.0	6.0
		Accounting Research and Development Foundation	Business Tax Regulations and Practices	3.0	
Independent Director	Ho Shih Chinn	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3.0	9.0
		Taiwan Corporate Governance Association	Next-Generation Enterprise Threat Management and Prevention: Big Data Analytics and Corporate Fraud Detection	3.0	
		Taiwan Institute of Directors	2023 KPMG Leadership Institute Forum: Opportunities and Challenges in the Net-Zero Trend	3.0	
Legal Representative	Chen Chun	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series: Corporate Sustainability	3.0	15.0

Title	Name	Organizer	Course Name	Training Hours	Total Hours of Continuing Training for the Year
	Hung	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3.0	
		Taiwan Securities Association	Corporate Governance: The New Era of Artificial Intelligence – Opportunities and Challenges for Taiwan, and ESG Investment Principles and Strategies	6.0	
		Taiwan Securities Association	How to Strengthen Information Security in the Financial Industry	3.0	
Independent Director	Chu Li San	Taiwan Corporate Governance Association	Next-Generation Enterprise Threat Management and Prevention: Big Data Analytics and Corporate Fraud Detection	3.0	6.0
		Securities & Futures Institute	How to Enhance the Value-Adding Functions of the Board's Functional Committees	3.0	
Independent Director	Lin Shui Yung	Taiwan Investor Relations Institute	Empowering the Board of Directors to Become a Key Force in Leading Sustainable Governance: The First Half	3.0	6.0
		Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit	3.0	
Legal Representative	Lee Chung Liang	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3.0	6.0
		The Chinese National Association of Industry and Commerce	Corporate Resilience and Taiwan's Competitiveness	3.0	
Legal Representative	Lee Chung Ting	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0	6.0
		Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Seminar	3.0	
Legal Representative	Chen Ching Kuhn	Securities & Futures Institute	Publicly Listed Companies: Insights into the Derivatives Financial Market and Advancing Corporate Sustainability Seminar	3.0	9.0

■ Functional Committees

GRI 2-19, 2-20

Audit Committee

In order to implement corporate governance and strengthen the functions of the Board of Directors, the Company established an Audit Committee to assist the Board of Directors in performing its supervisory duties. As of the end of 2023, the committee is composed of three independent directors. It meets at least once per quarter and is responsible for overseeing significant asset transactions, ensuring the proper presentation of financial statements, the appointment (and dismissal) of external auditors and their independence and performance, the effective implementation of internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks to the Company.

Implementation Results in 2023

In 2023, the Audit Committee held six meetings, with a 100% attendance rate. The Committee approved 21 resolutions in total, including quarterly financial reports, annual profit distribution, internal audit plans, amendments to the "Articles of Association," revisions to the "Procedures for Asset Acquisition or Disposal," and the addition of "Intellectual Property Management" operational procedures.

» [For details of the operation of the Audit Committee, please refer to Pages 31-34 of the 2023 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. To enhance the management of compensation and remuneration, the Company has established a Compensation Committee consisting of three independent directors. The Committee is responsible for formulating and periodically reviewing policies, systems, standards, and structures related to the performance evaluation and remuneration of directors and executives, and for making recommendations to the Board of Directors. 2 meetings were convened in 2023, and the actual attendance rate of the Remuneration Committee meeting was 100%.

■ Executive Compensation Policy

GRI 2-19, 2-20

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.

» [For details of the directors' and managerial officers' remuneration for the year 2023, please refer to Page 22-27 of the 2023 Annual Report](#)

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.

Corporate Governance Promotion Team

To enhance corporate governance and transparency in operational and financial information, Collins has established the "Corporate Governance Division" and the "Corporate Governance Promotion Team." The head of corporate governance serves as the convener, responsible for planning and implementing initiatives. The division adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" as the framework for corporate governance structure operations, complies with relevant regulations governing corporate governance and internal management mechanisms, and continuously seeks to improve results from "Corporate Governance Evaluations." Additionally, it aligns with the procedures and guidelines managed by the Company's Integrity Management Task Force, including the execution and reporting of integrity management processes and the registration and monitoring of related activities.

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.

Implementation Results in 2023

In 2023, 9 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.

Measures for Enhancing Corporate Governance Evaluation

- Established Intellectual Property Management Guidelines, disclosed the implementation status on the Company's website and in the annual report, and reported to the Board of Directors at least once a year.
- In 2023, the Board of Directors assessed the independence and suitability of the certifying accountant by referencing Audit Quality Indicators (AQIs), with a detailed disclosure of the evaluation process in the annual report.
- Changes in the shareholdings of internal personnel are uploaded to the Market Observation Post System before the 10th of each month.
- The Company has clearly defined and disclosed in detail on its website the whistleblower system for reporting illegal (including corruption) and unethical behavior by internal and external personnel.
- Disclosed the Supplier Management Policy, which requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights, and provided an explanation of the implementation status.

Information on the Continuing Training of the Corporate Governance Officer in 2023

The Corporate Governance Officer also leads the Sustainable Development Promotion Team in executing ESG-related initiatives. Therefore, in addition to courses on corporate governance and integrity management, they also undertake advanced training in sustainability development. In 2023, a total of 32 hours of training were completed.

Educational Institutions	Course Name	Training Hours
Taiwan Stock Exchange (TWSE) Taiwan Institute for Sustainable Energy Research	Climate Action Management Training Program for Listed Companies	20
Accounting Research and Development Foundation	Ongoing Professional Development Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12

Ethical Corporate Management

GRI 2-23, 2-24, 205-1, 205-2

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. To ensure the implementation of the Company's Code of Ethical Conduct and Guidelines for Ethical Business Practices, we have established the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" and the "Operational Procedures and Code of Conduct for Ethical Business Practices." These procedures provide specific guidelines for our personnel to follow when conducting business activities.

Integrity Management Action Team

The Human Resources Department has established an "Integrity Management Action Team" as a dedicated unit. This task force is responsible for annually analyzing and assessing the risks of unethical behavior within the business scope, promoting and coordinating the implementation of integrity policy training, planning the whistleblower system, and regularly reporting to the Board of Directors. Additionally, the action team assists in integrating integrity and ethical values into the Company's business strategy and collaborates with regulatory frameworks to establish anti-corruption measures that ensure ethical business practices.

Ethical Business Conduct Policies and Regulations

■ Ethical corporate management best practice principles
■ Code of ethics
■ Procedure for reporting illegal and unethical or dishonest conduct
■ Ethical corporate management operating procedures and code of conduct
■ Internal material information handling and insider trading prevention procedures

Principles of ethical corporate management

Based on the "Operational Procedures and Code of Conduct for Ethical Business Practices," the following specific guidelines are established for personnel to observe while conducting business activities:

■ Prohibition of Providing or Accepting Improper Benefits
■ Prohibition of Facilitation Payments and Processing Procedures
■ Prohibition of Offering Illegal Political Contributions
■ Compliance with Procedures for Charitable Donations or Sponsorships
■ Avoidance of Conflicts of Interest with Stakeholders
■ Prohibition of Disclosure of Trade Secrets, Trademarks, Patents, and Other Intellectual Property
■ Prohibition of Engaging in Unfair Competitive Practices
■ Conduct Integrity Assessments Before Establishing Business Relationships and Communicate the Company's Integrity Management Policy
■ Avoid Transactions with Parties Engaged in Unethical Practices
■ Contractual Agreements Must Specify Integrity Management Requirements

Establishing a culture of integrity in business

Target Audience	Promotional Measures	Compliance with Standards	2023 Annual Implementation Effectiveness	Reports and Incidents of Unethical Conduct
Directors, senior executives	Relevant standards are established to ensure that members of the Board of Directors and senior executives proactively disclose and address any conflicts of interest that arise. This process is designed to prevent violations of integrity management principles and ensure appropriate avoidance of such conflicts.	<ul style="list-style-type: none"> ■ Code of Integrity Management for Listed and OTC Companies ■ Ethical corporate management operating procedures and code of conduct ■ Corporate Governance Best Practice Principles ■ Code of ethics ■ Board Meeting Procedures 	No Violations	None occurred
Employees	<ul style="list-style-type: none"> ■ Conduct integrity management education and training sessions, and encourage participation through incentive-based quizzes. ■ All employees are required to sign the "Code of Ethical Conduct" upon joining the company, and this code is explained during new employee orientation to ensure all actions are compliant with legal and regulatory standards. 	<ul style="list-style-type: none"> ■ Code of Integrity Management for Listed and OTC Companies ■ Ethical corporate management operating procedures and code of conduct ■ Code of ethics ■ Employee work rules 	<ul style="list-style-type: none"> ■ A total of 488 participants attended, with 55 engaging in incentive-based quizzes. The content covered included integrity management procedures and behavioral guidelines, insider trading prevention, and the implementation and construction of trade secret management. ■ 100% of employees completed the signing of the declaration. 	
Customer	The Company has established relevant standards that require conducting an integrity management assessment before forming business relationships.	<ul style="list-style-type: none"> ■ Business Contracts ■ Ethical corporate management operating procedures and code of conduct ■ Corporate Governance Best Practice Principles ■ Code of ethics 	No Violations	
Suppliers	Verify whether the entity is located in a high-risk country for corruption, operates in a high-risk industry for bribery, or has a history of unethical incidents. All sales agreements must explicitly state that unethical transactions are prohibited.	<ul style="list-style-type: none"> ■ Business Contracts ■ Supplier Management Policy ■ Supplier Management and Quotation Comparison and Negotiation Procedures 	No Violations	

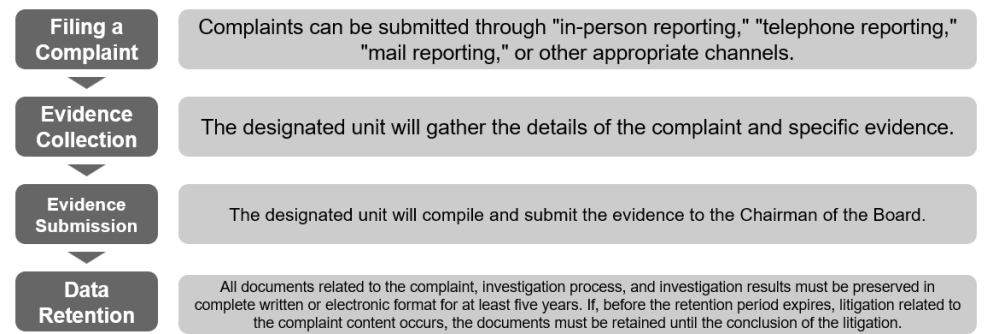
Handling Cases of Unethical or Dishonest Conduct

GRI 2-25, 2-26, 205-3

The Company encourages the reporting of any illegal activities or violations of the Code of Ethics and Integrity Conduct. A "Procedure for Handling Reports of Illegal and Unethical or Unfair Practices" has been established to create both internal and external reporting channels and processing systems, ensuring the legal rights and interests of both the whistleblower and the subject of the report.

The Company handles reports confidentially and conducts investigations through independent channels, ensuring the anonymity of the whistleblower. If the whistleblower is an employee of the Company, we guarantee that the employee will not face any undue retaliation as a result of the report. In the fiscal year 2023, Collins did not receive any reports of unethical or dishonest conduct.

Reporting and Handling Procedures



Reporting mailbox	cust@collins.com.tw
	hr@collins.com.tw

Intellectual Property Management

To advance business technology and model innovation, effectively manage, utilize, and protect intellectual property, and strengthen the Company's corporate governance structure, the Company has established the "Intellectual Property Management Regulations." These regulations are designed to safeguard assets and rights related to trademarks, patents, copyrights, trade secrets, and other intellectual property. The Company reports the execution results to the Board of Directors annually.

Intellectual Property

Type	Description	Number of items
Trademarks	Domestic Validly Registered Trademarks	6
	Trademarks Used under License	6
	Foreign Validly Registered Trademarks	13
	Q.C.L Foreign Validly Registered Trademarks	48
Patents	Q.C.L Foreign Patents	19
Copyrights	YouTube Channel Videos	4






Note:

1. The domestic scope primarily covers Taiwan.
2. Q.C.L. is an investment subsidiary of our company located in Canada.

Intellectual Property Maintenance

The Company closely monitors intellectual property regulations concerning application procedures, rights durations, extension applications, and associated costs. We comply with relevant regulations and ensure timely maintenance. For both internal operations and external licensing to third parties, we implement intellectual property protection through the PDCA (Plan, Do, Check, Act) management cycle.

Intellectual Property Management System

 System Objectives	Establish intellectual property management policies, goals, and systems aligned with operational strategies.
 Management System	Develop, implement, and maintain an intellectual property acquisition, protection, maintenance, and utilization management system according to the scale and type of operations.
 Resource Provision	Determine and provide the resources necessary to effectively implement and sustain the intellectual property management system.
 Risk Management	Monitor internal and external risks or opportunities related to intellectual property management and take appropriate measures.
 Optimization and Improvement	Plan and implement continuous improvement mechanisms to ensure that the operation and effectiveness of the intellectual property management system meet the Company's expectations.

External Intellectual Property Management

Management Measures	Description
Authorization Agreement	When authorizing third parties to utilize or use the Company's intellectual property, the scope of authorization, usage restrictions, and related penalties shall be specified in the contract based on the circumstances of each case.
Confidentiality Clauses	When entering into agreements with third parties, confidentiality provisions shall be established according to the nature of the contract.
Acquiring Authorization	<ul style="list-style-type: none"> ■ Should the Company need to utilize or make use of third-party intellectual property rights, it must obtain authorization from the rights holder. ■ In collaborations with third parties, if the third party utilizes or uses others' intellectual property rights, the contract shall, based on the specific case, include provisions for warranty against rights defects, requiring the third party to guarantee non-infringement of others' intellectual property rights.

Internal Intellectual Property Management

Item	Maintenance Measures
Trademarks	The Trademark Rights Management Unit shall conduct regular audits and reviews of the validity of the Company's trademarks, maintaining a registry and managing them accordingly. Additionally, extensions should be processed as needed to ensure that trademarks are used within their valid periods.
Patents	The Patent Research and Development Management Unit shall regularly audit and review the validity of the Company's patents, maintaining a registry and managing them accordingly. Additionally, based on the Company's needs, external professional firms may be engaged periodically to conduct patent strategy and planning.
Copyrights	<p>Employees shall adhere to the statements and internal regulations established by the Company:</p> <ul style="list-style-type: none"> ■ All creations related to their duties by employees shall have their intellectual property rights permanently vested in the Company. ■ When using computers, the internet, or various audio-visual products related to intellectual property rights, employees must use legitimate and licensed versions or obtain proper authorization.
Trade Secrets and Confidential Information	<ul style="list-style-type: none"> ■ The Company's internal regulations, including the statements and work rules signed by employees, the "Code of Ethical Conduct," and the "Code of Integrity Management," contain confidentiality provisions. ■ The Company manages paper documents according to classifications set by the responsible departments and has established regulations for access control and related measures within information systems.

Risk Management

Collins has established risk management policies and procedures and formed a Risk Management Team to integrate and manage operational risks. These include management and strategic risks, climate change and hazard risks, information risks, financial risks, and compliance and contractual risks. The aim is to achieve preventative benefits and ensure the achievement of the Company's strategic objectives.

Risk Management Framework

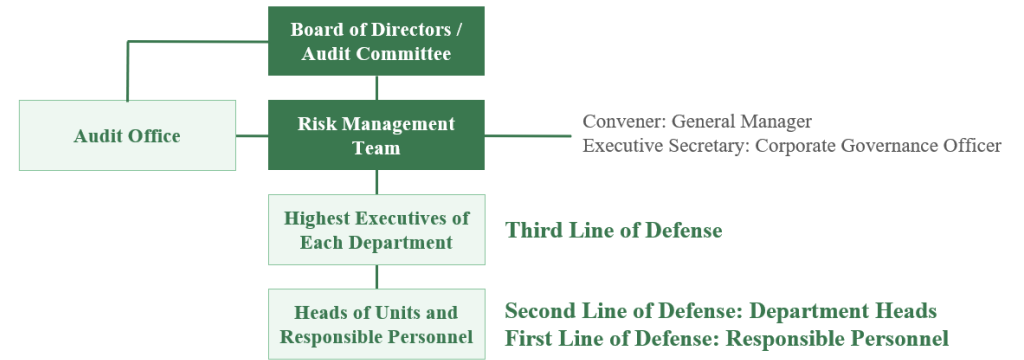
The Risk Management Team, chaired by the President and with the Corporate Governance Officer serving as the Executive Secretary, is responsible for revising risk management policies and executing risk monitoring and oversight. This team operates independently from functional business departments and reports to the Board of Directors on its activities annually. The Audit Office, maintaining its independence and objectivity, is tasked with supervising and reminding all levels of management to strictly adhere to the risk management policies. The Company operates under a three-tier risk management structure. This involves the collaboration of business representatives, department heads, and the highest executives of each business group and subsidiary to identify and control risk factors.

Risk Management Process

The Risk Management Team consolidates past forecasts and experiences to identify potential risk factors. Through a questionnaire survey, business representatives from each unit evaluate the probability and risk levels across 7 major risk categories and 16 dimensions. High-risk areas are subject to close monitoring and control. Finally, the Risk Management Team fully discloses the execution results and reports them to the Board of Directors. A total of 94 risk assessment questionnaires were collected in 2023.



Risk Management Framework Diagram



First Line of Defense	Second Line of Defense	Third Line of Defense
Business Representatives from Each Unit	Department Heads	Highest Executives of Each Business Group and Subsidiary
<ul style="list-style-type: none"> Responsible for identifying and controlling risks. Execute business operations in accordance with internal control systems, relevant procedures, and operational standards related to the respective business areas. 	<ul style="list-style-type: none"> Oversee the risk management of relevant business operations. Review internal control systems based on actual business operations, monitor regulatory updates from supervisory authorities, and revise internal regulations as needed. 	<ul style="list-style-type: none"> Responsible for assessing and identifying various risk factors and ensuring the completeness of the risk management mechanisms. Monitor risks related to each functional department in accordance with the Company's risk management policy.

