

POYA

寶雅

2019

2019/01/01 (Mon)

▶ 12/31 (Mon)

企業社會 責任報告書

CSR Report



時尚折扣 · 精彩生活

Make life amazing! Beautiful Popular Wonderful all in one place. Make life amazing!

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Make Life Amazing!

為你打造 精彩生活



POYA 寶雅

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About the Report

01



- 1.1 Time Period and Scope Covered by the Report
- 1.2 The Principal of Report
- 1.3 The Disclosure of Report
- 1.4 The Production Team of Report



01 About the Report

Since 2014, Poya International Co., Ltd. (hereinafter to be referred as Poya) has started to publish its “Corporate Social Responsibility Report”. The company is committed to distribute the Report publicly once a year with disclosure of Environment, Society, and Corporate Governance to review our polices, measurements, and results on Corporate Social Responsibility. This indicates our resolution for the sustainable development of the Company.

1.1 Time Period and Scope Covered by the Report

The purpose of this report is to disclose our results on sustainable development and to reply the material topics concerned by our stakeholders. We respond to the material topics through significant analysis.

This report covers the period from January 1st to December 31st, 2019 including Poya’s headquarters and the stores national wide. The scope of reporting is consistent with the scope of individual financial report which has been confirmed by accountants (covering revenue). Rooted in Taiwan, Poya has not yet established any branch or head office in places outside Taiwan.

1.2 The Principal of Report

This report is prepared and followed by the “standard core principle ” guided by the GRI guideline. The map of the GRI index is provided at the end of the report.

1.3 The Disclosure of Report

This report is published in Chinese and English versions, and has been disclosed on Poya’s official website (<http://www.poya.com.tw/>) and MOPS. Data in this report are based on statistic and related surveys complied by Poya, and the financial information is provided according to the audited financial reports.

1.4 The Production Team of Report

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(Chinese)



(English)



2.1 A message from the Management

2.2 External Awards



02 Initiatives on Poya's CSR

2.1 A message from the Management

Due to the impact of trade war in 2019, global economy remained sluggish. Confidence of enterprises was negatively affected by the ongoing US-China trade war in the first half of the year; the operating strategies tended to be conservative with lowering willingness toward procurement and investment. This, as such, fared ill for emerging market and developing countries. From the beginning of the third quarter in 2019, in a way to support a steady economy for the second half of the year, each of the main economies released easing fiscal and monetary policies in succession as the influence of trade war went severe. Private consumption in Taiwan has been boded well given the minimum wage increase, rising investments by Taiwanese enterprises shifted back from China to Taiwan thanks to the government policies and the ongoing trade war. These above mentioned should help for the stabilization of domestic job market and continuously drive private consumption. According to Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C., Taiwan's economic growth rate in 2019 was 2.71%. Since the outbreak of COVID-19 in 2020 which disrupted global supply chain and ultimate demand, growth momentum for domestic consumption and export was restrained in Taiwan. The Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. adjusted down the 2020 GDP forecast to 1.56%.

In the face of the changeable external environment, Poya shall continue to differentiate ourselves by our market position, service upgrade, and development of high-quality products to deliver an improving operating performance. With the dedication of all personnel and the management, there were 235 stores nationwide by the end of 2019 including 230 Poya and 5 Poya Home. The operating revenue and profit after tax in 2019 were NT\$15.8 billion and NT\$1.9 billion respectively, both of which reached the record high.

In addition to growing the business, Poya also emphasis on corporate governance. In 2017, the Board of Directors resolved to re-elect directors and independent directors in comply with the internal regulations. All of the new independent directors serve as members of audit committee. Board of Directors also elected second-term members of nominating committee and third-term members of remuneration committee to effectively enhance function of the BOD. Poya also decided to foster e-voting to provide multiple voting channels to increase the attendance rate of shareholders with the enhancement of a company constitution.

In terms of environmental protection, Poya continues to introduce the latest energy saving equipment and implement e-system. Besides, Poya has started to roll out the centralized distribution centers since 2015 and started operating Southern Logistic Center in 2017. The overall logistics capability is getting matured within two years efforts by improving efficiency. Followed by the roll out of Northern Logistic Center in January, 2019, we are looking forward to establish our retail blueprint, with more synergies ahead.

With respect to the social participation, in 2019, Poya continuously sponsored “Tainan volunteer firefighter alliance” and expected to be the backing of the first-line rescue team. Poya sponsored “Asian Cultural Council Foundation” and expected the ACC Grant Plan continuously to be the cradle for more talented Taiwanese artists on international stage. Poya sponsored national slow-pitch soft ball championships- the silence cup for hearing impaired labor in Tainan in 2019 to encourage participants. Poya sponsored” Golf development foundation” to support Golf in Taiwan. Poya participated into the “2019 Beach Clean-Up in Tainan” to support the environmental protection by donation and actions. The total amount of donation for the above activities was NT\$920,000. Poya expects to devote itself to Taiwan by actions with our sincere gratitude to the customers’ support.

Poya relies on all the employees to meet its commitments of corporate social responsibility, and thus Poya provides the employees with a safe and comfortable working environment by establishing a fair and complete welfare system, emphasizing employees’ training, development and education, and intensifying the communication channel between the management and the labors.

Poya has continued to work on sustainable operations by implementing environmental, social and corporate governance in an aim to becoming “A more preferred Poya by the customers”. By this report, Poya incorporated the efforts on economy, environment and society for the friends who value the sustainable operations of Poya. We love Taiwan so much and value the limited resources of the Earth. We hope our dedication to the society and environment can be served as an example for all and invite everyone to join us.



Poya International
Chen Zong-Cheng, General Manager

2.2 External Awards

**The 6th session of
Assessment on
Corporate
Governance**

Top 5%



**2019
The companies in
services industries
with large scale**

Top 112th

Poya emphasizes on Corporate governance. As we pay attention and update to the external information, we continue to make the progress on Corporate governance. Poya also established the Remuneration Committee in 2011, Audit Committee in 2014 and Nominating Committee in 2014 to fulfill the function of Board of Directors and to protect the rights of shareholders. In 2014, Poya established Corporate Social Responsibility Committee, and released CSR report voluntarily to implement corporate social responsibility.

Poya has always devoted to corporate governance. In order to protect the rights of shareholders and the benefits of stakeholders, Poya has continuously enhanced information transparency and spontaneously developed our assessment indicators subjecting to the requirements of competent authority. As of 2019, Poya ranked in the top 5% of the TPEX-listed companies in “Corporate Governance Evaluation” for six consecutive years.

Poya holds the company spirits of “Proactive Innovation, Customer orientation, Integrity and Trust”, Poya keeps providing the best services and comfortable shopping environment for our customers. Poya was honored to be ranked 112th out of 2000 large scale enterprises in 2019 in the service industry, up from 158th in 2014, according to the survey conducted by Common Wealth Magazine.