Risk Assessment Results

Highly Likely to Occur			
Likely to Occur		<ul style="list-style-type: none"> ● Information Security Risk ● Investment Risk ● Human Resources Risk – Human Resources Dimension ● Management and Strategic Risk ● Financial and Operational Risk – Operational Dimension 	
Unlikely to Occur	<ul style="list-style-type: none"> ● Climate Change and Hazard Risk ● Human Resources Risk – Work Environment Dimension ● Compliance and Contractual Risk ● Financial and Operational Risk – Financial Condition Dimension, Internal Control Dimension, Intellectual Property Management Dimension, Public Relations Dimension 		
	Low	Moderate	High

Risk Response

Risk Type	Dimension	Risk Description	Risk Response Measures	Risk Management Unit
Information Security Risk	Information Security Dimension	The evolving tactics of cyberattacks pose a significant threat to the company. A cybersecurity incident could lead to the disclosure of sensitive information pertaining to the company's operations, suppliers, customers, and employees, potentially impacting business outcomes.	Established a comprehensive cybersecurity protection system and are actively participating in the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to share threat intelligence. We also emphasize cybersecurity awareness among our employees, with relevant personnel attending annual cybersecurity conferences to enhance their knowledge of protective measures. » For further details, please refer to page 45 of this report.	Corporate Service Group - The Information Technology Department
Investment Risk	Investment-related aspects	Engaging in high-risk and high-leverage investments carries the potential for investment losses, which could impact the Company.	The Company conducts high-risk and high-leverage investments, provides loans to others, offers endorsements and guarantees, and trades in derivative financial products, all in accordance with company regulations, systems, and internal control procedures. Loans and guarantees are primarily extended to subsidiaries, while trading in derivative financial products is mainly driven by genuine hedging needs and represents a low-risk investment strategy.	Investment Development Division, Finance Department
Human Resources Risks	<ul style="list-style-type: none"> Human Resources Aspects Work Environment Aspects 	Recruiting and retaining management talent is crucial, as high turnover rates can increase HR costs and reduce company stability.	Regularly conduct market and industry salary surveys. We establish clear guidelines for performance-based bonuses, including year-end bonuses, which are tied to individual or departmental performance metrics. Additionally, we offer benefits that exceed regulatory requirements, such as eliminating mandatory make-up work days and providing three days of paid leave after three months of employment. These initiatives are aimed at enhancing employee retention.	Corporate Services Group Human Resources Department
Management and Strategic Risk	<ul style="list-style-type: none"> Political and Economic Dimensions Industry Transformation Financial Condition 	<ul style="list-style-type: none"> The rise of online shopping has significantly impacted traditional trade models and brick-and-mortar retail channels. The influx of numerous imported retail brands into the market has made it challenging to maintain long-term control over foreign brand agency rights. 	<ul style="list-style-type: none"> Integrated 91APP to establish new online sales channels, enhancing shipping flexibility to accommodate the short-cycle and diversified procurement models of e-commerce. Additionally, we are developing our own private label brands and bringing in e-commerce sales and digital marketing experts or outsourcing these services to cultivate our e-commerce channel management capabilities. Strengthening brand positioning and maintaining channel advantages to ensure a competitive edge in retail. We are actively expanding our brand agency portfolio and product range. In 2023, we partnered with Japan's largest apparel and food service group, BCG, to further penetrate the Taiwanese market while continuing to nurture relationships with international luxury brands to target the high-end consumer segment. 	Finance Department Group

Risk Type	Dimension	Risk Description	Risk Response Measures	Risk Management Unit
Finance and Operations Risk	<ul style="list-style-type: none"> ● Financial Condition ● Business Operations ● Internal Control ● Intellectual Property Management ● Supply Chain Linkages ● Public Relations 	<ul style="list-style-type: none"> ● Due to rising inflation in the United States, the Federal Reserve increased interest rates in 2023, followed by rate hikes from the Central Bank of Taiwan, leading to higher capital costs. ● As most export orders are denominated in U.S. dollars, there is potential exposure to exchange rate risk. ● With the easing of the pandemic and economic recovery, there may also be risks associated with inflation. 	<ul style="list-style-type: none"> ● To manage capital costs, we are extending loan maturities, utilizing interest rate swaps, or securing long-term financing with fixed interest rates. Export trade pricing and G2000 retail prices may also be adjusted to preserve profit margins. ● For both purchasing and sales, we primarily employ natural hedging strategies, adjusting prices based on exchange rates at the time of transactions and utilizing pre-orders, foreign exchange sales, and options to mitigate exchange rate volatility. ● In 2023, Taiwan's inflation rate is approximately 2.5%. Although our export trade and retail operations are relatively insulated from inflationary impacts, we continue to monitor the situation and will implement price adjustments as necessary. 	Corporate Services Group, Trade Business Group, and Fashion & Lifestyle Business Group
Compliance and Contractual Risk	<ul style="list-style-type: none"> ● Compliance with Laws and Regulations ● Contractual Aspects 	<ul style="list-style-type: none"> ● Rapid changes in regulations pose a risk of non-compliance if not addressed promptly. 	To mitigate this risk, we have dedicated personnel who monitor and analyze regulatory requirements from authorities and changes in accounting standards. We also proactively integrate internal resources by referencing regulatory examples and consulting with legal and accounting professionals to ensure timely compliance.	Legal Affairs, Audit Department, Corporate Services Group
Climate Change and Hazard Risks	<ul style="list-style-type: none"> ● Physical Risk ● Transition Risk 	<ul style="list-style-type: none"> ● Extreme weather events may disrupt store operations or interrupt supply chain transportation. ● Governmental and international organizations are increasingly tightening environmental regulations, particularly those related to greenhouse gases and climate change. 	<ul style="list-style-type: none"> ● When selecting store locations, we factor in the climate risks of the area and establish contingency plans for natural disasters. ● Proactively expanding our investments in renewable energy and will evaluate the purchase of green energy certificates and carbon credits to reduce overall operational greenhouse gas emissions. <p>» For more detailed information, please refer to Chapter 6: Environmental Sustainability—Climate Change Management.</p>	Corporate Services Group, Trade Business Group, and Fashion & Lifestyle Business Group

Information Security Management

To address cybersecurity risks, Collins has established an "Information Security Management Framework" and developed an information security policy along with specific management plans. We use the PDCA principle as our management cycle mechanism. In the future, we will implement the ISO 27001 Information Security Management System to further enhance our information security capabilities.

Information Security Management Framework

The head of the IT department serves as the dedicated Chief Information Security Officer, with a designated information security specialist responsible for overseeing all information security matters at Collins. Annually, they complete key points of the information security inspection guidelines and promote cybersecurity awareness among employees through email campaigns. They also ensure the security of outsourced vendors' systems. Each year, we conduct regular audits through our internal audit mechanisms and external verification by independent auditors. These audits assess the overall effectiveness of internal controls at the operational level across departments, as well as the protection of personal data.

Information Security Management Measures

- Review network equipment to close default or unused communication ports to minimize vulnerabilities.
- Configure remote management device access rules by specifying source address connections or changing default ports.
- Ensure that firewall rules at each node clearly define sources, destinations, and service categories.
- Deploy endpoint protection and control centers, and verify that definitions and event logs are updated.
- Implement external email filtering mechanisms and pair them with endpoint protection scanning to reduce email infection risks.
- Establish encrypted backups and redundancy for databases.
- Centralize the management and permission settings of critical data, and ensure backup preservation.
- Plan to implement MDR/EDR systems in the future to enhance endpoint and data protection.

Information Security Policy

In the Information Security Policy section, we have planned four key objectives: confidentiality, integrity, availability, and legal compliance, to safeguard the information security of business operations across all units. Our goals include enhancing cybersecurity awareness and ensuring that all outsourced information systems or services meet these objectives. We have also developed specific management plans such as database encryption backups, implementing external email filtering mechanisms, and centralizing the management of critical data. To date, our company has not encountered any significant cybersecurity risks.



Joining TWCERT (Taiwan Computer Emergency Response Team)

To obtain timely information on cybersecurity incidents, Collins joined the Taiwan Computer Emergency Response Team (TWCERT) in March 2024. This organization, operated by the National Information and Communication Security Research Center (NICS), assists with the reporting and management of cybersecurity incidents, promotes the sharing of cybersecurity intelligence both domestically and internationally, and organizes discussions and information sharing on cybersecurity topics. This affiliation supports the enhancement of our information security posture and helps us stay informed of the latest cybersecurity trends to effectively mitigate potential cyber threats.

Personal Data Protection

Collins has established the "Personal Data Protection Operating Procedures" and the "Comprehensive Retail Industry Personal Data File Security Maintenance Plan." A "Personal Data Protection Execution Team" has been formed, appointed by the Chairperson and composed of designated representatives from each unit, responsible for planning and managing personal data protection laws.

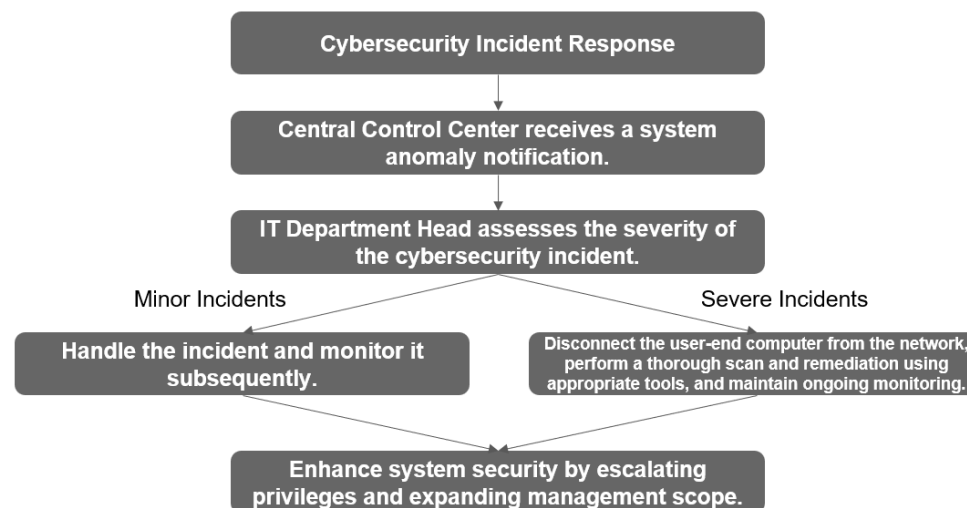
When collaborating with external suppliers on software systems, the Company requires suppliers to sign non-disclosure agreements to protect internal sensitive and confidential information. For retail business consumer data, Collins has engaged a cloud service provider certified with SOC2 (Service Organization Controls) for managing member data. This ensures stringent control over the security, availability, processing integrity, confidentiality, and privacy of the information system. Future plans include conducting regular external audits to enhance data security. In 2023, there were no incidents of customer data breaches, and no security incidents involving personal data occurred, ensuring no impact on customers.

Information Security Training

To enhance employee awareness and knowledge among cybersecurity personnel, the Company sends out annual information security awareness communications via email, consolidating cybersecurity updates to prevent incidents. In 2023, a total of 240 individuals participated in these awareness programs, accumulating 660 hours of training. Additionally, cybersecurity personnel are required to attend relevant seminars and courses each year to stay updated on the latest trends and technologies. In 2023, there were 9 training sessions totaling 9.5 hours, covering topics such as multi-factor authentication, user identity management, database encryption, compliance management, common malware cases, and platform security risks.

Information Security Incident Handling Process

The Company has established an incident handling process for cybersecurity events. When an anomaly occurs, the Central Control Center generates a system notification. The IT department head will assess the situation and evaluate the incident severity. For severe incidents, the affected users will be instructed to disconnect from the network, and scanning tools will be employed to investigate the issue. In 2023, we continued to upgrade our internal cybersecurity hardware and software infrastructure. Awareness campaigns were conducted via email to enhance employee cybersecurity awareness. Collins did not experience any cybersecurity incidents during the year.

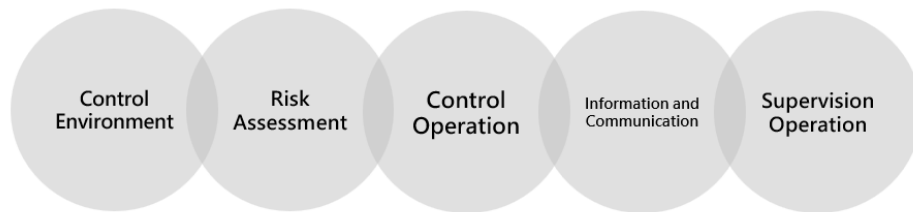


Internal Audits

The primary role of internal auditing is to assist the Board of Directors and management in examining and reviewing deficiencies in internal control systems, as well as assessing the effectiveness and efficiency of operations. The internal audit function provides timely improvement recommendations to ensure that internal control systems are continuously and effectively implemented and serves as a basis for reviewing and revising these systems. The Company's internal audit department is directly accountable to the Board of Directors and is staffed by two personnel responsible for audit-related matters, one of whom holds the Certified Internal Auditor (CIA) credential.

The appointment and removal of the head of internal audit must be approved by the audit committee and submitted for a resolution of the board of directors. Internal audit work is divided into two categories: regular and irregular. Regular audits are carried out by auditors according to the company's annual audit plan, and irregular audits are conducted by auditors in accordance with instructions or business needs. Auditors should set an audit cycle to conduct regular audits, and at the end of each audit, prepare an audit report, attach relevant attachments, report the shortcomings and suggestions for improvement, and continue to track the improvement situation.

Five Criteria of the Internal Control System



Internal Audit Implementation Procedures



Professional Development for Auditors

To strengthen the Company's internal audit system, the Company arranges for auditors to participate in relevant training courses offered by the "Institute of Internal Auditors." In 2023, a total of 4 auditor participations were recorded, with a cumulative training duration of 24 hours.

Course Name	Course Hours
How Internal Auditors Interpret Operational Performance and Risks from IFRS Financial Statements	6
Practical Evolution of Materiality Benchmarks for Financial Statement Misrepresentation and the Determination of Board and Supervisory Responsibilities Legal Responsibilities and Investigation and Adjudication Procedures for Corporate Fraud	6
Financial Analysis Indicator Interpretation and Prevention of Operational Risks	6
Key Considerations and Practical Analysis of Shareholders' Meetings and Company Law	6

Legal Compliance

GRI 2-27

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 occurred in the year 2023.

Regulatory Awareness

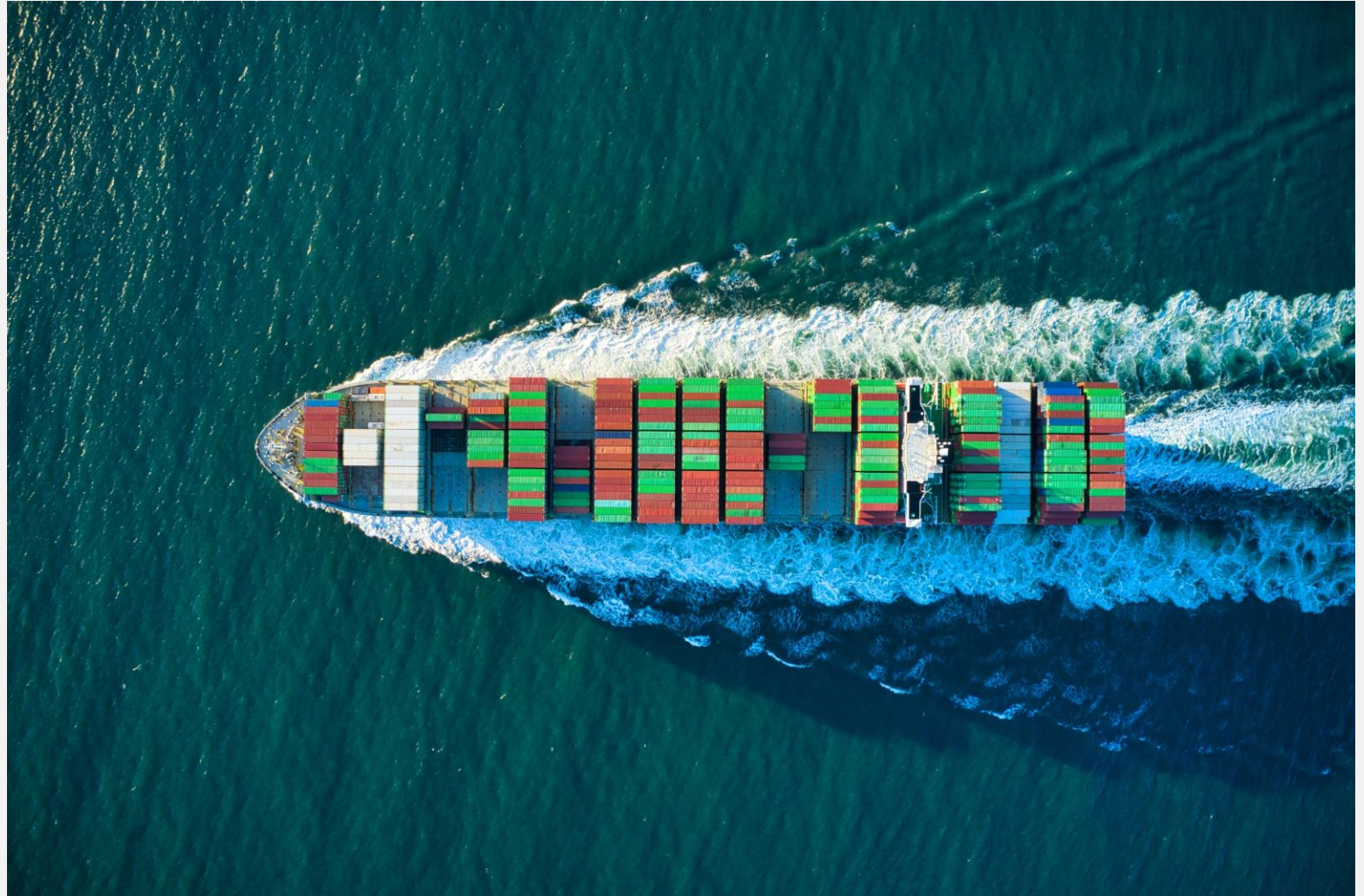
To prevent legal violations, the company conducts relevant awareness and training sessions on regulatory changes and trends. In 2023, a total of 785 participants were involved, with a cumulative training duration of 2,009.8 hours.

Awareness Program Title	Program Content	Number of Participants
ESG: Trends in Net Zero Carbon Emissions and Sustainable Innovation Cases in the Trade Industry	Regulations Related to Net Zero Carbon Emissions and the EU Carbon Border Adjustment Mechanism (CBAM)	57
Information Security Awareness: Cybersecurity Information	Preventing Ransomware and Phishing Scams	120
Information Security Awareness: Cyber Fraud	Preventing Fraudulent SMS and Response Strategies	120
Risk Management Execution Progress Report	Risk Identification and Response	120
Insider Trading Prevention Awareness	Insider Trading Regulations Awareness	128
Establishing Trade Secret Management	Trade Secret Protection Mechanism Awareness and Sharing	120
Implementing Trade Secret Management	Trade Secret Protection Mechanism Awareness and Sharing	120

3. Business Partnerships

Supply Chain Management
Customer Relations
Product Safety

Aligning with the SDGs



Supply Chain Management

GRI 414

Supply Chain Management

Building long-term and positive relationships with suppliers is one of the company’s key operational philosophies. The Company has established a "Supplier Management Policy," which requires suppliers to adhere to standards related to labor rights, health, safety, and environmental protection. Suppliers are selected based on their performance in social responsibility and ethical standards, and new suppliers are required to sign a Social Responsibility and Ethical Standards Commitment. Procurement will conduct at least one on-site audit annually to assess supplier performance in social responsibility and ethical standards and to follow up on improvement measures.

If a supplier is found to engage in child labor, forced labor, or other serious violations of labor laws, the Company will immediately terminate the business relationship. If the supplier is involved in dishonesty, infringement of intellectual property rights, bribery, or other inappropriate benefits, the supplier must disclose relevant information about the Company’s business activities and financial status. Any falsification or deceit will result in the immediate termination of the business relationship.

Supplier Evaluation

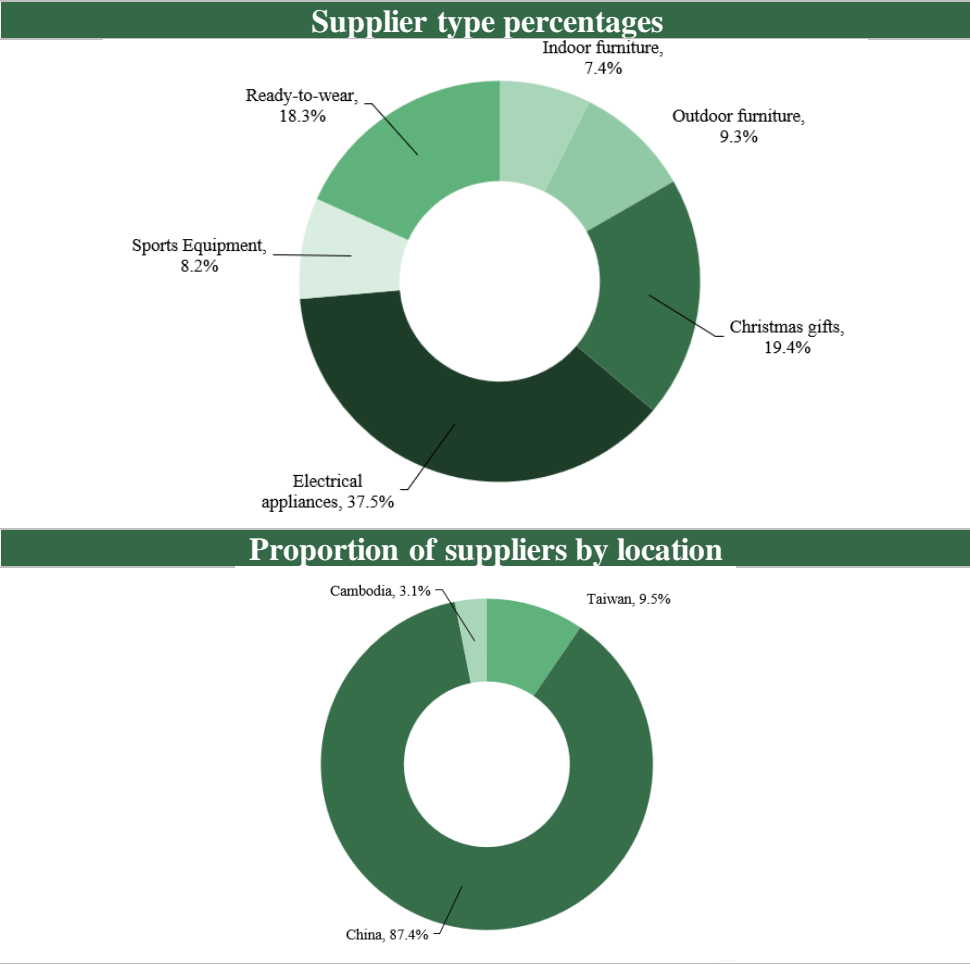
The evaluation is divided into monthly routine assessments and annual evaluations. Monthly routine assessments primarily focus on quality and delivery performance. Quality is assessed by the quality control department, while the procurement department reviews delivery records to track timeliness. The overall assessment score is calculated each month. If the evaluation results fall below standards, the procurement department will notify the supplier and set a deadline for improvement. Annual evaluations are conducted by both the procurement and quality control departments and primarily focus on key domestic raw material suppliers. Suppliers with certifications from relevant quality systems, whether domestic or international, will be required to provide certification documentation. These suppliers will then be listed in the approved supplier directory.

Supply Chain Management - Trade

GRI 204-1

In the trade sector, there are 114 suppliers across Taiwan, Cambodia, and China. These suppliers fall into five categories: electrical appliances, Christmas gifts, outdoor furniture, indoor furniture, and sports equipment. The total procurement amount for 2023 was NT\$515 million.

Supplier Types and Distribution of the Trade Business Group



Supplier Evaluation

Collins's customers are primarily medium and large importers and distributors in Europe and the United States. These customers have specific requirements for supplier audits and certifications. Most customers adopt a zero-tolerance policy on key social responsibility issues, including child labor, abuse, and bribery. Therefore, the Company's orders are screened and managed according to the customers' certification requirements for suppliers.

Regarding social responsibility evaluations, suppliers are assessed on 13 items including social management systems, worker protection, non-discrimination, compensation, and freedom of association and negotiation. In terms of anti-terrorism measures, evaluations are conducted annually across nine areas including physical security, access control, procedural security, and personnel security. In 2023, four factories from the Christmas gifts supplier category within the trade business group passed third-party social responsibility and anti-terrorism audits. Moving forward, audits will be conducted and statistics compiled for suppliers across all categories within the trade business group.

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 assessment
Level D	Maturity is insufficient; improvement plan must be developed 60 days after assessment
Level E	Maturity is unacceptable, improvement plan must be developed 60 days after assessment

Anti-terrorism factory inspection evaluation level

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

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

Supply Chain Management – Fashion Brand Agency

Collins's Fashion Lifestyle Division, a direct subsidiary, primarily engages in retailing fashion brand agencies. The Company represents the G2000 brand and several Japanese brands, including B.C STOCK, JOURNAL STANDARDS, and JS relume. These brands' headquarters are responsible for supplier management and manufacturing. Once the products are manufactured, they are shipped to Collins for retail sales. Consequently, the material suppliers for the manufactured products are selected by the brands' headquarters. Collins focuses on procuring finished products. G2000 products must pass SGS certification, while Japanese brands are tested and certified by "Japan Textile Products Quality and Technology Center" to ensure product quality.

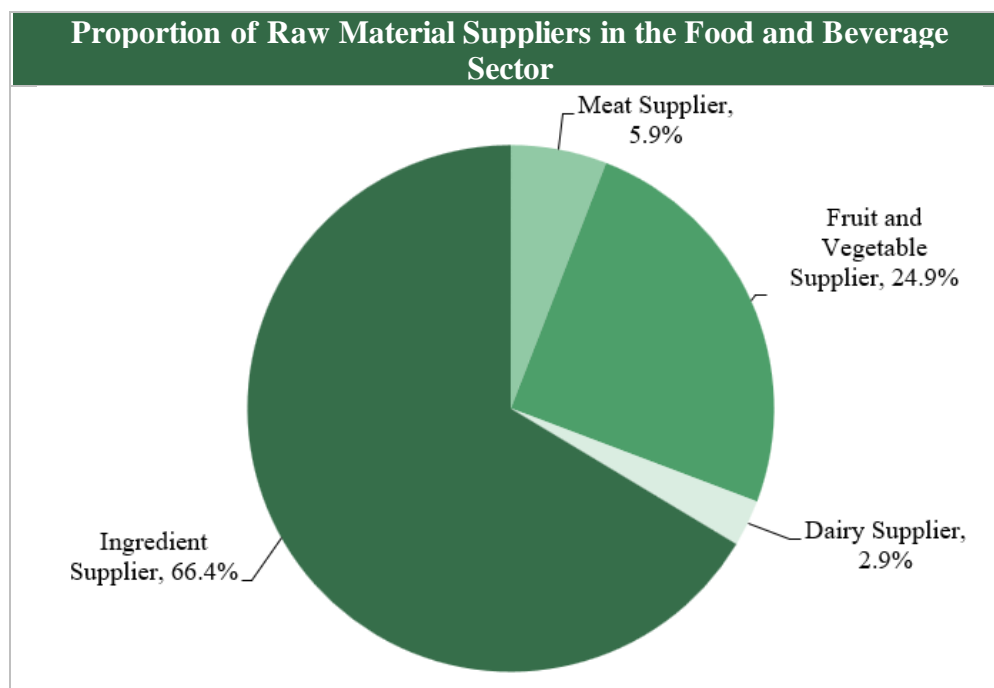
Supply Chain Management – Food and Beverage Stores

In addition to representing fashion brands, the Company expanded into the food and beverage sector in 2023, representing Japanese Baycrew's Group brands, J.S. FOODIES and FLIPPER'S, known for their Miracle Soufflé Pancakes. The food ingredient suppliers are categorized into meat suppliers, fruit and vegetable suppliers, dairy providers, and general ingredient suppliers, totaling 29 suppliers, all of which are 100% Taiwanese companies.

Supplier Evaluation

Each year, environmental hygiene and production process audits are conducted for suppliers. All 29 suppliers are rated as Grade A qualified suppliers. In 2023, on-site audits were performed for 2 suppliers, with a 100% pass rate.

Evaluation Level	Assessment Result	Evaluation Frequency	Number of Suppliers
Level A	Qualified	Every 2 years	29
Level B	Qualified	Once a year	0
Level C	Disqualified	Notification improvement, evaluated semi-annually	0
Level D	Disqualified	Termination of Cooperation	0



Sustainable Procurement

Collins procures products and suppliers that have obtained sustainability-related certifications, including Product Traceability Certification, ISO/FSSC 22000 Food Safety Management System Certification, HACCP Food Safety Control System Certification, and the Cage Free Alliance certification. The procurement amount for such certified products accounts for 48.27%. Additionally, some suppliers are required to obtain third-party certification. In 2023, a total of 12 suppliers were required to obtain third-party certification, with a 100% pass rate.

Third-Party Certification	Number of Certified Entities
Product Traceability Certification	2
B Corp	1
FSSC 22000 Food Safety Management System Certification	9

Product Categories	Sustainability Certification	Certification Ratio
Ingredients, Seasonings	FSSC 22001 Food Safety Management System Certification	25.20%
Eggs	Product Traceability Certification, Cage Free Alliance	11.54%
Bread, Flour, Cream, Ice Cream	ISO22000 、HACCP	6.41%
Fresh Milk	Product Traceability Certification, FSSC 22000 Food Safety Management System Certification	2.85%
Honey	ISO 9001 、ISO 22000 、ISO 14001 、TS 18001 、OHSAS 、BRC	1.56%
Milk, Cream, Consumables (Gloves)	HACCP 、ISO9001 、ISO22000	0.71%
Overall Certification Ratio		48.27%

Note: The certification ratio is calculated as the procurement amount of products with sustainability certifications divided by the total procurement amount, covering all raw materials for food and beverage stores.

Green Procurement

With the goal of sustainable business operations, we comprehensively consider energy-saving and environmental protection factors across various stages, including product design, procurement, production, packaging, logistics, sales, services, recycling, and reuse. We collaborate with upstream and downstream enterprises to practice environmental protection and energy conservation, and to fulfill social responsibilities, thereby creating a green supply chain.

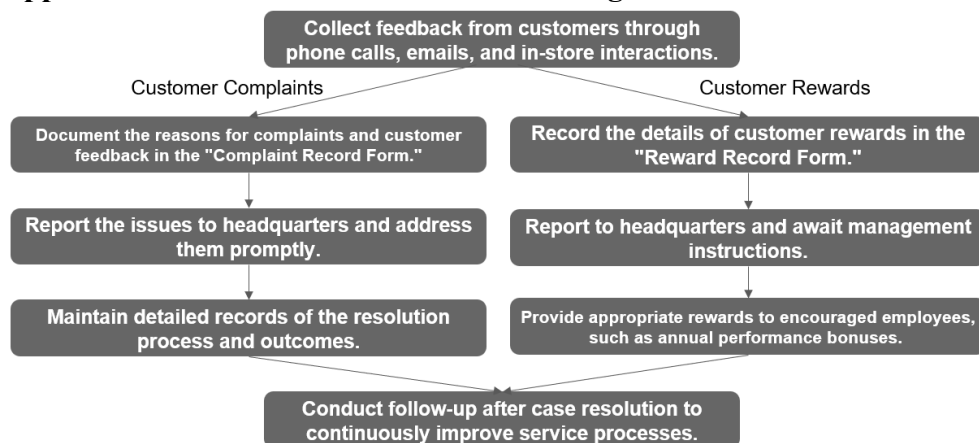
The Company selects environmentally friendly materials, utilizing copy paper certified by the PEFC Forest Certification Program. Additionally, eco-friendly green building materials have been used for partitions, paint, and carpets in our office spaces, retail stores, and factory offices, totaling 6,230m². In the future, we will continue to expand the scope of green procurement and reduce the environmental impact of our operations. For detailed information, please refer to the Environmental Sustainability section – Green Operations.

Customer Relations

Customer Satisfaction

Collins places significant emphasis on customer feedback and actively addresses the feedback provided by customers. For feedback related to apparel brands, customers can submit their comments via phone, email, or in-store. Sales personnel will meticulously record the feedback and opinions in either the "Reward Record Form" or the "Complaint Record Form," report them to the head office, and process them as soon as possible. The entire process and results will be thoroughly documented, and employees who receive positive feedback will be given appropriate rewards, making customer feedback a driving force for employee improvement. For the food and beverage brands, customers can provide real-time feedback on food and service satisfaction through customer satisfaction surveys, facilitating ongoing improvements in products and services.

Apparel Brand Customer Feedback Handling Process



Apparel Brand Feedback

In 2023, there were a total of 2 reward incidents and 6 complaint incidents. The reward incidents were primarily related to excellent service attitude, for which store supervisors have issued commendations and provided performance bonuses to encourage employees to maintain high standards of performance. The complaints were related to service attitude and product defects. In response, we have enhanced training for employees on service attitude and product-related issues. All complaints have been resolved satisfactorily, with a 100% completion rate.

Reward Incident Handling

Reason for Reward	Number of Incidents	Reward Measures
Service Attitude	2	Commendation from store supervisor and internal performance bonuses

Complaint Incident Handling

Reason for Complaint	Number of Incidents	Improvement Measures	Preventive Measures
Service Attitude	5	Apology and explanation to customers via phone	Enhanced training for employees on service attitude and etiquette
Product Defects	1	Contact customers to inform them of the product replacement location.	Enhance staff training on product sizing and fitting.

Customer Satisfaction Survey

Our dining brand has implemented a customer satisfaction survey form available at our locations. Customers are invited to provide feedback by scanning a QR code with their mobile phones. The survey encompasses six key areas: food quality, greeting upon entry, server attitude, food presentation, cleanliness of the environment, and overall satisfaction, with ratings ranging from 1 to 5 stars. Additionally, the survey seeks to identify new menu items that customers are interested in, to better understand their dining preferences and guide the development and introduction of future products.

As of February 2024, a total of 20 valid responses have been collected. The highest overall score was attributed to "cleanliness of the environment." Lower scores were noted for "overall satisfaction" and "server attitude" for the J.S. FOODIES brand, and "food quality" for the FLIPPER’S Miracle Soufflé Pancakes brand. The Company will continue to analyze customer satisfaction feedback and implement improvements to deliver products and services that meet customer expectations.

Survey Items	J.S. FOODIES	FLIPPER’S Miracle Soufflé Pancakes
Food Quality	3.19	3.33
Greeting upon Arrival	3	3.63
Service Attitude	2.63	3.83
Presentation of Dishes	3.38	3.75
Cleanliness of the Environment	3.94	4.13
Overall Satisfaction	2.5	3.38

Customer Feedback

 Male, Aged 31-40	“Today's dining experience was very satisfactory, and the service staff were excellent.”	 Male, Aged 21-30	“The soufflé was flawless and had an excellent texture.”
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Customer Privacy

Collins prioritizes customer data privacy, with oversight conducted by the Chief Information Security Officer and execution managed by the IT Department. The Company has established the “Personal Data Protection Operational Guidelines” and the “Retail Industry Personal Data File Security Maintenance Plan.” A “Personal Data Protection Implementation Team” has been set up to regularly plan and evaluate the management of personal data protection in accordance with relevant laws.

GRI 418

The Company is actively expanding its online e-commerce channels and, when collaborating with external vendors, requires them to sign confidentiality agreements and personal data protection declarations, including remote access confidentiality agreements, to safeguard member information. Additionally, the Company has engaged a cloud service provider that has passed SOC 2 (Service Organization Controls) information security audits to manage member data and plans to conduct regular external audits in the future to enhance data security. In 2023, there were no incidents of customer data breaches.

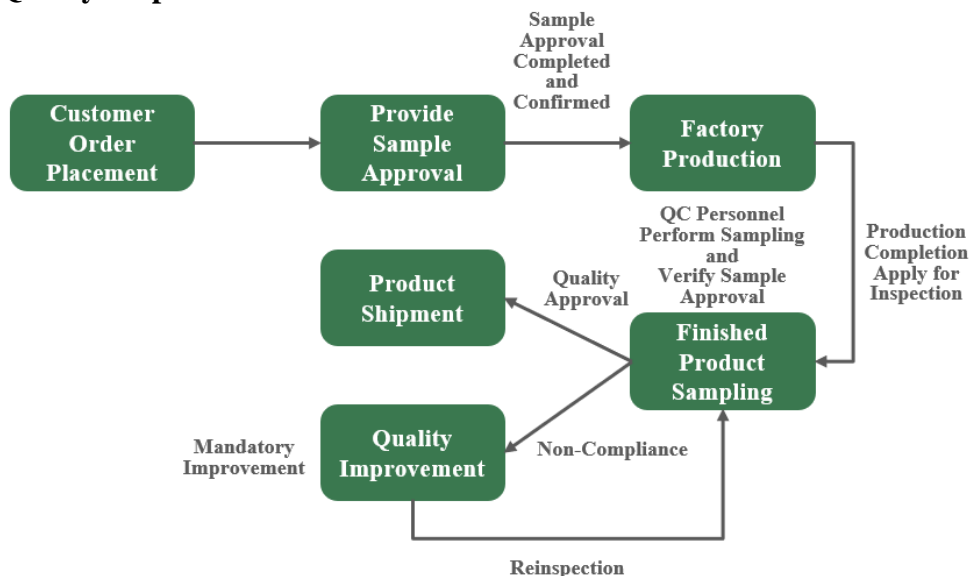
Product Safety

Quality and Safety Management – Trade

Collins prioritizes customer health and safety. All exported products comply with the safety regulations and standards of the importing country. Product labeling meets the regulatory and standard requirements of the customer's local government. In response to customer demands, factory raw materials are all compliant with RoHS standards for non-toxic materials. In 2023, there were no violations of product labeling, health and safety regulations, or marketing-related laws.