Identification and Communication of Stakeholders

03

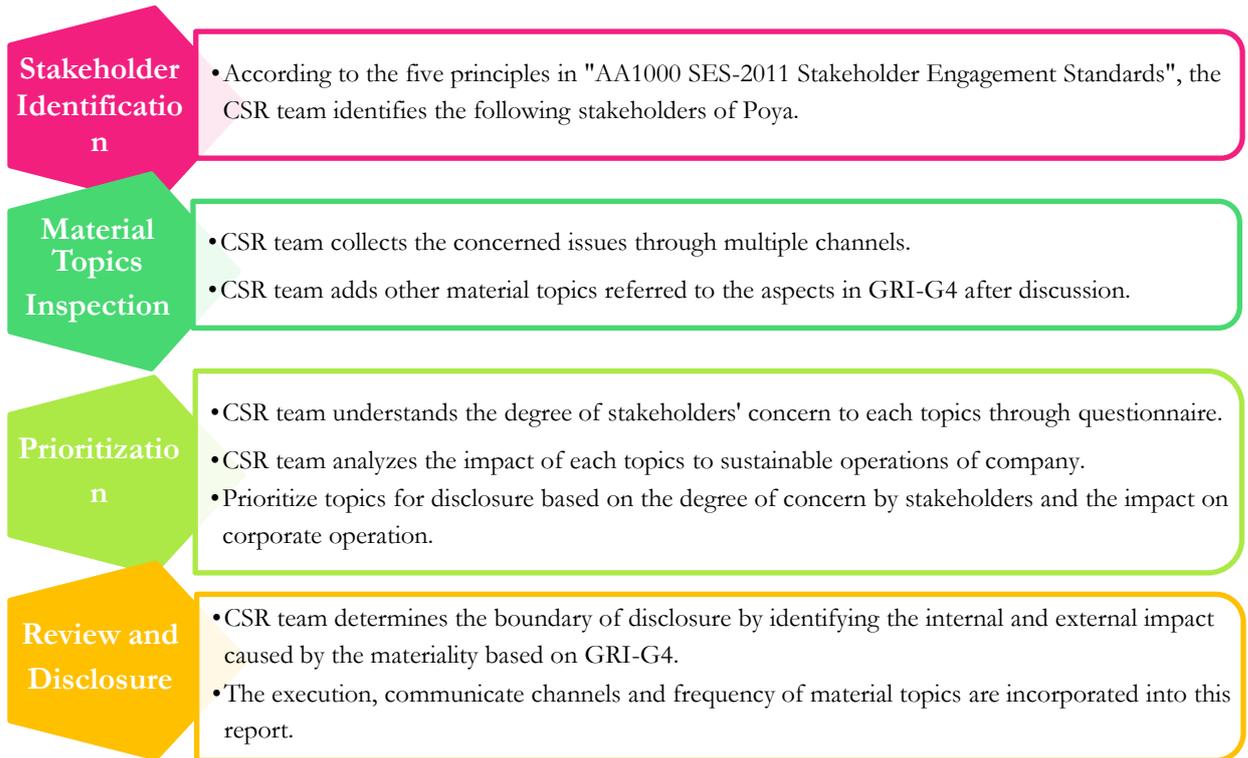
- 3.1 Identification Process of Materials Topics**
- 3.2 Poya's Stakeholders and Communication Channels**
- 3.3 Analysis and Ranking of Substantial Topics**
- 3.4 Material Topics and Boundary of Report**
- 3.5 The CSR Requirements for Suppliers**



03 Identification and Communication of Stakeholders

Communication with stakeholders and identification of material topics are core tasks in the implementation of corporate social responsibility. Poya has provided various communication channels with proactive disclosures of information to maintain a sound communications with stakeholders.

3.1 Identification Process of Material Topics



3.2 Poya’s Stakeholders and Communication Channels

According to the five principles in “AA1000 SES-2011 Stakeholder Engagement Standards” including dependency, responsibility, influence, diverse perspectives, tension and attention, the CSR team identifies the following stakeholders of Poya:



Ethical management has always been the core principle for Poya. In order to receive the messages from all the stakeholders, Poya offers various communication channels which are shown below:

Stakeholders	Topics of Concern	Communicating Channel and Frequency
Investors	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Corp. Operation and financial information <input checked="" type="checkbox"/> Corp. Governance <input checked="" type="checkbox"/> Shareholders' Equity <input checked="" type="checkbox"/> Social Charity <input checked="" type="checkbox"/> Law Compliance 	<ul style="list-style-type: none"> ▪ MOPS (according to regulations) ▪ Investor Conference(15 times in 2019) ▪ Answering questions from investors and analysts via phone or e-mail ▪ Annual shareholders' meeting ▪ Disclosure through corporate website on a monthly basis
Employees	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Remuneration and Welfare <input checked="" type="checkbox"/> Training and Education <input checked="" type="checkbox"/> Human Rights and Equality 	<ul style="list-style-type: none"> ▪ ABC Conference (monthly) ▪ Internal Meeting (monthly) ▪ Training Course(at least once a quarter) ▪ KPI Assessment(at least once a quarter) ▪ Email (reply in real time) ▪ Communication Software/ Notes/Connections (reply in real time) ▪ Labor-management council (quarterly)
Customers	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Customer Service <input checked="" type="checkbox"/> Supplier Environment Review <input checked="" type="checkbox"/> Supplier CSR Management <input checked="" type="checkbox"/> Law compliance <input checked="" type="checkbox"/> Human Rights and Equality 	<ul style="list-style-type: none"> ▪ Questionnaire (irregular) ▪ AD/DM (monthly) ▪ Official Website (reply in real time) ▪ Email (reply in real time) ▪ 0800 Hotline (reply in real time) ▪ Communication Software (reply in real time)
Suppliers	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Supplier Environment Review <input checked="" type="checkbox"/> Supplier CSR Management 	<ul style="list-style-type: none"> ▪ E-Platform (real time) ▪ Factory Visit and New Product Presentation (irregular) ▪ Review Report and Communication Meeting (irregular) ▪ Audit Management (irregular)