Some clients require specific products to undergo third-party testing before shipment. For instance, Christmas ornament products must pass UL quality tests and other basic standards. Testing encompasses supervised testing, performance and quality assessments, and additional evaluations. Testing details include verifying product origin labels, cyclical usage tests, high and low temperature and extreme humidity tests, and compliance with FCC (Federal Communications Commission) requirements, ensuring the quality of products and packaging, and accurate product labeling.

Quality Inspection Process



Quality and Safety Management – Apparel Brand Representation

Products from the apparel brands represented by Collins undergo product inspections by third-party inspection agencies before shipment by the brand's headquarters to ensure product quality. Inspection items include post-wash dimensional changes, post-wash appearance, post-wash distortion rate, and seam performance. G2000 products are certified by SGS, while Japanese brands such as B.C STOCK, JOURNAL STANDARDS, and JS relume have passed inspections by the Japan Textile Products Quality and Technology Center.

Collins has established a product quality inspection process to ensure quality control. Upon receipt of products, sampling inspections are conducted in the warehouse to verify label accuracy, including wash labels and size labels. During the QC (Quality Control) stage, sales personnel check the products for color discrepancies, loose threads, and other issues. Products with noticeable color discrepancies or signs of fading will be reported to the company for further processing. Customer service representatives also provide instructions on product washing and care to assist customers in using the products properly and to prevent health or safety issues.

Product Labeling

Products are labeled with information on raw materials, manufacturing origin, wash care instructions, and size labels. This information is provided for consumer reference and complies with national regulations and standards. In 2023, there were no violations of regulations related to product and service information and labeling, nor were there any breaches of marketing and communication regulations.

■ Quality and Safety Management – Dining Stores

To ensure the provision of safe and healthy meals to customers, dining outlets have established separate management policies for food ingredients and store hygiene. Employees adhere to an operations manual for store hygiene management, which includes employee hygiene management, dishware and equipment cleaning hygiene, ingredient quality management, and material management via the ERP system. The stores also cooperate with the shopping mall for regular hygiene inspections to ensure customer health and safety.






Employee Hygiene Management

- Employees must have their body temperature measured to ensure it is within the normal range before attending work.
- Inspect both hands for any wounds or improper bandaging to ensure compliance with hygiene and safety standards.
- Employees must wear the appropriate uniform, including hats and masks, as required.
- For employees working in the front-of-house area, they must wear a waist-length apron and a work hat, and perform hand disinfection with alcohol.
- For employees working in the back-of-house area, they must wear a full-body apron and a work hat. After performing hand disinfection with alcohol, they must wear food-grade powder-free gloves.

Store Hygiene Management

Management Item	Frequency	Description
Store Employees	Daily	Ensure that employees' health conditions meet attendance requirements. Employees exhibiting symptoms such as cold, fever, vomiting, or poor emotional control that do not meet the standards must not be allowed to work.
Store Seating Area	Daily	Ensure the cleanliness of the seating area. Store employees must follow cleaning protocols, which include disinfecting floors, windowsills, tables, and chairs with alcohol.
Store Kitchen Area	Daily	Ensure the cleanliness of the kitchen area. Store employees must follow cleaning protocols, which include disinfecting or wiping with clean water the floors, workstations, equipment, and utensils in the preparation, serving, recycling, and break areas with alcohol or clean water.
Store Environment	Every year	Ensure air quality by commissioning external professional agencies to clean kitchen exhaust systems and air conditioning ducts, thereby maintaining a hygienic air environment.
Store Environment	Monthly	Engage external professional agencies in coordination with mall suppliers to perform disinfection, pest control, and rodent extermination services to ensure environmental hygiene.
Water Quality Testing	Every year	Perform comprehensive replacement of water filter cartridges at regular intervals to ensure water safety and quality.

Food Ingredient Management

1	 Ingredient Procurement	Verify the name, quantity, and unit price of incoming ingredients. Check that the expiration dates meet standards and that packaging is intact without damage. If any discrepancies are found, reject the delivery and return the goods.
2	 Ingredient Labeling	Ensure that expiration dates on ingredients are clearly visible and not obscured. If readability is compromised, enhance labeling and add markings to prevent the use of expired items.
3	 Ingredient Storage	Classify ingredients into categories such as ready-to-use, ambient, refrigerated, and frozen. Complete the placement and stocking processes within the designated timeframe, and organize items based on their usage expiry sequence.
4	 Ingredient Handling	Before processing, confirm that the expiration dates are valid. Differentiate between fresh produce, meat products, semi-finished products, sauces, and fruits and vegetables. Plan the work areas and use designated utensils to prevent cross-contamination between raw and cooked ingredients.
5	 Ingredient Control	If ingredients exhibit any anomalies (e.g., discoloration, clumping, unusual odors), recheck the expiration dates and inspect for any contamination. Do not use such items, seal them properly, and treat them as samples. Conduct a stocktake to identify if similar issues exist with other items and report immediately to the supplier for resolution.

The Company carefully selects safe ingredients, with approximately 48.27% of our ingredients meeting certification standards such as Production and Sales Traceability, ISO/FSSC 22000 Food Safety Management Systems, or HACCP Food Safety Control Systems. This ensures that we provide consumers with delicious and safe meals. In the fiscal year 2023, there were no violations of product information labeling, marketing, or food safety regulations, nor were there any instances of product recalls.



100% Use of "Animal Welfare" Friendly Eggs

The dining brands represented by the Company, "J.S. FOODIES" and "FLIPPER'S Miraculous Soufflé Pancakes," use "Maolin Welfare Eggs" from Maolin Livestock Farm. These eggs are certified by production and sales traceability as well as the Cage Free Alliance, adhering to EU animal welfare standards. They are produced using a purely plant-based feed formula and are free from antibiotics, ensuring the eggs are raised in a humane and welfare-friendly manner.

- Certified Animal Welfare Eggs by the Cage Free Alliance
- Plant-Based Feed Formula
- Antibiotic-Free
- No Drug Residues
- Passed Tests for Dioxins, Heavy Metals, Fenpropathrin, and Its Metabolites



4. Friendly Workplace

Talent Attraction
Diversity and Inclusion
Talent Development
Health and Safety

Aligning with the SDGs



Talent Attraction

Recruiting Partners

Employees are a key asset of Collins, and the Company places great importance on employee compensation and benefits. We offer competitive remuneration packages, along with both internal and external training and development opportunities. This approach is designed to effectively recruit, retain, and motivate talent, thereby enhancing operational efficiency and fostering growth alongside our employees. Taking into account the Company's financial and operational performance, as well as individual employee contributions, Collins has meticulously planned and executed an annual performance evaluation system. This includes the disbursement of year-end bonuses and performance incentives to motivate and retain top talent.

Human Resources Structure

GRI 2-7, 2-8, 202-2

Collins primarily employs staff on a regular, full-time basis. A portion of part-time employees are hourly staff at our retail locations. We do not employ workers without guaranteed hours or temporary staff. Non-employee workers include office cleaning personnel and building security staff at our Taiwan headquarters.

2023 Employment Types

Unit: people

Type	Item	Male	Female	Total
Employment contract types	Full-time employees	70	276	346
Employment	Full-time	59	251	310
	Part-time	12	24	36

2023 Workers who are not employees

Unit: people

Type	Male	Female	Total
Cleaning Personnel from the Cleaning Company	0	1	1
Security Staff	1	0	1

Note: The above are non-employee workers at Collin's Taiwan headquarters.

As of the end of 2023, the Company had a total of 346 employees. Due to the addition of new brands and the expansion of store operations in 2023, the number of employees grew by 27.68% compared to the previous year, primarily driven by an increase in store personnel. Our business nature is in trade and retail, with female employees making up 79.48% of the workforce, while male employees constitute 20.52%.

All of our management positions are held by domestic employees, with a 100% local hire rate for managerial roles. Store personnel are primarily involved in sales-related activities and are categorized as frontline employees. Additionally, the Company does not employ child labor. Given that our business operations are focused on retail sales and office support, we currently do not employ foreign migrant workers.

Number of employees in 2023

Unit: people

Employment contract types	Headquarters in Taiwan		Store Personnel	
	Male	Female	Male	Female
Middle and senior-level executives	20	20	-	-
Junior executives	9	39	-	-
Non-supervisor employees	14	26	28	190
Total	43	85	28	190

Employee educational information in 2023

Unit: people

Item	Headquarters in Taiwan		Store Personnel	
	Number of shareholders	Proportion	Number of shareholders	Proportion
PhD	1	0.78%	0	0%
Master	10	7.81%	0	0%
University	94	73.44%	46	21.10%
High School (and below)	23	17.97%	172	78.90%

New Employees and Employee Turnover

GRI 401-1

In 2023, the hiring rate for full-time employees was 39.03%, while the turnover rate was 23.87%. A total of 196 new employees were hired, accounting for 56.65% of the overall workforce. The total number of departing employees was 110, representing 31.79% of the overall workforce. The voluntary turnover rate among store employees for 2023 was 41.74%, with an involuntary turnover rate of 0.46%. The higher turnover rates were primarily among hourly staff, due to the nature of part-time work resulting in higher rates of both hiring and turnover.

Number of new employees

Gender	Headquarters				Full-Time Store Personnel				Hourly Store Personnel			
	Female		Male		Female		Male		Female		Male	
Age	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion
< 30 years old	15	78.94%	1	9.09%	47	56.63%	7	77.28%	45	77.59%	15	88.24%
30 - 50 years old	2	10.53%	10	90.91%	28	33.73%	2	22.22%	12	20.69%	2	11.76%
> 50 years old and above	2	10.53%	0	0%	8	9.64%	0	0%	1	1.72%	0	0%
Total	19	100%	11	100%	83	100%	9	100%	58	100%	17	100%

Number of employee turnover

Gender	Headquarters				Full-Time Store Personnel				Hourly Store Personnel			
	Female		Male		Female		Male		Female		Male	
Age	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion	Number of shareholders	Proportion
< 30 years old	10	83.33%	3	33.33%	12	25.00%	4	80.00%	22	95.65%	13	100.00%
30 - 50 years old	1	8.33%	6	66.67%	27	56.25%	1	20.00%	1	4.35%	0	0.00%
> 50 years old and above	1	8.33%	0	0.00%	9	18.75%	0	0.00%	0	0.00%	0	0.00%
Total	12	100%	9	100%	48	100%	5	100%	23	100%	13	100%

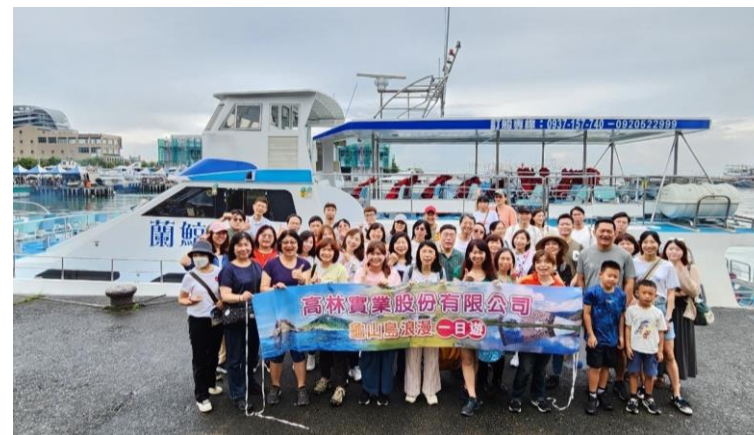
Welfare System

GRI 401-2

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 2023 was NT\$1.01 billion.

Salary insurance	<ul style="list-style-type: none"> ■ Year-end bonuses, performance bonuses and other excellent bonuses based on individual performance ■ Labor insurance, health insurance, pension allocation ■ Free group insurance (cancer insurance, health insurance, life insurance)
Benefits and subsidies	<ul style="list-style-type: none"> ■ Chinese New Year Bonus, Dragon Boat Festival Bonus, Mid-Autumn Festival Bonus, Marriage and Funeral Subsidies, Birthday Gifts ■ Employee Travel ■ Year-End Company Dinner ■ Group Employee Purchase Benefits (e.g., Minoshin Boutique, G2000, Japanese Brands)
Leave system	<ul style="list-style-type: none"> ■ Flexible on and off time system (employees work for 8 hours, work 8:00~9:00, and get off work 17:00~18:00) ■ New recruits will be given 3 days of special leave after the three-month probation period ■ No make-up work required on make-up work days (No deduction from personal or sick leave) ■ Paid Sick Leave: The first 15 days of annual sick leave are paid ■ Paternity Leave, Family Care Leave, and Parental Leave

In 2023, the Employee Welfare Committee organized five employee welfare activities, including travel events, an eternal flower craft workshop, a leather craft workshop, and a screening of the ecological documentary Good Morni MIT.



Collins Employee Welfare Travel: Romantic Day Trip to Guishan Island



Collins Employee Welfare Travel: Two-Day Trip to Qingjing, Nantou

■ Remuneration System

GRI 2-21, 202-1

To attract and retain top talent, the Company has established a comprehensive performance management and remuneration system. This system aligns organizational and individual performance goals, with regular reviews, feedback, and evaluations. Employee salaries are determined based on experience, qualifications, and individual performance, and are not affected by gender, race, religion, political stance, or marital status.

In 2023, the basic salary for all frontline employees at Collins was in full compliance with the minimum wage stipulated by the Labor Standards Act, with a ratio of 1. In Taiwan, the salaries for store personnel meet 100% of the legal minimum wage requirements.

Item	Headquarters in Taiwan	Store Personnel
Annual Remuneration Ratio	13.88	2.09
Annual Total Remuneration Change Ratio	4.78	2.95

Salary Overview for Non-Managerial Full-Time Employees			
Unit: NT\$ thousand			
Item	2021	2022	2023
Number of non-managerial full-time employees	109	115	133
Average salary of non-managerial full-time employees	564	589	617
Median salary of non-managerial full-time employees	507	524	571

Note: The above categories pertain to Collins as an individual entity and do not include salary information for non-managerial full-time store personnel.

■ Employee Rights

GRI 2-25, 2-30

Collins respects the rights of all employees to freely associate and form unions in accordance with the law. We have established an Employee Welfare Committee as required and set up communication channels for employees per legal regulations. In 2023, there were no violations of labor-related laws. We place a high value on employee rights and hold annual labor-management meetings to listen to employee feedback, provide timely responses, and make improvements. Our goal is to achieve a win-win outcome for both labor and management. This year, we conducted two labor-management meetings to facilitate communication and exchange with employees.

Employee communication channels

Email for communication	There is a dedicated communication mailbox for internal employees, and a dedicated window is responsible for communicating with employees. No employee complaints will be received in 2023. Email for communication: hr@collins.com.tw
Labor-management meeting	Labor-management meetings are held in accordance with the "Labor-Management Meeting Implementation Measures." We hold regular meetings to exchange views, adhering to the principles of harmony and integrity between labor and management, and negotiate to resolve issues. In 2023, two labor-management meetings were conducted.
Annual performance evaluation	Employees can communicate through the annual performance appraisal, can reflect work problems and put forward suggestions to the company, the company can express work requirements and expectations, and provide guidance and assistance in a timely manner.
Employee Welfare Committee	Manage employee welfare measures, including: employee travel, year-end company dinners, Dragon Boat Festival and Mid-Autumn Festival bonuses, and employee marriage and funeral subsidies.
Reporting non-ethical behavior	If other employees are found to violate the integrity of business operations, or any behavior that may conflict with the company's interests, they can report through "personal reporting", "telephone reporting", "reporting by letter" and other appropriate channels, and the special acceptance unit will be responsible for it. deal with. The Company shall handle the reporting cases in a confidential manner, and conduct verification through independent channels, and make every effort to protect the whistleblower. The identity of the whistleblower will be kept strictly confidential and guaranteed. The employee will not be mistreated due to reporting. No corruption related incidents occurred in 2023.

Operational Change Notification

GRI 402-1

When Collinsencounters circumstances under Article 11 of the Labor Standards Act, prior communication with employees will be conducted. For employees who have been employed for more than three months but less than one year, a ten-day notice will be given; for those employed for one year but less than three years, a twenty-day notice will be given; and for those employed for more than three years, a thirty-day notice will be given.

Retirement System

GRI 201-3

The Company complies with the new labor retirement system under the Labor Pension Act, allocating 6% of the employee's monthly salary to the individual retirement account at the Labor Insurance Bureau. Employees under the old retirement system have 4% of their monthly salary allocated to the retirement reserve fund at Taiwan Bank's Labor Retirement Reserve Account.

As of the end of 2023, 34 employees have chosen the old retirement system, while 312 employees are enrolled in the new retirement system, resulting in a 100% participation rate in the retirement plan.

Retirement system

The Company has formulated the Measures for Employee Pension Scheme in line with the Labor Standards Act:

- All full-time employees whose years of service have reached 25 years, whose years of service have reached 15 years and are 55 years of age, or served for 10 years and are 60 years of age, may apply for voluntary pension payout.
- Employees who are 65 years of age and are mentally or physically incapable of fulfilling their duties may be ordered to retire and given a pension payout by the Company.
- Employees who are 65 years of age but have been permitted to retain their position by the President may continue their service, and years of service may continue to count toward the pension scheme.

Parental leave

GRI 401-3

The Company shall operate in accordance with the relevant laws and regulations, and the staff can apply for reinstatement when the period of childcare leave without pay expires. In 2023, a total of 3 female employees applied for parental leave. In 2022, 2 of these employees returned to work, and they have continued their employment for one year after their return, resulting in a 100% retention rate.

Item	Male	Female	Total
A. Number of people who applied for parental leave in 2023	0	3	3
B. No. of people who applied for parental leave in 2023	0	3	3
C. Number of people who have been reinstated from parental leave in 2023	0	0	0
D. No. of people who have been reinstated from parental leave in 2023	0	0	0
Reinstatement rate (D/C)	-	-	-
E. No. of people who have been reinstated from parental leave in 2022	0	2	2
F. No. of people who have been reinstated for one year in 2022	0	2	2
Retention rate (F/E)	-	100%	100%
A: The number of applicants who have applied for paternity leave and maternity leave from 2023/01/01 to 2023/12/31			
B: The number of applicants who applied for parental leave from 2023/01/01 to 2023/12/31			
C: The number of applicants whose parental leave expiry date is 2023/01/01 to 2023/12/31			
D: The number of people who have resumed work during the period from 2023/01/01 to 2023/12/31			
E: Number of people who resumed work during the period from 2022/01/01 to 2022/12/31			
F: The number of people who resumed work from parental leave during the period from 2022/01/01 to 2022/12/31 and are still working one year later			

Diversity and Inclusion

Diversity and Inclusion

By fostering respect and inclusivity, we unlock each individual's unique potential, driving greater innovation and collaboration. Collins promotes diversity and inclusivity in the workplace, establishing a more equitable and just work environment to achieve sustainable development goals. The Company does not discriminate based on race, religion, skin color, nationality, gender, or other factors. In 2023, there were no instances of employment discrimination.

Employee Indicator of Diversity

The headquarters primarily operates in an office environment, with females constituting 66.4% of the workforce and males 33.6%. Employees aged over 50 make up the majority, accounting for 46.1%. Store personnel are mainly responsible for apparel and food service sales, with females representing 87.16% and males 12.84%. The majority of these employees are within the 30-50 age group.

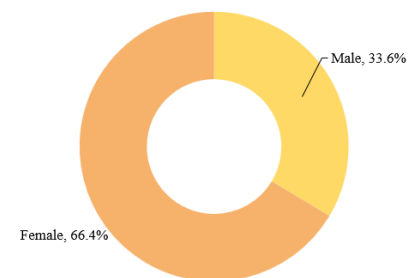
Remuneration by Gender

At Collins, the gender ratio among middle to senior management is 1:1, with the same ratio applied to salary compensation. Collins will continue to promote equal pay for equal work, providing fair compensation and equal opportunities.

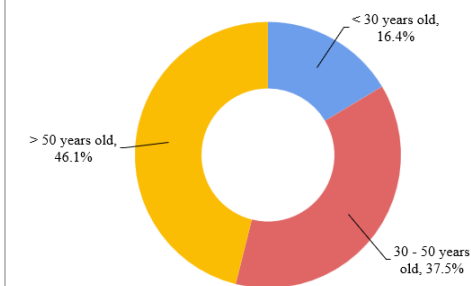
Item	Headquarters in Taiwan		Store Personnel	
	Male	Female	Male	Female
Management personnel	1	1	-	-
Full-time employees	0.93	1	0.95	1

Note: Management positions refer to supervisors at the level of division manager and above. Store personnel do not include management positions.

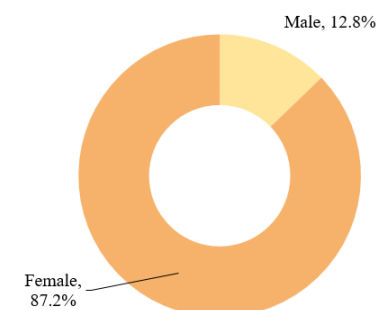
Gender Ratio at Taiwan Headquarters



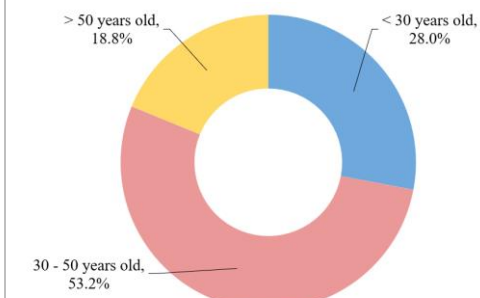
Age Distribution at Taiwan Headquarters



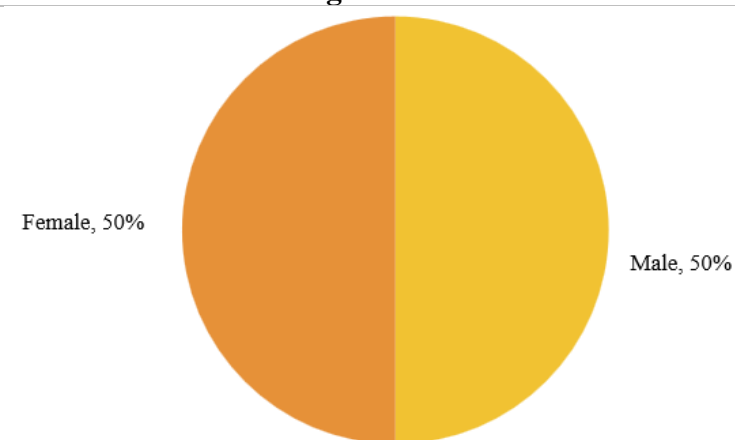
Gender Ratio of Store Personnel



Age Distribution of Store Personnel



Gender Ratio among Middle to Senior Executives



Diversity and Inclusion Measures

- The Company maintains a non-discriminatory policy in all recruitment practices.
- Provide a nursing room and a milk collection room to support breastfeeding policies.
- Offer female menstrual leave, parental leave, paternity leave, maternity leave, and childbirth subsidies.
- Implement workplace bullying prevention initiatives, assisting employees in understanding and avoiding bullying behaviors, and fostering a supportive work environment.
- Established measures and complaint procedures for sexual harassment, which are publicly disclosed.
- Participated in a "Diversity Gender Equality and Sexual Harassment Prevention Training Seminar" in 2023, continuing to enhance the diversity at Collins. The training included 12 hours of instruction for 2 participants.
- Invited artists with physical and mental disabilities to perform at our year-end party to promote workplace diversity and inclusion in 2023.



Colleagues actively participated in artistic silhouette activities provided by artists with physical and mental disabilities.



The Chairperson of Collins posed for a photo with two groups of artists with physical and mental disabilities, expressing gratitude for their outstanding performances at the year-end party.

Human Rights Policy

GRI 2-23, 2-24, 2-25

Collins Co., Ltd. supports and adheres to internationally recognized human rights standards and principles, including compliance with the United Nations' Universal Declaration of Human Rights and the relevant provisions of International Labor Organization conventions. We also strictly adhere to local labor laws to prevent any human rights violations. In 2023, there were no incidents of forced labor or child labor, and there were no occurrences of overtime beyond legal limits.

Human Rights Policy

- | | |
|---|---|
| ■ | Eliminate unlawful discrimination to ensure equal employment opportunities. |
| ■ | Provide a safe and healthy working environment. |
| ■ | Prohibit forced labor. |
| ■ | Support employees in maintaining physical and mental health as well as work-life balance. |
| ■ | Prohibit the use of child labor. |

Human Rights Education Training

Conducted educational training on unlawful infringements to ensure employees understand their rights. In 2023, a total of 63 participants were involved, with a cumulative training duration of 63 hours. In the future, we will continue to provide relevant training on human rights and the prevention of sexual harassment to enhance employees' awareness of human rights and prevent incidents of human rights violations.



Sexual Harassment Prevention

The Company has established the "Sexual Harassment Prevention Measures Complaint and Discipline Procedures" and the "Written Statement Prohibiting Sexual Harassment in the Workplace" to safeguard employees from workplace sexual harassment. We implement appropriate preventive, corrective, disciplinary, and remedial measures to protect the rights and privacy of all parties involved.

Prohibition of Workplace Violence

Collins has established a "Written Statement Prohibiting Workplace Violence" to ensure that all employees are protected from physical or psychological harm that could lead to mental or emotional disorders during their duties. The Company does not tolerate any instances of workplace bullying by management personnel, nor does it tolerate acts of workplace violence by employees, customers, clients, care recipients, or strangers towards company employees.

Sexual Harassment Prevention and Workplace Violence Reporting Channels

Upon receiving a complaint, the Company will conduct a confidential investigation. If the investigation confirms the validity of the complaint, appropriate disciplinary action will be taken. Furthermore, Collins explicitly prohibits any retaliatory actions against individuals who report such incidents, file complaints, or assist in the investigation of sexual harassment cases.

- Complaint Hotline: 02-27125311 #247 / #274 (Human Resources Department)
- Complaint Email: hr@collins.com.tw

Related Regulations Links:

- » [Sexual Harassment Prevention Measures Complaint and Discipline Procedures](#)
- » [Statement on Prohibition of Sexual Harassment in the Workplace](#)
- » [Statement on Prohibition of Workplace Violence](#)

Talent Development

GRI 404-1, 404-2

To cultivate talent and enhance employees' professional competencies, the Company arranges for employees across departments to participate in educational training. Monthly, we conduct training sessions on various topics and offer external training opportunities to help employees improve their professional skills and personal development. In 2023, the average internal training hours per employee at our Taiwan headquarters were 23.21 hours, with a total of 385.5 hours of external training provided to 34 participants.

Sustainability Development Courses

To enhance employees' sustainability awareness, the Company has organized several sustainability-related courses covering the three main ESG dimensions: energy conservation and carbon reduction, net-zero carbon emissions, and carbon taxation. These training sessions aim to improve employees' capabilities and establish a strong sustainability concept among them. In 2023, a total of 462 participants engaged in these courses, with a cumulative training duration of 691 hours.

Collins targets achieving carbon neutrality by 2030. Therefore, the Company has strengthened external training for the Sustainable Development Promotion Team. In 2023, a total of 226.5 hours of training related to sustainability development and greenhouse gas inventory was provided to 22 participants. Additionally, the Company arranged for governance executives to complete the "Corporate Sustainability Management Certification Training Program" in 2023, successfully obtaining certification.



In response to the 2030 carbon neutrality goal, we introduced a course on "Net-Zero Carbon Trends and Sustainable Innovation Cases in Trade," encouraging employees to advance towards sustainability.



A climate change expert from the Wilderness Protection Association delivered a lecture on the significance of carbon taxation, its connection to climate change, and the promotion of green economic development.

Campus Training

Talent is the core resource of an enterprise, and recruiting and retaining exceptional talent is crucial to business success. Collins is actively involved in campus recruitment activities, collaborating with major universities in Taiwan to encourage students to participate in internship programs during their extracurricular time. In 2023, 5 interns served at Collins, demonstrating outstanding performance during their internships. 2 of these interns were offered full-time positions and continue to create value at Collins.

To expand internship talent recruitment, the Company has increased the number of partner schools, collaborating with Soochow University on training programs and planning to develop industry-academic cooperation with Chihlee University of Technology. We aim to recruit more talented individuals to grow and prosper with the Company.

Elite Campus Talent Training

- The internship program is divided into academic term internships and summer internships.
- Through hands-on guidance from department managers and practical workplace operations, the program helps students and recent graduates acquire the skills and knowledge required by the Company.
- Weekly high-level executive interviews are conducted to assist students in planning their career paths.



The Vice President of Corporate Services at Collins visited Soochow University to present the elite internship program, with a total of 20 participants.

Performance Management

GRI 404-3

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 2023

Unit: people

Title	Headquarters in Taiwan				Jesco International			
	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Supervisors	20	100%	20	100%	-	-	-	-
Non-supervisor employees	23	100%	65	100%	28	100%	190	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, 2023.
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

Health and Safety

Healthy Workplace

Collins prioritizes employee health and safety by arranging biannual health check-ups and providing on-site medical and nursing services monthly to monitor and confirm employees' health conditions. Additionally, the Company conducts environmental disinfection and cleaning every month. For employees who are unable to commute to the office due to health reasons, the company offers flexible remote work options to ensure the practice of employee health and safety. In 2023, there were no violations of occupational health and safety regulations.

Employee Care and Support

Collins is committed to employee health and well-being by engaging qualified medical institutions to provide health services and consultations, ensuring that all employees have access to nearby medical care. Nurses provide on-site services three times a month, each session lasting 2 hours, totaling 72 hours of nursing services in 2023. Doctors conduct on-site services quarterly, with health consultations provided in batches throughout the year to all employees. These consultations include assessments of chronic conditions such as hypertension and high cholesterol, promoting overall employee health. In 2023, the total duration of on-site doctor services was 6 hours, with 74 individual consultations conducted.

Occupational Health Analysis

Collins primarily involves office and retail sales operations. Potential health hazards during work include prolonged standing for store staff and poor posture for office employees. The Company will enhance relevant educational training and implement measures to prevent these health risks. In 2023, there was one reported work-related injury, involving an employee who was involved in a traffic accident while commuting home. The Company has since intensified its traffic safety awareness campaigns.

Occupational Safety Education and Training

To create a safe working environment, Collins arranges for dedicated employees to advance their professional knowledge through specialized training courses, including "Level A Occupational Safety Supervisor Refresher Training," "Safety and Health for First Aid Personnel," and "Fire Management Training." In 2023, a total of 10 employees participated in these training programs, with a cumulative training duration of 148 hours.

Health Promotion Education Training

To promote employee health and safety, the Company arranges relevant educational training covering topics such as posture and chronic diseases, stress relief and emotional management, and healthy eating. Experts, including physical therapists, are invited to share their knowledge on health. In 2023, a total of 219 participants engaged in these training sessions, with a total duration of 270 hours.

Course Name	Number of Participants	Total Training Hours
Saving Office Workers from Occupational Diseases	56	56
Fire Protection Plan	56	56
Toxin-Free and Light	51	102
Enjoying Work	56	56
Total	219	270



"Saving Office Workers from Occupational Diseases" involves inviting physical therapists to address common office issues such as poor posture, shoulder and neck pain, and chronic conditions. The therapists explain preventive measures and solutions to help employees avoid discomfort.

5. Social Inclusion

Social Participation

Aligning with the SDGs

1 NO POVERTY 	2 ZERO HUNGER 
15 LIFE ON LAND 	17 PARTNERSHIPS FOR THE GOALS 



Social Participation

Social Mission

The role of a corporation in society extends beyond the pursuit of profit; it should also encompass social responsibility, actively participating in social affairs and caring for community welfare. Collins upholds the principle of "Contributing to Society, Giving Back to Society" and is dedicated to social engagement. We leverage our expertise and resources to support community organizations and fulfill our corporate citizenship mission. We actively participate in various social welfare activities through financial donations, partnerships, and other means. We are committed to improving the overall conditions of communities and society at large, promoting sustainable social development.

Supporting Social Welfare

Sponsorship of U.S. Charity Golf Tournament

In response to the invitation for charitable donations from BJ'S WHOLESALE CLUB in 2023, we sponsored a charity golf tournament with a contribution of US\$5,000. The funds will support foundations and nonprofit organizations, including Feeding America, Boston Children's Hospital, and DonorsChoose educational funding platform.



(Left Image) The charity golf event invited legendary members of the LPGA (Ladies Professional Golf Association) for a fundraising tournament to support disadvantaged communities; (Right Image) Photos from the charity golf event, source: LPGA.

Donation of Rice to Social Welfare Organizations

In alignment with the United Nations Sustainable Development Goals (SDG) 1: No Poverty and SDG 2: Zero Hunger, Collins donates white rice annually to social welfare organizations. Since 2010, we have donated rice to institutions such as the Taipei Children's Welfare Center, the Child Welfare League Foundation, the Ti-Hwei Children's Home, and the Yu-Cheng Social Welfare Foundation, totaling 3,450 Taiwanese catties of rice over 14 years. In 2023, we donated 150 Taiwanese catties of rice to the San-Yu Rehabilitation Center, the Yu-Cheng Social Welfare Foundation, and A Kernal of Wheat Foundation to support individuals with disabilities and elderly residents in remote areas.



14 years of cumulative donations

3,450 Taiwanese catties of white rice

Support for Environmental and Cultural Creativity

Collins supports environmental sustainability and the development of Taiwanese cultural creativity. In alignment with the United Nations Sustainable Development Goal SDG 15 (Life on Land) and the policy of "Promoting Cultural Development by Enterprises," Collins, in collaboration with its subsidiary HIC, organized a private screening of the ecological documentary Good Morni MIT for employees and their families.



The documentary provides insight into the habitat and ecological conservation of Taiwan's endemic species—the salamander—thereby encouraging employees to engage with issues such as biodiversity, climate change, and habitat development. Employees are also inspired to practice sustainability in their daily lives, collectively contributing to environmental stewardship.

On the day of the event, Director Mai Jue-Ming was also present to share insights about the filming process with the attendees. Collins remains committed to addressing Taiwan's environmental and biodiversity issues while supporting cultural and creative development, fulfilling its corporate citizenship mission.



President Lee Chieh His and Director Mai Jue-Ming in a Photo



Colleagues from Collins Co., Ltd. in a Photo with Director Mai Jue-Ming



Subsidiary HIC Participates in Screening Event and Reserved the Venue

6. Environmental Sustainability

Climate Change Management
Greenhouse Gas Management
Green Operations

Aligning with the SDGs



Climate Change Management

■ Climate Change Management

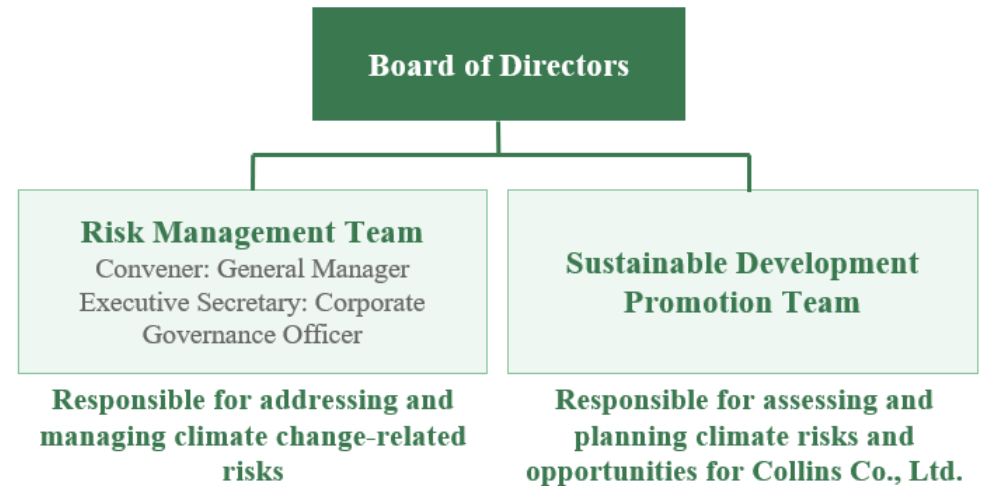
According to The Global Risk Report 2024 released by the World Economic Forum, “extreme climate events” is the most likely and impactful risks, indicating that climate change is an issue that companies must pay attention to. In order to fully assess the risks and opportunities related to climate change, Collins refers to the Task Force on Climate-related Financial Disclosures (TCFD) as the framework for identification and analysis, echoes the core values of TCFD with practical actions, and guides enterprises towards low carbon Risks and opportunities involved in economic transformation.

■ Climate Governance

The Board of Directors is responsible for overseeing the implementation results related to Collins Co., Ltd.'s response to climate change risks and opportunities. The Sustainable Development Promotion Team is in charge of assessing and planning climate risk and opportunity-related matters for Collins Co., Ltd., while the Risk Management Team is responsible for responding to and managing climate change-related risks. The Risk Management Team reports to the Board of Directors at least annually, reviewing the operational effectiveness of climate change-related issues, future work plans, and directions for enhancing ESG initiatives and information disclosure. This includes strengthening inventory management, aligning with international standards, improving information credibility and interactive communication, and benchmarking against industry leaders.

To enhance climate risk awareness among executives and staff, the following activities were arranged for 2023: one board member participated in a TCFD climate change forum for a total of 3 hours; the corporate governance supervisor completed 26 hours of TCFD-related courses and forums; and staff received net-zero education and training, totaling 175 participants and 231 hours.