<p>Government agencies</p> <ul style="list-style-type: none"> ☑ Corp. Governance ☑ Law Compliance 	<ul style="list-style-type: none"> ▪ Responsible Agency Conference (irregular) ▪ Communication with Supervisory Authorities (according to regulations) ▪ Correspondence for Education of Legal Rules (according to regulations)
<p>Community and NPO</p> <ul style="list-style-type: none"> ☑ Social Charity ☑ Climate Change and Greenhouse Gas Emission 	<ul style="list-style-type: none"> ▪ Community Care (irregular) ▪ Society Charity (irregular) ▪ Activities in Local Community (irregular)

3.3 Analysis and Ranking of Substantial Topics

Please refer to Figure 3.1 regarding the matrix of material topics. We prioritized the material topics which should be responded in the report determined by the degrees of concerns by different stakeholders, the inquiry frequency, and the materiality to the company.

This report should address the detailed information on later chapters in response to each material topic. Other related material topics but with lower degree of concerns or lower impact shall be briefly disclosed in the report. Or we shall respond through Poya’s CSR official website or other communication channels for the rest topics.



3.4 Material topics and Boundary of the Report

The internal boundary that the CSR report covers refers to the scope of Poya’s headquarters and the branches nationwide. The external boundary includes customers, suppliers and local community. We determine the materiality and the boundary by the impact internally and externally in every aspect.

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

3.5 The CSR Requirements for Suppliers

Poya is a specialty retailer in the personal store space providing up to 60,000 quality products ranging from international and domestic personal care, open-shelf brands, medical beauty products, health supplements, various headwear and socks, underwear, accessories, daily necessities, food and beverage and brand counter etc. Driven by fitting into customers daily life resonated by fashion elements, Poya provides the most professional, convenient, extraordinary shopping experience to our customers, under our persistent enthusiasm in customer service. In addition to pursuing the abundance of product display in shopping space, Poya has continued to implement the corporate social responsibility by introduction of the products as follows:

1. The textile bathing products without dyeing, bleaching, and chemical additives: Poya will seek qualified suppliers with production procedures meeting the requirements when planning the merchandise.
2. The restriction over the product ingredient: It is prohibited to change the ingredient or add chemical solvents which are harmful to the human body for the own-branded OEM skin care products.
3. Local procurement: Poya aims to source the featured products domestically in Taiwan. For example, most of our socks sold at Poya shops were procured from the factories in a small township of Shetou in Changhua County, which is well known for its socks.
4. Dedication of CSR by our main suppliers such as P&G, L'Oréal, Johnson & Johnson, Nivea etc. The great examples are: P&G is devoted to implement its environmental protection policies into every project, realizing the sustainable principle into daily life; Johnson & Johnson, since day one, has conducted a stringent safety procedure to ensure the safety and quality for all the infant and personal care products; Nivea has obtained the ISO-9001, 14001 certificates, meeting environmental management system standards.

Poya has required suppliers for complying with its contracts based on principle of good faith, without breaking the public order or goods morals. If there is any violation in law or related food safety regulations with significant impact or damage on environment and society, the company shall have the right to terminate the contract. If there is damage or disruption to reputation, Poya would do further complaint. For more information, please refer to Poya's official website.