Governance Structure



Climate Strategy

In response to the global trend towards achieving net-zero carbon emissions, Collins Co., Ltd. follows the framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities and estimate the financial implications of managing these risks and opportunities. By convening members of the Collins Sustainable Development Promotion Team, TCFD education and workshops were conducted to collaboratively determine the short-, medium-, and long-term risks and opportunities with significant impacts on company operations. Based on these determinations, relevant metrics and target management systems were established.

Process for Identifying Climate Risks and Opportunities

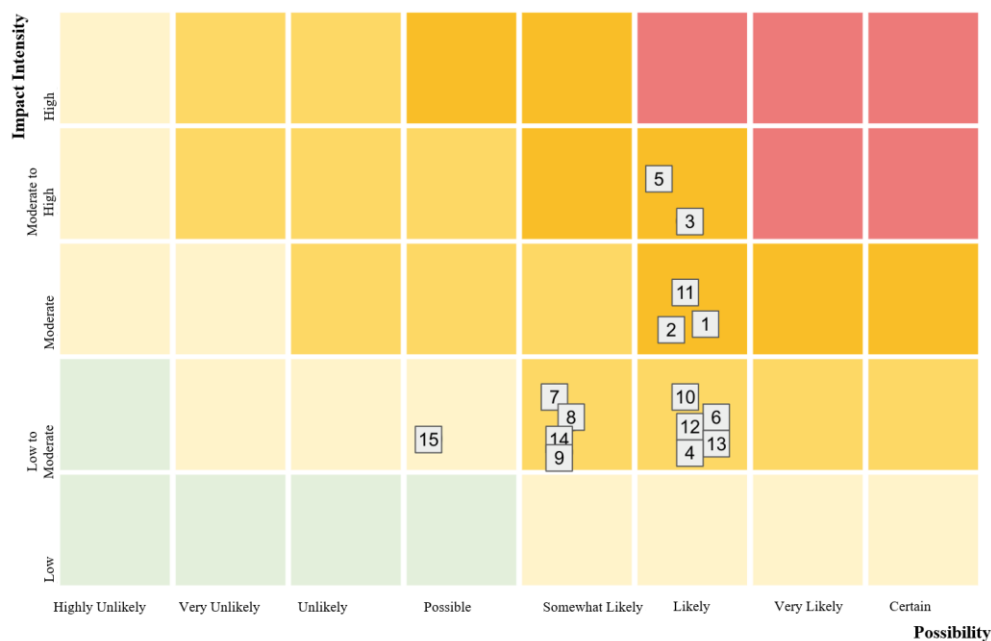
Step 1	Step 2	Step 3	Step 4
Collect relevant industry risk and opportunity topics	Evaluation and analysis of relevant issues	Identify and prioritize significant climate issues	Develop response measures and conduct scenario analysis
Referencing international trends, industry issues, and research reports, a total of 58 potential climate-related topics were identified, including 36 climate risks and 22 climate opportunities. These topics were comprehensively assessed for their potential or actual impact on the Company.	An evaluation discussion was conducted by the Collins TCFD Core Team, comprising 8 core members. A two-stage questionnaire survey was implemented to assess the topics based on aspects such as relevance, timing, and impact intensity. This process facilitated the convergence and identification of significant issues.	Based on the questionnaire results, 25 potential risks and opportunities were identified and categorized according to their short-, medium-, and long-term occurrence. A management matrix was developed, plotting the intensity of impact and probability of occurrence, to serve as a benchmark for evaluating key issues.	For each climate risk and opportunity, corresponding management measures are required for different scenarios. This allows for the pre-assessment of financial impact and identification of the top 10 climate-related risks and opportunities that Collins needs to prioritize in its management efforts.
58 Climate Issues	8 Core Members	25 Potential issues	10 Major Key Issues

Short-, Medium-, and Long-term Climate Risks and Opportunities

Based on the Collins Sustainable Development Promotion Team's assessment of various risks and opportunities, their relevance to daily operations, and the location of operational departments, the potential occurrence of issues has been evaluated. Risks and opportunities have been categorized into short-term, medium-term, and long-term intervals (short-term: 1-3 years, medium-term: 3-10 years, long-term: over 10 years), and the potential threat levels to the Company's future operations have been assessed. Therefore, the survey results indicate that, in the short term (1-3 years), High Lin Industrial needs to prioritize and prepare for mandatory reporting and general environmental regulations on the risk side. On the opportunity side, potential areas to focus on include new business opportunities, low-carbon energy, low-carbon products or services, and adaptation and solutions. Simultaneously, preparations should begin for medium- to long-term risks and opportunities to ensure that Collins can effectively develop mitigation and adaptation strategies.

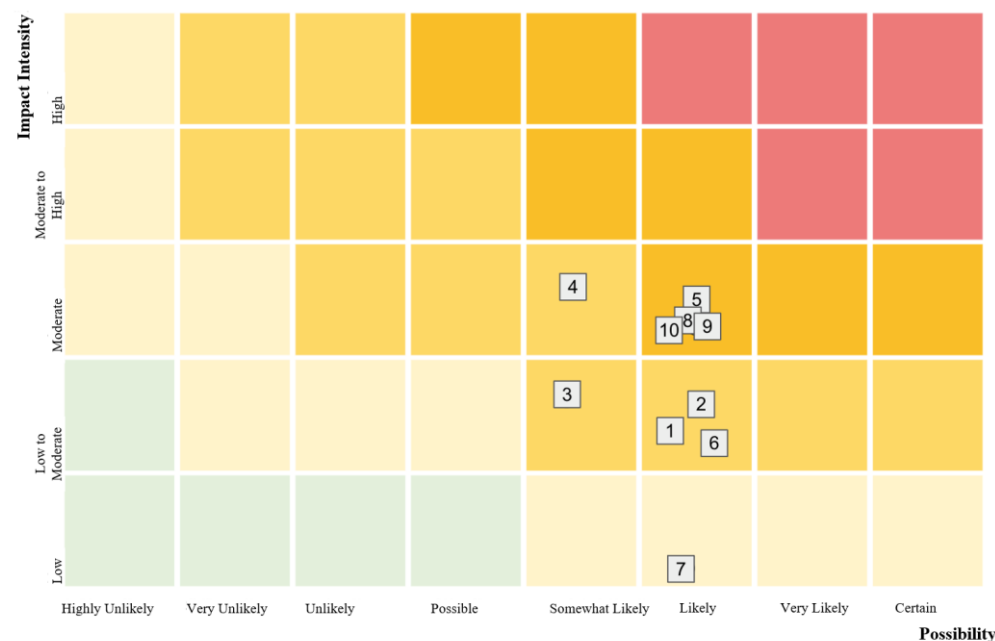
Perspective/Period	Short-term 1-3 years	Medium-term 3-10 years	Long-term Over 10 years
Transition Risk	Mandatory Reporting General Environmental Regulations	Voluntary Agreements Cap-and-Trade/Emissions Trading Uncertainty of New Regulations Carbon Tax Regulations and Standards for Product Labeling Advancement in Humanitarianism	Changes in Customer Behavior Shifts in Customer Preferences
Physical Risk		Changes in Precipitation Patterns and Distribution Extreme Rainfall and Drought Extreme Temperature Changes	Changes to Human and Cultural Environments Changes in Average Temperature
Opportunities	Identifying New Business Opportunities Low-Carbon Energy Low-Carbon Products or Services Adaptation and Solutions	Diversification of Operations Participation in Carbon Markets Use of Water Resource Changes in Customer Behavior Adoption of New Technologies	Regional Microgrids

Climate Risk Matrix



- | | |
|---|--|
| 1. Carbon Tax | 10. Extreme Temperature Changes |
| 2. Cap-and-Trade/Emissions Trading | 11. Changes in Precipitation Patterns and Distribution |
| 3. Mandatory Reporting | 12. Extreme Rainfall and Drought |
| 4. Regulations and Standards for Product Labeling | 13. Changes in Average Temperature |
| 5. General Environmental Regulations | 14. Changes to Human and Cultural Environments |
| 6. Uncertainty of New Regulations | 15. Advancement in Humanitarianism |
| 7. Voluntary Agreements | |
| 8. Changes in Customer Behavior | |
| 9. Shifts in Customer Preferences | |

Climate Risk Matrix



- | | |
|------------------------------------|--|
| 1. Use of Water Resource | 6. Low-Carbon Products or Services |
| 2. Low-Carbon Energy | 7. Adaptation and Solutions |
| 3. Adoption of New Technologies | 8. Diversification of Operations |
| 4. Participation in Carbon Markets | 9. Changes in Customer Behavior |
| 5. Regional Microgrids | 10. Identifying New Business Opportunities |

Key Climate Risk Financial Impact Analysis

201-2

Type	Risk Items	Possibility	Impact Intensity	Climate Risk Description	Financial Impact Description	Response Measures
Physical Risk	Changes in Precipitation Patterns and Distribution	Likely	Moderate	Due to global or regional changes in precipitation patterns and distribution, including intensity, timing, and location, direct or indirect disasters may occur.	Retail stores may experience flooding caused by extreme rainfall, leading to equipment damage or operational disruptions. Additionally, suppliers may face supply chain interruptions, resulting in temporary product shortages that could affect store operations.	<ol style="list-style-type: none"> 1. Plan for Natural Disaster Insurance for retail stores to mitigate financial impact. 2. Consider the flood risk of the area when selecting store locations. 3. Establish emergency response procedures for retail stores in the event of natural disasters.
Transition Risk	General Environmental Regulations	Likely	Moderate to High	International and domestic governments are enacting environmental regulations and controls, particularly those related to greenhouse gases and climate change.	<ol style="list-style-type: none"> 1. Compliance with mandated renewable energy procurement quotas will increase operational costs. 2. Changes in waste disposal processes may lead to higher production costs. 	Invest in J&V Energy Technology Co., Ltd. and Yu Guang Energy, and explore external collaborations to identify additional green energy investment opportunities, supporting the transition to green energy development.
	Mandatory Reporting	Likely	Moderate to High	International and domestic regulations established by governments to monitor greenhouse gas emissions require companies to conduct audits, report, and verify their emissions.	Necessitate an increase in resources allocated to carbon auditing, including additional human resources, education and training programs, and outsourcing expenses, thereby raising operational costs.	Focus on domestic and international trends in climate change, as well as the implementation of the "Greenhouse Gas Reduction and Management Act," to drive carbon auditing plans across all operational sites in Taiwan and to invest in the green energy sector.
	Cap-and-Trade/Emissions Trading	Likely	Moderate	International and domestic regulations established by governments to control greenhouse gas emissions have implemented cap-and-trade systems, carbon trading, and carbon pricing mechanisms.	<ol style="list-style-type: none"> 1. The purchase of carbon credits through carbon trading will increase operational costs. 2. In response to carbon cap regulations, it is necessary to effectively manage carbon emissions to ensure compliance with legal requirements. 	Established policies for energy conservation, carbon reduction, greenhouse gas mitigation, and the management of water usage and other waste to effectively control overall carbon emissions.
	Carbon Tax	Likely	Moderate	International and domestic governments have established tax regimes related to greenhouse gas emissions and climate change.	For products sold in markets within Europe and North America, additional taxes will be imposed, leading to an increase in operational costs.	Conducts supplier evaluations to assess the carbon footprint of products, prioritizing the selection of low-carbon goods.

Financial Impact Analysis of Climate Opportunities

201-2

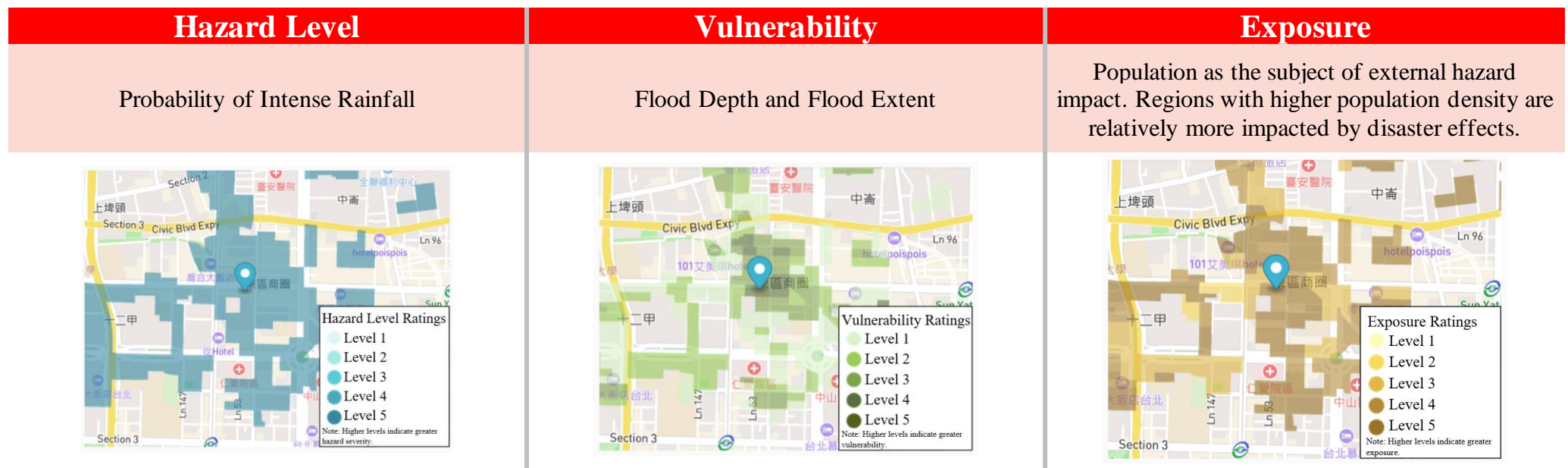
Financial Impact Analysis of Climate Opportunities						201-2
Opportunity Initiatives	Possibility	Impact Intensity	Climate Opportunities Description	Financial Impact Description	Response Measures	
Changes in Customer Behavior	Likely	Moderate	Changes in customer behavior impact considerations when choosing products or services.	With the rise of a low-carbon economy due to climate change, consumer preferences for products may shift. Addressing these market demands can enhance revenue.	Increasing positive exposure for low-carbon products can strengthen the Company's leadership image in low-carbon offerings.	
Diversification of Operations	Likely	Moderate	Offering a diverse range of low-carbon products and services can solidify market position and competitiveness.	Diversified operational structure can mitigate business risks and allow for prompt adjustments to business strategies in response to market changes, though this will result in increased operational costs.	Establishing an energy subsidiary to expand into the renewable energy market and actively investing in green energy providers will enable the Company to lower product carbon footprints through the purchase of green power certificates and carbon credits, thereby offering low-carbon products.	
Identifying New Business Opportunities	Likely	Moderate	Increase profitability in existing markets or seek new business opportunities in emerging markets.	Develop low-carbon products to align with the growing market demand for green and renewable energy services. Continue to develop solar energy and sell carbon credits to boost revenue.		
Participation in Carbon Markets	Likely	Moderate	Participate in the carbon trading market to reduce emissions and mitigate the impact of fluctuations in carbon costs.			
Regional Microgrids	Likely	Moderate	Procure electricity from regional power grids to reduce transmission and distribution losses, thereby lowering greenhouse gas emissions and carbon footprints, or implement smart grids.	Developing decentralized renewable energy sources and regional microgrids can reduce dependence on the main power grid, promote energy sustainability, and save investment costs.	Plan for solar power generation by installing photovoltaic systems at the Shulin factory office building, with a project scale of 162.9 kW.	

Climate Change Scenario Analysis

Use the Representative Concentration Pathways (RCPs) from the IPCC 5th Assessment Report (AR5) as climate scenarios to simulate the impacts and effects of future climate change on operations and financial performance. Based on the Taiwan Climate Change Projection and Adaptation Knowledge Platform (TCCiP) and the Water Resources Agency's third-generation flood risk maps, estimate the probabilities of extreme rainfall and flood risks under the RCP2.6 and RCP8.5 scenarios. Identify risks to operational sites based on hazard levels, exposure, and vulnerability; and develop response strategies for various physical risks based on the scenario analysis results.

Scenario 1	RCP 2.6	Assuming a temperature increase of no more than 2°C by the end of this century, with climate conditions remaining similar to the present throughout the century, this represents a very low radiative forcing mitigation scenario.
Scenario 2	RCP 8.5	Assuming a high-warming trend with a temperature increase of approximately 4°C by the end of this century, this represents a scenario with high greenhouse gas emissions.

The following scenario analysis uses the "G2000 Zhongxiao Flagship Store" as an example (located at No. 64, Section 4, Zhongxiao East Road, Da'an District, Taipei City). The analysis estimates the physical risks of extreme rainfall and evaluates the potential impact based on hazard levels, vulnerability, and exposure.

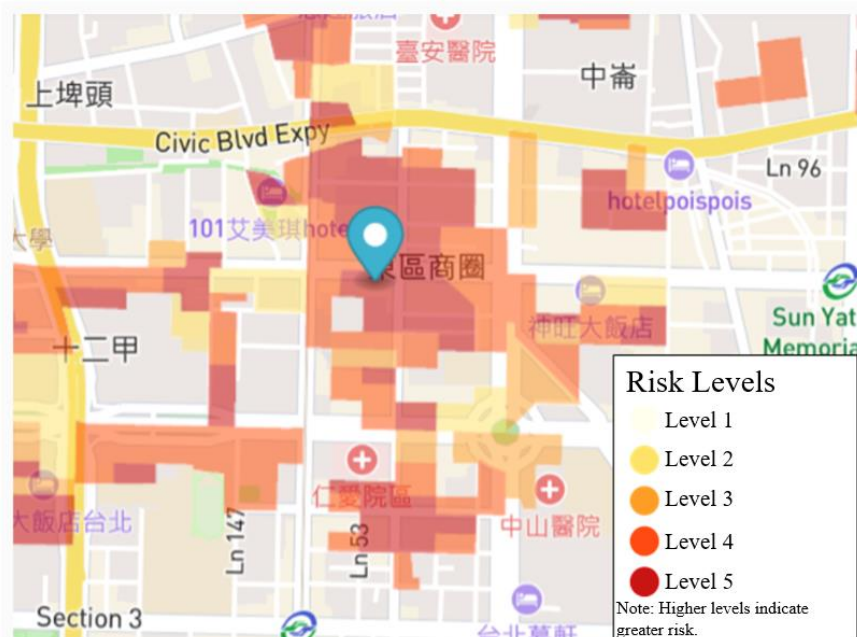


Flood Risk Levels

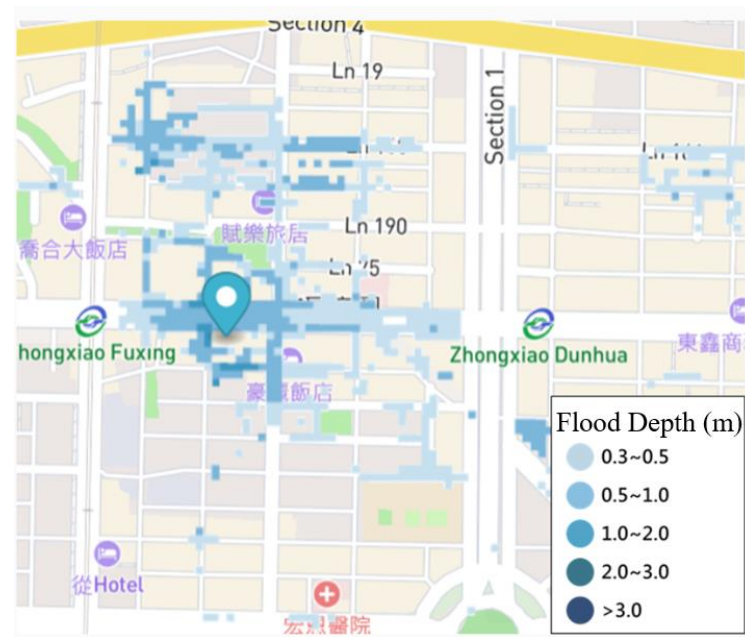
After integrating the indicators of hazard level, vulnerability, and exposure, the "G2000 Zhongxiao Flagship Store" faces a Flood Risk Level of 5, the highest risk category. Additionally, based on the estimated flood depth, which is observed to be approximately 1 to 2 meters, there will be direct impact on the ground floor store. Under the worst-case scenario, the average annual maximum 1-day rainfall intensity in Taiwan is projected to increase by approximately 41.3% by the end of the 21st century. Compared to the flood potential analysis based on a 500-year return period rainfall, the flood height is expected to increase by 42%.