About Poya International

04



4.1 Company Profile and Industry Overview

4.2 Operation Strategy

4.3 Financial Results

4.4 Investor Relations Management



04 About Poya International

4.1 Company Profile and Industry Overview

Established in Taiwan, Poya was founded by Mr. Chen Jian-Zao. Poya has developed into a nationwide chain stores selling for the cosmetics and grocery products in Taiwan. Poya has continued to upgrade its store format to provide a better shopping experience to our customers based on our “customer first” spirit. Poya has devoted to provide a various product offerings with up to 60,000 SKUs within our shopping space with size in average of 345 ping or 1,140 square meter. Thanks to our product mix optimization as well as the enhancing product display at our shops, we, thereby, meet our customers’ expectations by providing the one stop shopping experience with the most convenient and professional shopping destination.

The target customers of Poya are the females aged between 15-49 years old. To satisfy the shopping demands of the female customers, Poya offers the affordable but good value products. Poya, as such, expands the product assortment centered by female customers.

Thanks to the continuing expansion, Poya has emerged as the first company in Taiwan listed on GTSM as a “cosmetic and grocery specialty retailer” in 2002.

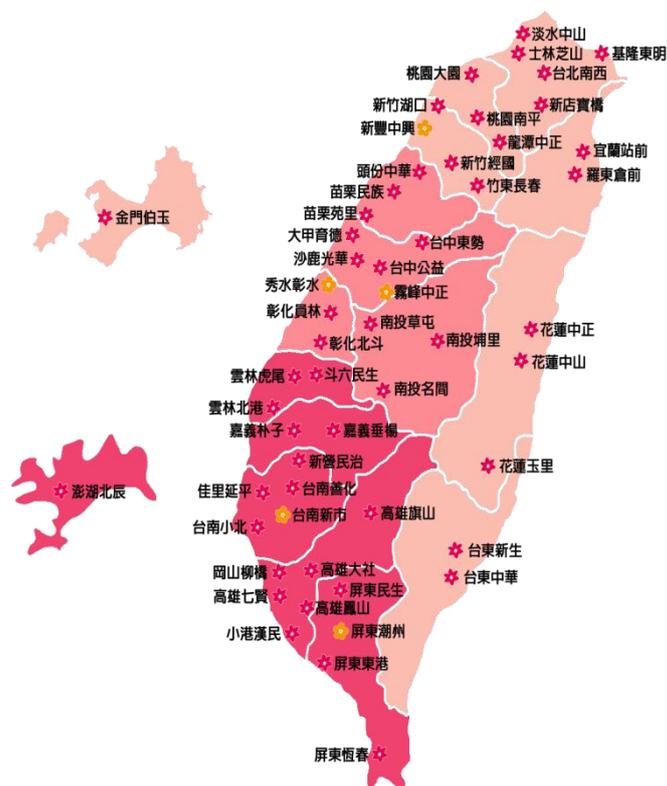


Figure 4.1 235 stores (230 Poya and 5 Poya Home by the end of 2019)

Corporate Profile

Chairman	Chen Jian-Zao
Date of Foundation	March, 1997
Date of Listing	September, 2002 (Code:5904)
Capital	NTD 0.98 billion in 2019
Industry	General Merchandise Retailing Industry
Address of Headquarter	No.74, Sec. 3, Minzu Rd. West Central Dist. Tainan City

Main products of Poya



Poya's Industry outlook

Poya is a general merchandise retailer. According to the report compiled by the Ministry of Economic Affairs, annual retail sales in Taiwan increased by 3.1% to 3.8 trillion in 2019. Of which, the general merchandise retail sales grew by 4.1%, which fared better than the whole retail industry in Taiwan. The general merchandise retailing industry includes: Department store, Supermarket, Convenience store, Hypermarket and Other General merchandiser, with sales percentage shown on figure 4.2.

Leveraged by our niche products including skin care, cosmetics and personal necessities, Poya provides the one-stop shopping services in our modern and comfortable shops, which helps us differentiate from the department stores, supermarkets, convenience stores, and hypermarkets. Founded on ethical operations to pursuit for the sound development, Poya set up “Ethical Corporate Management Best Practice Principles” in 2014 to conduct business activities in accordance to the related competing regulations in a fair and transparent way. During the period of 2019, Poya did not have any violations of anti-competition, anti-trust and monopolization.