Considering the probability of extreme rainfall and flood potential, the financial impacts include revenue losses from store closures, reduced asset value due to product water damage, costs associated with repairing water-damaged fixtures, and replacing equipment, leading to severe overall financial consequences for the store. Therefore, Collins will continue to follow the TCFD management framework to assess the financial impacts on all stores and locations under climate scenarios, in preparation for climate adaptation and mitigation.

Store Flood Risk Map



Store Flood Potential Map



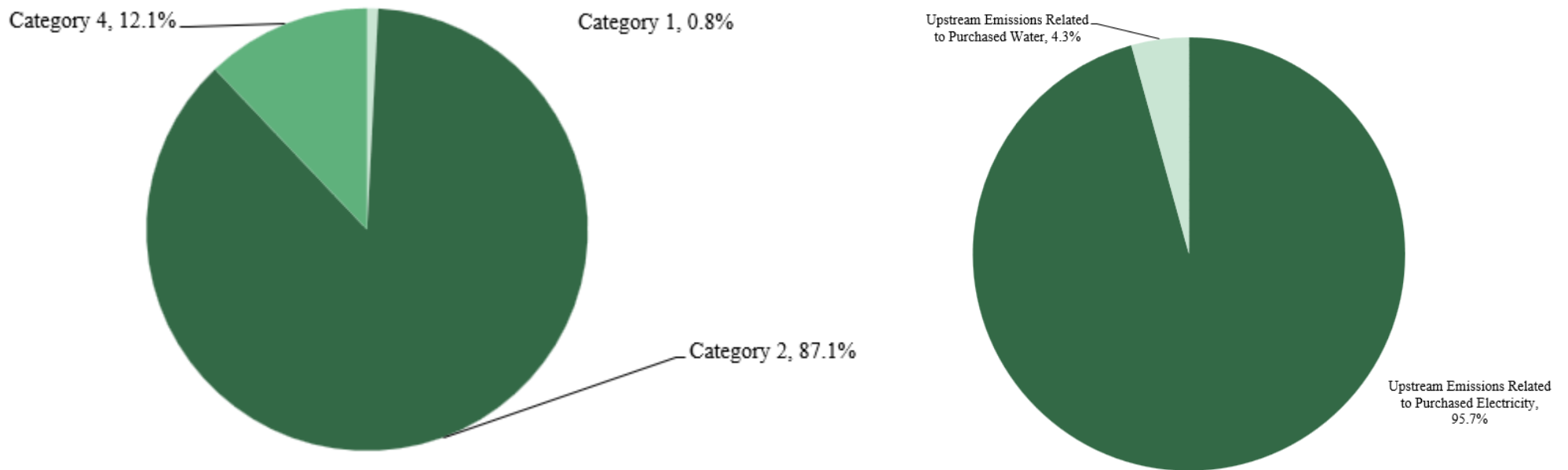
Indicators and Objectives

Achieve Carbon Neutrality by 2030

To uphold its responsibility as a green corporate citizen, Collins aims to achieve carbon neutrality by 2030. The Company analyzes its overall carbon emission structure, where emissions primarily stem from purchased electricity in Scope 1 and Scope 2, given the nature of its operations involving office and store sales. Scope 3 emissions are also predominantly from upstream emissions related to electricity procurement. Therefore, reducing electricity consumption and utilizing clean energy sources are Collins's top priorities.

In addition to replacing relevant energy-saving equipment and planning to complete greenhouse gas inventories for all Taiwan locations by 2025, the Company is actively investing in renewable energy in 2023. Collins is developing green energy investment ventures, establishing an energy subsidiary, and will achieve its carbon neutrality vision through green power certificates and carbon credit trading.

Collins's Carbon Emission Structure



Environmental Policy

Environmental Sustainability Policy

Collins recognizes the importance of sustainable development and is committed to fulfilling its corporate responsibility for environmental protection. The Company is dedicated to advancing various environmental sustainability initiatives, guided by its environmental policy as a self-imposed standard for being environmentally friendly, and is committed to following the path of sustainability.

Environmental Strategy

[Compliance with Environmental Regulations]

Adhere to environmental regulations and requirements set forth by relevant authorities.

[Investment in Green Energy Industry]

Support the development of renewable and clean energy sources and promote the advancement of the low-carbon market.

[Establishment of Green Facilities]

Implement solar power generation systems and rainwater retention tanks to minimize environmental impact.

[Implementation of Greenhouse Gas Inventory]

Conduct greenhouse gas inventories in accordance with ISO 14064 standards.

[Advocacy for Conservation and Resource Reuse]

Promote energy and water conservation in daily operations, and minimize the generation of paper and plastic waste.

Environmental Commitment

- Compliance with Environmental Energy Regulations and Implementation of Daily Management
- Enhancing Energy Efficiency, Water Conservation, and Waste Reduction to Promote Environmental Sustainability
- Development of Sustainable Low-Carbon Products and Promotion of Green Marketing
- Instilling Environmental Sustainability Awareness and Encouraging Comprehensive Employee Participation
- Achieving Net-Zero Emissions by 2050 and Advancing Towards a Low-Carbon Future

Energy Management

Energy Management

GRI 302-1, 302-3

The Company annually monitors energy consumption across its headquarters office, the Shulin factory office, and retail stores. Energy usage at the headquarters office includes gasoline and electricity, with gasoline primarily used for official vehicle operations. Due to the easing of the pandemic in 2023, the overall energy consumption at the headquarters increased by 17.30% compared to the previous year. The Shulin factory office was inaugurated in 2023; therefore, no data is available for the preceding two years.

Energy consumption table of Collins in the past three years

Item	2021	2022	2023
Collins Headquarters Office			
Gasoline (GJ)	6.14	13.13	9.14
Purchased Electricity (GJ)	1100.97	1235.05	1177.53
Total (GJ)	1107.11	1248.18	1186.67
Number of employees	129	119	128
Energy Intensity (GJ/person)	8.58	10.49	9.27
Shulin Factory Office			
Diesel (GJ)	-	-	4.22
Purchased Electricity (GJ)	-	-	614.55
Operational Stores			
Purchased Electricity (GJ)	338.64	352.65	4149.52
Coverage Ratio	1.3%	1.3%	29.3%
Note 1: Gasoline: 1 liter of gasoline = 0.032657 GJ			
Note 2: Electricity: 1 kilowatt-hour of electricity = 0.003601 GJ			
Note 3: Diesel: 1 liter of diesel = 0.03516912 GJ			
Note 4: Coverage Ratio = The proportion of emissions covered by the number of retail stores / Total number of stores owned by Collins (including both apparel and dining stores)			

Greenhouse Gas Emissions

Greenhouse Gas Emissions Management

Collins has established a "Greenhouse Gas Inventory Implementation Committee," chaired by the President, to lead and discuss strategies for greenhouse gas inventory management. This committee aims to implement emission management and carbon reduction initiatives, fulfilling its mission as a responsible global citizen. Currently, Collins primarily assesses the greenhouse gas emissions of G2000 retail stores, with the emission data detailed in the table below. The greenhouse gas emissions for 2021 and 2022 represent the emissions from the Zhongxiao flagship store. For 2023, the emission data includes both the Zhongxiao flagship store and emissions from an additional 21 stores, totaling 22 stores.

Collins Direct and Indirect Energy-Related Greenhouse Gas Emissions Statistics (Unit: tCO₂e)

Type	2021	2022	2023
Collins Headquarters Office			
Category 1: Direct Greenhouse Gas Emissions	0.4311	0.9455	0.6666
Category 2: Indirect Emissions from Energy Consumption	155.6212	169.4574	161.5390
Shulin Factory Office			
Category 1: Direct Greenhouse Gas Emissions	-	-	0.3127
Category 2: Indirect Emissions from Energy Consumption	-	-	84.3060
Operational Stores			
Category 1: Direct Greenhouse Gas Emissions	0	0	6.5568
Category 2: Indirect Emissions from Energy Consumption	47.8715	48.4813	569.2474
Coverage Ratio	1.3%	1.3%	29.3%
Total Emissions	203.9238	218.8842	822.6285
Note 1:	Coverage Ratio = The proportion of emissions covered by the number of retail stores / Total number of stores owned by Collins (including both apparel and dining stores)		
Note 2:	For the year 2021, emissions were assessed through self-reporting. For the years 2022 and 2023, all operational stores have passed ISO 14064-1 third-party certification.		
Note 3:	Calculation of greenhouse gas emission coefficients using the EPA Management Table 6.0.4 and IPCC Sixth Assessment Report GWP Values		
Note 4:	The electricity emission coefficient for 2021 is calculated using the 2022 electricity emission coefficient of 0.502 tCO ₂ e/kWh, as published by the Ministry of Economic Affairs in 2023. The electricity emission coefficient for 2022 is calculated using the 2022 electricity emission coefficient of 0.495 tCO ₂ e/kWh, as published by the Ministry of Economic Affairs in 2023. The electricity emission coefficient for 2023 is calculated using the 2023 electricity emission coefficient of 0.494 tCO ₂ e/kWh, as published by the Ministry of Economic Affairs in 2024.		

GRI 305-1, 305-2, 305-3

Other Indirect Greenhouse Gas Emissions from Operating Retail Stores (Unit: tCO₂e)

Type	Item	2021	2022	2023
Category 3: Indirect Emissions from Transportation	Upstream Raw Material Transportation	0.6477	1.0765	-
Category 4: Emissions Generated from Organizational Product Use	Upstream Emissions Related to Purchased Electricity	9.0373	8.8537	112.9075
	Upstream Emissions Related to Purchased Water			
Category 5: Indirect Emissions Related to the Use of Products from the Organization	N/A	-	-	-
Category 6: Emissions from Other Sources	N/A	-	-	-
Coverage Ratio		1.3%	1.3%	29.3%
Note 1:	Coverage Ratio = The proportion of emissions covered by the number of retail stores / Total number of stores owned by Collins (including both apparel and dining stores)			
Note 2:	For the year 2021, the greenhouse gas inventory was conducted independently. For the years 2022 and 2023, it was certified by a third party under ISO 14064-1.			
Note 3:	In 2023, the scope of the greenhouse gas inventory was expanded; however, indirect emissions from transportation (Scope 3) were not included as a significant source of emissions.			

Achieved Carbon Neutrality by 2030

Green Operations

GRI 302-4, 305-5

Collins, adhering to the principle of "Valuing the Environment, Ensuring a Sustainable Future," is committed to reducing overall energy consumption and greenhouse gas emissions. During the construction of new facilities, the Company partially adopted green building practices. For store and office renovations, eco-friendly green building materials were selected. The Company continues to procure energy-efficient appliances, gradually replacing lighting with LED bulbs, upgrading air conditioning systems, and choosing computers certified by ENERGY STAR. In the fiscal year 2023, the total expenditure on green-labeled products amounted to NT\$5.9 million.

Expenditure on Green Labeled Products

Green Label	Item	Purchase Amount
 Tier 1 Energy Efficiency Label	Air Conditioners, Air Purifiers	NT\$687,960
 International Accreditation of Building Materials	Light-Reflective Ceiling Tiles	NT\$797,101
 ENERGY STAR Certification	Computers	NT\$2,370,000
 Singapore Green Label	Carpets	NT\$2,024,343
 Forest Verification Accreditation Program	Photocopy paper	NT\$24,025
Total		NT\$5,903,429



Partial Adoption of Green Building Practices in the Construction of the Shulin Factory

To reduce the environmental impact of its operations, the Company partially incorporated green building certification criteria in the design of the Shulin factory. This approach aims to achieve optimal operational energy efficiency and realize a low-carbon, sustainable future vision.

- Installed a solar power generation system with a capacity of 162.9 kW, projected to produce 180,000 kWh annually.
- Selected first-grade energy-efficient air conditioners and air purifiers.
- Replaced traditional diesel-powered forklifts with electric forklifts.
- Established a 200,000-liter rainwater harvesting and retention tank, equipped with a smart water resource management system for real-time monitoring.
- Installed electric vehicle charging stations to facilitate charging for employees' electric vehicles.
- Laid permeable paving outside the factory to enhance water retention.



Green Services

GRI 301-3, 302-4, 302-5, 305-5

Collins assists clients in reducing product packaging materials by promoting the reuse of packaging to lower resource consumption. The Company is committed to creating green retail spaces by continually upgrading store equipment and utilizing eco-friendly building materials to provide customers with an environmentally and health-conscious shopping environment. Additionally, Collins has launched initiatives such as a "spending threshold tote bag giveaway" and eco-friendly cup distribution campaigns to encourage consumers to engage in reusable practices, actively advancing sustainable development.

Reduction and Reuse of Packaging Materials

Collins engaged with clients to explore the possibilities of reducing and recycling packaging materials. In 2023, the Company assisted in the sustainable design of packaging for two products, transitioning from plastic packaging to eco-friendly paper-based materials. Additionally, to enhance the reuse of packaging materials, all cartons and plastic bags used for shipping products to G2000 stores across Taiwan are repurposed. The Company also promotes packaging material recycling and reuse through announcements from the head office to all stores, aiming to reduce the generation of paper and plastic waste.

Energy Savings

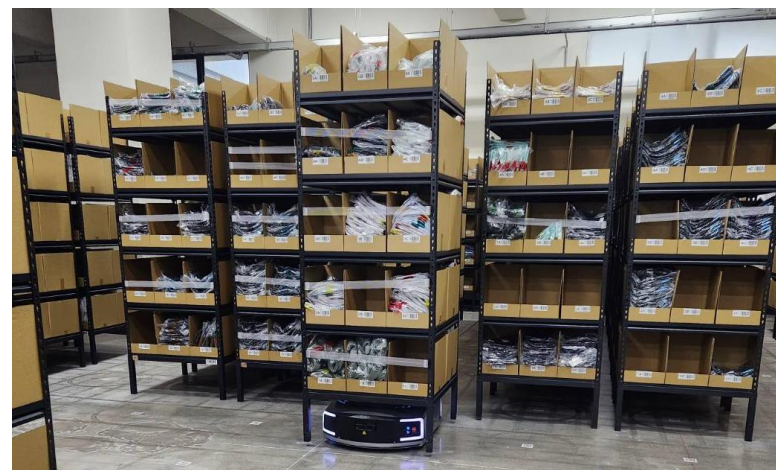
Most of G2000's store lighting has been replaced with LED fixtures to reduce energy consumption per unit of time. Additionally, in 2019, automatic doors were progressively installed in G2000's large stores and street-side locations to minimize air conditioning leakage and reduce overall energy use.

Encouraging the Use of Reusable Shopping Bags and Eco-friendly Cups

In response to the government's plastic reduction policy, Collins encourages consumers to bring their own shopping bags and use eco-friendly cups. In 2023, a Japanese brand launched a tote bag giveaway campaign, distributing a total of 552 tote bags. Additionally, G2000 introduced a promotional event offering eco-friendly cups with purchases, giving away 1,811 cups in total. These initiatives aim to promote plastic reduction among consumers.

Smart Warehousing

Collins's Shulin factory is utilized for apparel storage. To enhance storage energy efficiency, the Company has analyzed storage operations and introduced intelligent warehousing equipment to reduce manual labor and improve operational efficiency, resulting in energy conservation and carbon reduction benefits. In 2023, the Company implemented Automated Guided Vehicles (AGVs) to advance warehouse automation, significantly reducing manual labor by 40%. In 2024, the Company plans to implement a Radio Frequency Identification (RFID) system to further optimize warehousing operational efficiency.



Office Air Quality

To maintain air quality in the workplace, Collins's headquarters office conducts manual carbon dioxide concentration tests regularly. These tests are performed twice annually and consistently remain below the legal threshold of 1,000 ppm. The results for the past three years are provided below:

Carbon dioxide concentration of Collins Headquarters in the past three years

Item/Year	2021	2022	2023
Carbon Dioxide Concentration (ppm)	762	654.2	716.8

Water Resource Management

Water Resource Management

The Company's water usage primarily consists of general domestic use. As the headquarters office is situated in a commercial building charged based on floor area, there is currently no relevant data available. Similarly, the dining stores are located within department stores, and water usage statistics have not yet been initiated. In the future, the Company plans to evaluate and implement methods for tracking water usage to strengthen water audits and develop water conservation plans.

Water Resource Usage of Collins

Item	2021	2022	2023
Collins Headquarters Office			
Water withdrawal (m ³)	4,797	4,901	5,318
Shulin Factory Office			
Water withdrawal (m ³)	-	-	1,773
Rainwater Harvesting Volume (m ³)	-	-	0.1
Total Water Consumption (m ³)	-	-	1,773.1
Operational Stores			
Water withdrawal (m ³)	558	495	4,350
Coverage Ratio	1.3%	1.3%	29.3%

Note 1: The Shulin Factory was commissioned in 2023, so there is no data for the previous two years.

Note 2: Coverage Ratio = The proportion of emissions covered by the number of retail stores / Total number of stores owned by Collins (including both apparel and dining stores)

Note 3: Water usage data for Collins's headquarters office is estimated based on building management fees. Water usage data for the Shulin factory office and operational stores is derived from municipal water bills.