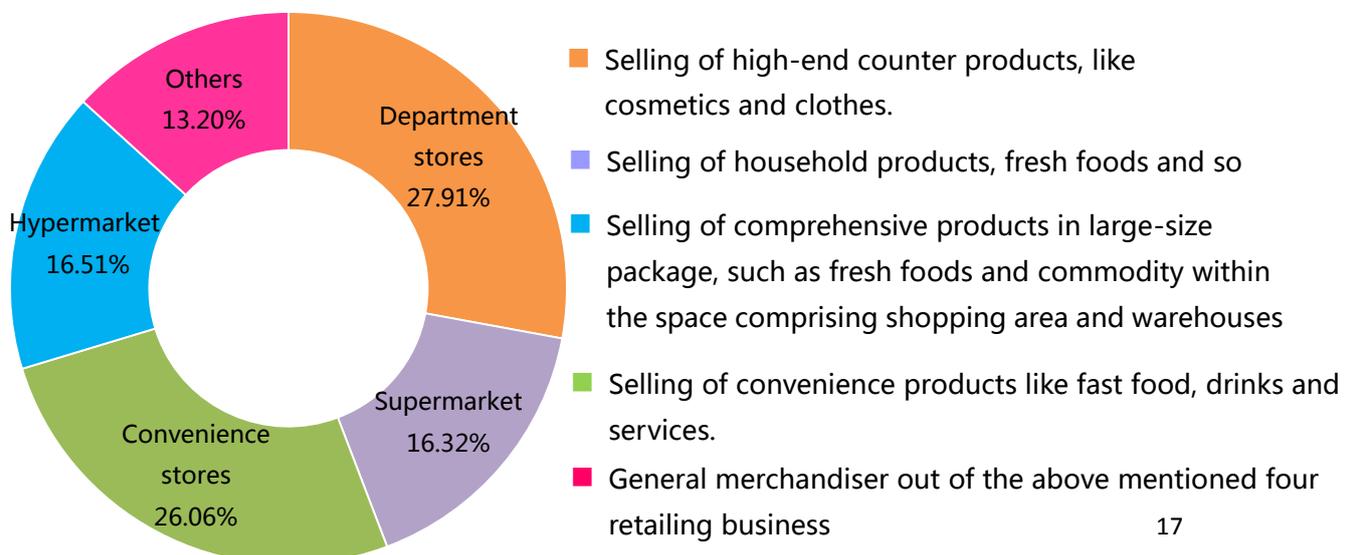


Figure 4.2 2019 Sales Percentage in General Merchandise Retailing Industry (Source: Ministry of Economic Affairs)

寶家 POYA HOME 五金百貨

The company launched a new home center brand- Poya Home since 2019, which allows people to enjoy the DIY to make life more fun with simple remodeling at home. “Fair price, simplicity, convenience” has become our core concept of operations. There were 5 branches by the end of 2019.

Poya Home provides a shopping space offering wider range of products in a fair price with the expectation of having every family living in a relaxed and comfortable life. We address every problem for the daily life through our clear store display and a friendly platform, which should provide the best shopping experience to our customers. Our products range from professional hardware sourcing domestically or from the international brands, repair parts, household products, daily necessities, personal care, and imported snacks.

Driven by fitting into customers daily life resonated by fashion elements, Poya provides the most professional, convenient, extraordinary shopping experience to our customers, under our persist enthusiasm in customer service. We meet our customers expectations by providing one-stop shopping experience.



Main products of Poya Home

Hardware	Food	FMCG (Personal goods)	non-FMCG (household)
<ul style="list-style-type: none"> • Professional hardware: water material, lighting, painting, screw, hand tool • Houseware: kitchen utensils, Sanitary ware etc. • Grocery: storage products, closets, oblation, Gardening tools 	<ul style="list-style-type: none"> • Snacks • Japanese and Korean food • Tobacco, alcohol, ice, beverage • Fast food • Frozen food • Seasonings 	<ul style="list-style-type: none"> • Facial care • Body care • Daily commodities • Healthcare supplies • Bathing 	<ul style="list-style-type: none"> • Underware • Accessories • Stationery • Sports • Electronic products • Bedding and towel

Poya Home's industry outlook

Taiwan's home improvement market is fragmented with individual shops in a specific region, which is just like the grocery stores decades ago. According to the survey, there are around 1,300 hardware stores sharing the 80 billion market with market position at lower end. As such, the shopping space provided by the existing hardware stores is not organized with shopping by purpose mainly. We see problems for the existing home improvement market, including lack of scale, varying product quality, and different pricing for the same products due to the regional base for its suppliers. Thus, Poya sees this as opportunity after years of observation. We officially penetrated into the market with our Poya Home brand in 2019 with our target reaching 200 stores in 7 years, which should allow us to be the leading player thanks to our acceleration of store expansion with enhancing market share and economies of scale. By providing a better shopping experience, development of our Poya Home should lead us to the next milestone.

4.2 Operation Strategy

We set up our three operational strategies to pursue for the sustainable growth and meet customers' diversified demand:

Development of Chain Store System

Given our focus on Taiwan's domestic market, there were 235 stores, including 230 Poya shops and 5 Poya home shops by the end of 2019. In addition to commercial areas, Poya expands the store network in the living communities and even the offshore islands of Taiwan, bringing the "Beauty, Trendy, and Wonderful" concept into the rural area. We have our first offshore island shop opened at Penghu Island in 2014 with Kinmen shop opened in 2019. Looking forward, we expect to expand from 400 to 440 shops as our target given the robust development of shopping malls in Taiwan; we also aim to expand to 200 Poya Home shops, our new home center channel in 7 years. This should strengthen our retail market position in the domestic market.

Product Optimization

Poya holds the focus group meetings at a regular basis to catch up on the market trends. Poya will continue to expand our product assortment by fitting into the shopping needs of female group with product optimization.

Store Upgrade

Poya launched the 5th generation stores with display upgrade in 2017: (1) set up make up zone for customers to have a freely try-on experience at our shop. (2) set up special areas for derma cosmetics with professional image. (3) set up hotspots and thematic counters for the display of the trendy, seasonal, or promotional products. (4) set up lighting shelves for customer to search products easily. In 2018, Poya introduced the 6th generation stores with narrowing shelves to increase SKUs. In addition to more product offerings for customers, Poya keeps trying our best to create the most diversified and convenient shopping environment with more pleasant one-stop shopping experience to our customers.

Beauty

■ Make up zone/ Derma Cosmetics



Rich product lines & try on experience
Professional impression

Convenience

■ Lightings on shelves



Easy to navigate

■ Interactive shopping experience



Optimize shopping experience

Fashion

■ Hotspots ■ 4 ft. thematic shelf



Trendy & Recommendation Thematic display

4.3 Financial Results

In 2019, Poya posted...



Net profit of **NT\$1.89billion**

(+ 10.20% YoY from 2018)



ROE of **44.60%**

(+ 0.47% YoY from 2018)