Water Sources and Wastewater Treatment

The Company's water is sourced from the local municipal water supplier and is not located in high-risk water usage areas. Wastewater is conveyed via sewage pipelines to a public wastewater treatment facility for disposal.

Waste Management

Waste Management

GRI 306

Collins primarily generates general business waste, with no hazardous business waste produced. The main waste outputs include household waste, waste paper, cardboard boxes, discarded computers, and used oil. Currently, only the waste output from the Shulin factory office is being tracked. In the future, the Company plans to assess and implement waste tracking for the headquarters office and all retail locations.

Waste Generation and Disposal

Site	Waste Outputs	Disposal Methods
Headquarters Office	Household waste, waste paper, discarded computers	Classify waste into recyclable materials and general waste. The general waste will be incinerated, while the recyclable materials will be collected and processed for reuse by the contracted waste management service provider.
Shulin Factory Office	Household waste, used cardboard, waste paper, waste oil	Uniformly handled by certified environmental waste management service provider.

2023 Waste Disposal Volume (Unit: metric tons)

Type	Disposal Methods	Disposal Locations	2022	2023
Collins Headquarters Office				
General Industrial Waste	Incineration (non-energy recovery), resource recycling	Exit	37.3	30.6
Hazardous Industrial Waste	N/A	N/A	None	None
Shulin Factory Office				
General Industrial Waste	Incineration (non-energy recovery), resource recycling	Exit	-	1.9
Hazardous Industrial Waste	N/A	N/A	-	None
Total			37.3	32.5

Note 1: The Shulin Factory was commissioned in 2023, so there is no data for the previous two years.

Note 2: The headquarters office of Collins is serviced by the building's unified waste management system. Data is estimated based on the building's cleaning expenses.

7. Appendix

GRI	Indicators	Comparison
Table		
SASB	Indicators	Comparison
Table		
TCFD	Indicators	Comparison
Table		



GRI Indicators Comparison Table

Type	Item	Indicator Code	Indicator Name	Corresponding Chapter	Page Number
GRI 2 General disclosures (2021)	The organization and its reporting practices	2-1	Organizational details	2. Company Overview - Company Introduction	20
		2-2	Entities included in the organization's sustainability reporting	About the Report	2
		2-3	Reporting period, frequency and contact point	About the Report	2
		2-4	Restatements of information	About the Report	2
		2-5	External assurance	About the Report	2
	Activities and Workers	2-6	Activities, value chain and other business relationships	2. Company Overview - Company Introduction	21-26
		2-7	Employees	4. Friendly Workplace - Talent Attraction	59
		2-8	Workers who are not employees	4. Friendly Workplace - Talent Attraction	59
	Governance	2-9	Governance structure and composition	2. Company Overview - Company Governance	30
		2-10	Nomination and selection of the highest governance body	2. Company Overview - Company Governance	30
		2-11	Chair of the highest governance body	2. Company Overview - Company Governance	29
		2-12	Role of the highest governance body in overseeing the management of impacts	1. Sustainable Governance - Sustainable Development	5
		2-13	Delegation of responsibility for managing impacts	1. Sustainable Governance - Sustainable Development	5
		2-14	Role of the highest governance body in sustainability reporting	About the Report	2
		2-15	Conflict of Interest	2. Company Overview - Company Governance	29
		2-16	Communication of critical concerns	2. Company Overview - Company Governance	29
		2-17	Collective knowledge of the highest governance body	2. Company Overview - Company Governance	32-33
		2-18	Evaluation of the performance of the highest governance body	2. Company Overview - Company Governance	31
		2-19	Remuneration policies	2. Company Overview - Company Governance	34
		2-20	Process to determine remuneration	2. Company Overview - Company Governance	34

Type	Item	Indicator Code	Indicator Name	Corresponding Chapter	Page Number
		2-21	Annual total compensation ratio	4. Friendly Workplace - Talent Attraction	62
	Strategy, Policy, and Practice	2-22	Statement on sustainable development strategy	Message from the Chairperson 1. Sustainable Governance - Sustainable Development	3 5
		2-23	Policies and Commitments	1. Sustainable Governance - Sustainable Development 2. Company Overview - Company Governance 4. Friendly Workplace - Diversity and Inclusion	5 36 66
		2-24	Embedding policy commitments	1. Sustainable Governance - Sustainable Development 2. Company Overview - Company Governance 4. Friendly Workplace - Diversity and Inclusion	6 36 66
		2-25	Processes to remediate negative impacts	1. Sustainable Governance - Determination of Material Topics 2. Company Overview - Company Governance 4. Friendly Workplace - Talent Attraction, Diversity and Inclusion	15-18 38 62, 66
		2-26	Mechanisms for seeking advice and raising concerns	2. Company Overview - Company Governance	38
		2-27	Legal Compliance	2. Company Overview - Company Governance	47
		2-28	Membership of associations	2. Company Overview - Company Introduction	28
	Stakeholder Engagement	2-29	Approach to stakeholder engagement	1. Sustainable Governance - Determination of Material Topics	7-8
		2-30	Collective bargaining agreements	4. Friendly Workplace - Talent Attraction	62

Type	Item	Indicator Code	Indicator Name	Corresponding Chapter	Page number
GRI 3 Material topics (2021)	Disclosure of Material Topics	3-1	Process to determine material topics	1. Sustainable Governance - Determination of Material Topics	9
	Disclosure of Material Topics	3-2	List of material topics	1. Sustainable Governance - Determination of Material Topics	10-11
	Disclosure of Material Topics	3-3	Management of material topics	1. Sustainable Governance - Determination of Material Topics	13-18

Corresponding material topics				
Material Topics - Company Governance				
Item	Indicator Code	Indicator Name	Corresponding Chapter	Page number
GRI 2 General Disclosures 2021	2-9~2-22	Please refer to the above GRI 2 indicators for corresponding information.		
Material Topic—Risk Management (Custom Topic)				
GRI 3 Material Topics 2021	3-3	Management of material topics	1. Sustainable Governance - Determination of Material Topics	16
Material Topics - Economic Performance				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2. Company Overview - Operational Performance	27
	201-2	Financial implications and other risks and opportunities due to climate change	2. Company Overview - Company Governance	78-79
	201-3	Defined benefit plan obligations and other retirement plans	4. Friendly Workplace - Talent Attraction	63
	201-4	Financial assistance from the government	2. Company Overview - Operational Performance	27
Material Topics - Market Position				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4. Friendly Workplace - Talent Attraction	62
	202-2	Proportion of senior management hired from the local community	4. Friendly Workplace - Talent Attraction	59
Material Topics - Sustainable Procurement				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3. Business Partnerships – Supply Chain Management	49
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3. Business Partnerships – Supply Chain Management	49-52
	414-2	Negative social impacts in the supply chain and actions taken	3. Business Partnerships – Supply Chain Management	49-52
Material Topics - Integrity in Business				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2. Company Overview - Company Governance	36
	205-2	Communication and training about anti-corruption policies and procedures	2. Company Overview - Company Governance	37
	205-3	Confirmed incidents of corruption and actions taken	2. Company Overview - Company Governance	38

Corresponding material topics				
Material Topics - Packaging and Material Management				
GRI 301: Materials 2016	301-3	Reclaimed products and their packaging materials	6. Environmental Sustainability – Greenhouse Gas Emissions	86
Material Topics - Energy Management				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6. Environmental Sustainability - Energy Management	83
	302-2	Energy consumption outside of the organization	Currently not yet counted.	-
	302-3	Energy intensity	6. Environmental Sustainability - Energy Management	83
	302-4	Reduce energy consumption	6. Environmental Sustainability – Greenhouse Gas Emissions	85-86
	302-5	Reductions in energy requirements of products and services	6. Environmental Sustainability – Greenhouse Gas Emissions	86
Material Topics - Greenhouse Gas Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6. Environmental Sustainability – Greenhouse Gas Emissions	84
	305-2	Energy indirect (Scope 2) GHG emissions	6. Environmental Sustainability – Greenhouse Gas Emissions	84
	305-3	Other indirect (Scope 3) GHG emissions	6. Environmental Sustainability – Greenhouse Gas Emissions	84
	305-4	GHG emissions intensity	7. Appendix - Climate-related Information of Listed and OTC Companies	96
	305-5	Reduction of GHG emissions	6. Environmental Sustainability – Greenhouse Gas Emissions	85-86
	305-6	Emissions of ozone-depleting substances (ODS)	No relevant emissions.	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No relevant emissions.	-
Material Topics - Waste Management				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	6. Environmental Sustainability - Waste Management	87
	306-2	Management of significant waste-related impacts	6. Environmental Sustainability - Waste Management	87
	306-3	Waste generated	6. Environmental Sustainability - Waste Management	87
	306-4	Waste diverted from disposal	6. Environmental Sustainability - Waste Management	87
	306-5	Waste directed to disposal	6. Environmental Sustainability - Waste Management	87

Corresponding material topics				
Material Topics - Talent Attraction and Retention				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4. Friendly Workplace - Talent Attraction	60
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4. Friendly Workplace - Talent Attraction	61
	401-3	Parental leave	4. Friendly Workplace - Talent Attraction	63
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4. Friendly Workplace - Talent Attraction	63
Material Topics - Talent Development and Training				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4. Friendly Workplace - Talent Development	67
	404-2	Programs for upgrading employee skills and transition assistance programs	4. Friendly Workplace - Talent Development	67
	404-3	Percentage of employees receiving regular performance and career development reviews	4. Friendly Workplace - Talent Development	68
Material Topics - Information Security				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3. Business Partnerships - Customer Relations	54

SASB Indicators Comparison Table

Material topics	Accounting metrics	Descriptions of metrics	Unit	Corresponding Chapter	Page number
Energy Management for Retail and Distribution	CG-MR-130a.1	(1) Total energy consumption, (2) Percentage of grid electricity, (3) Percentage of renewable energy	GJ, Percentage (%)	6. Environmental Sustainability - Energy Management	83
Information Security	CG-MR-230a.1	Describe methods for identifying and addressing security risks	None	2. Corporate Overview – Information Security Management	44-45
	CG-MR-230a.2	(1) Number of data breaches, (2) Percentage of personal data involved, (3) Number of customers affected	Numbers, percentage (%)	None	-
Labor practices	CG-MR-310a.1	(1) Average hourly wage and (2) Percentage of in-store employees receiving minimum wage by region	Currency, percentage (%)	4. Friendly Workplace - Remuneration System	62
	CG-MR-310a.2	(1) Voluntary and (2) Involuntary In-Store Staff Turnover	Proportion	4. Friendly Workplace - Human Resources Structure	60
	CG-MR-310a.3	Total monetary losses resulting from legal proceedings related to violations of labor-related laws	Currency	None	-
Diversity and tolerance of labor	CG-MR-330a.1	Percentage of gender and racial/ethnic groups represented in: (1) management and (2) all employees	Percentage (%)	4. Friendly Workplace - Diversity and Inclusion	64
	CG-MR-330a.2	Total monetary damages resulting from legal proceedings related to employment discrimination	Currency	None	-
Product Procurement, Packaging, and Marketing	CG-MR-410a.1	Revenue from third-party certified products with environmental and/or social sustainability standards	Currency	No information available	-
	CG-MR-410a.2	Discuss processes for assessing and managing risks and/or hazards associated with chemicals in products	None	3. Business Partnerships - Product Safety	55
	CG-MR-410a.3	Discuss strategies to reduce the environmental impact of packaging	None	6. Environmental Sustainability - Green Services	86

Climate-related Information of Listed and OTC Companies

Item	Execution Status
1. Describe the Board of Directors' and Management's Oversight and Governance of Climate-Related Risks and Opportunities.	The Board of Directors is responsible for overseeing the execution of response strategies to climate change risks and opportunities at Collins. The Sustainable Development Promotion Team is tasked with assessing and planning matters related to climate risks and opportunities at Collins. The Risk Management Team is responsible for addressing and managing climate-related risks and reports to the Board of Directors at least annually to review the effectiveness of annual operations related to climate change issues. For the fiscal year 2023, one board member participated in a TCFD climate change-related forum, totaling 3 hours. Additionally, the Corporate Governance Officer undertook 26 hours of TCFD-related training courses and forums.
2. Describe How Identified Climate Risks and Opportunities Affect the Company's Business, Strategy, and Financials (Short-Term, Medium-Term, Long-Term).	Based on the Collins Sustainable Development Promotion Team's assessment of various risks and opportunities, their relevance to daily operations, and the location of operational departments, the potential occurrence of issues has been evaluated. Risks and opportunities have been categorized into short-term, medium-term, and long-term intervals (short-term: 1-3 years, medium-term: 3-10 years, long-term: over 10 years), and the potential threat levels to the Company's future operations have been assessed. Simultaneously, preparations should begin for medium- to long-term risks and opportunities to ensure that Collins can effectively develop mitigation and adaptation strategies.
3. Describe the Impact of Extreme Climate Events and Transition Actions on Financials.	Collins has identified key physical and transition risks, including changes in precipitation patterns and distribution, general environmental regulations, mandatory disclosures, cap-and-trade systems, carbon taxes, and other related factors. For a detailed analysis of the financial impacts, please refer to pages 78-79 of this report.
4. Describe How the Identification, Assessment, and Management of Climate Risks Are Integrated into the Overall Risk Management System.	Collins has established risk management policies and procedures and formed a Risk Management Team to integrate and manage operational risks. These include management and strategic risks, climate change and hazard risks, information risks, financial risks, and compliance and contractual risks. The aim is to achieve preventative benefits and ensure the achievement of the Company's strategic objectives.
5. If Scenario Analysis is Used to Assess Resilience to Climate Change Risks, Describe the Scenarios, Parameters, Assumptions, Analytical Factors, and Key Financial Impacts Used.	Use the Representative Concentration Pathways (RCPs) from the IPCC 5th Assessment Report (AR5) as climate scenarios to simulate the impacts and effects of future climate change on operations and financial performance. Based on the Taiwan Climate Change Projection and Adaptation Knowledge Platform (TCCiP) and the Water Resources Agency's third-generation flood risk maps, estimate the probabilities of extreme rainfall and flood risks under the RCP2.6 and RCP8.5 scenarios. Identify risks to operational sites based on hazard levels, exposure, and vulnerability; and develop response strategies for various physical risks based on the scenario analysis results.
6. If There is a Transition Plan for Managing Climate-Related Risks, Describe the Content of the Plan and the	Collins discloses its response measures for physical risks, transition risks, and climate opportunities. Detailed information is provided on pages 78-79 of this report. The Company has set a target to achieve

Item	Execution Status
Indicators and Targets Used to Identify and Manage Physical and Transition Risks.	carbon neutrality by 2030. This goal is planned to be accomplished through carbon reduction initiatives, the purchase of renewable energy certificates, and carbon offsetting measures.
7. If Internal Carbon Pricing is Used as a Planning Tool, Describe the Basis for Setting the Price.	The Company continuously monitors the trends in carbon pricing both domestically and internationally. As our company does not engage in production processes and is not a major emitter, we currently do not have an internal carbon pricing policy. However, we will continue to track the development of internal carbon fee mechanisms and assess the feasibility of their potential implementation in the future, ensuring alignment with international practices.
8. If Climate-Related Targets Are Set, Describe the Activities Covered, Greenhouse Gas Emission Scopes, Planning Timeline, and Annual Progress; Additionally, If Carbon Offsets or Renewable Energy Certificates (RECs) Are Used to Achieve These Targets, Specify the Source and Quantity of Offset Reductions or RECs.	Collins aims to achieve carbon neutrality by 2030. The plan includes completing a greenhouse gas inventory for all operational sites by 2025, implementing energy-saving and carbon reduction initiatives, expanding investment in renewable energy, purchasing green electricity certificates, and engaging in carbon trading. This comprehensive approach is designed to support the goal of carbon neutrality by 2030.

9. Greenhouse Gas Inventory and Assurance Status

1-1 Recent Two-Year Greenhouse Gas Inventory and Assurance Status

1-1-1 Greenhouse Gas Inventory Information

Scope		2022	2023
Scope 1		0.9455	7.5361
Scope 2		217.9387	815.0924
Scope 1 + Scope 2		218.8842	822.6285
Emission Intensity (tCO ₂ e/NT\$ million revenue)		3.34	292.08
Scope 3	Indirect Emissions from Transportation	1.0765	-
	Emissions Generated from Organizational Product Use	8.8537	112.9075
Note 1: Due to the current inventory scope not covering all operational sites of the Company, the emission intensity is estimated as follows: (Scope 1 + Scope 2 Carbon Emissions) / (Fashion Lifestyle Business Group revenue X number of inventory stores / total number of stores + other revenue).			
Note 2: Data for 2022 includes the headquarters of Collins Co., Ltd. and the G2000 Zhongxiao Flagship Store. Data for 2023 includes the headquarters of Collins Co., Ltd., the newly opened Shulin Factory Office, and 22 G2000 operational stores (including the Zhongxiao Flagship Store). Both the 2022 and 2023 operational stores have passed ISO 14064-1 third-party certification.			
Note 3: In 2023, the scope of the greenhouse gas inventory was expanded; however, indirect emissions from transportation (Scope 3) were not included as a significant source of emissions.			

1-1-2 Greenhouse Gas Assurance Information

Assurance Information	2022	2023
Scope of Assurance	G2000 Zhongxiao flagship store	22 G2000 stores (including the Zhongxiao flagship store)
Assurance Institution	SGS Taiwan Limited	DNV GL Business Assurance
Assurance Standards	ISO 14064-1:2006	ISO 14064-1:2018
Assurance Opinion	Unqualified Opinion	Unqualified Opinion

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Reduction Targets	Implementation Strategies	Specific Actions	Achievement Status for 2023
Achieve Carbon Neutrality by 2030	Reducing Electricity Consumption	<ul style="list-style-type: none"> ● Replace with Energy-Efficient Equipment ● Complete Greenhouse Gas Inventory for All Operational Locations in Taiwan by 2025 ● Participate in Carbon Trading 	<ul style="list-style-type: none"> ● Procure Equipment with Tier 1 Energy Efficiency Labels ● Completed greenhouse gas inventories for 22 retail outlets and obtained ISO 14064-1 certification.
	Use Clean Energy Sources	<ul style="list-style-type: none"> ● Plan for Renewable Energy Investments ● Develop Green Energy Investment Ventures ● Establish an Energy Subsidiary ● Purchase Green Power Certificates 	<ul style="list-style-type: none"> ● The Shulin Factory Office Building installed a solar power generation system with a capacity of 162.9 kW. ● Invest in Renewable Energy Companies such as J&V Energy Technology Co., Ltd., Yu Guang Energy Co., Ltd, and Tuo-Sen Energy Co., Ltd ● Established the Collins Energy Solutions subsidiary to expand clean energy-related services and accelerate Taiwan's energy transition.



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