Store numbers of **235 stores** in 2019

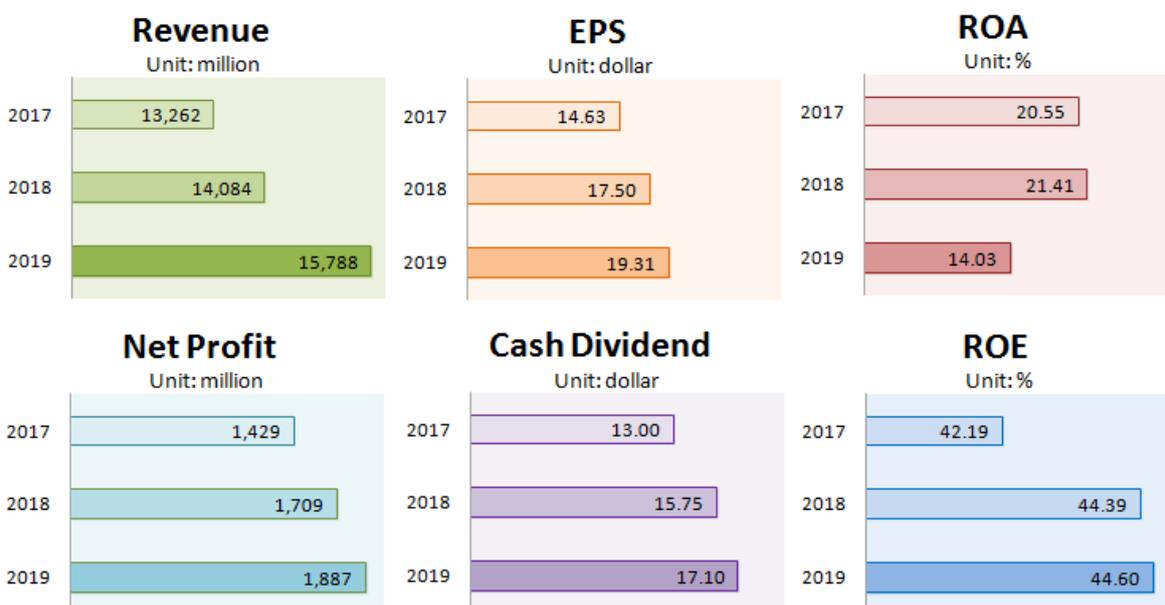
(Including 5 Poya Home stores)

(a total of 34 new stores were increased in 2019)

Poya aims at becoming “A more preferred Poya by the customers”. We continue to enhance our brand value of Poya through store expansion, product optimization and store upgrade. With the dedication by our management team and all of the employees, we posted NT\$ 15.8billions of revenue and NT\$ 1.9billions of net profit in 2019, reaching record high.

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

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



4.4 Investor Relations Management

Poya has conducted a series of modifications and revisions based on the corporate governance spirit in recent years, including e-voting system, case by case voting of motions at Board of Director meeting, official website in English, a designated web page for investors, and synchronized announcement of material information in both English and Chinese languages. Uphold the principle of “Ethical Corporate Management”. Poya is committed to improve investor relations, valuing the opinions provided by shareholders, investors, and stakeholders, and to shares the operational success to shareholders.

We address the orientations of investor relations management below in details:

1

Maintain the shareholders' equity with fair treatment for every shareholder

2

Enhance the information transparency

3

Improve the corporate governance

4

Strengthen the structure and function of Board of Directors

5

Implement corporate social responsibility



Maintain the shareholders' equity with fair treatment for every shareholder

a. A designated web page for investors on corporate governance.



Poya set up a designated web page for investors on corporate governance for both Chinese/English official websites, providing a real time search with financial reports/annual reports, regulations, and resolutions passed by BODs or shareholder meetings. This allows our investors to have a full understanding of operations and strategies.

b. Set up the spokesman system and IR contact window

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



c. E-voting system introduction

In order to maintain the shareholder equity, and have a full communications with shareholders, all the BOD's acknowledgements and discussions are voted case by case. Moreover, Poya has carried out the e-voting system since 2015 to improve the corporate governance. The e-voter turnout rate was 68% in 2019 with the total voter turnout rate up to 88%.



Enhance the information transparency

The investors rely on the information disclosed from the corporate to make the investment decisions and assessments.

Therefore, information disclosure is an important part of corporate governance system. It is believed that the higher the transparency of corporate information, the higher realization of corporate governance. The increase of corporate transparency also could enhance the corporate value with lowering financing cost.

Poya has improved the information transparency since 2014. In addition to the public information release followed by the regulations, Poya has planned out the voluntary disclosure. Please see below our declaration of information:

--Voluntary disclosure--

- ①Disclose the respective remunerations of the directors in the annual report voluntarily.
- ②Introduce e-voting at the Board meeting voluntarily.
- ③Draft the annual CSR voluntarily since 2014.

--Information in CN/EN--

- ①Material Information
- ②Major resolutions of Board meeting
- ③Major internal regulations
- ④Financial statements
- ⑤CSR report
- ⑥Conference presentation
- ⑦Annual report, meeting notice, meeting agenda

--Information transparency--

- ①CN/EN official websites
- ②Financial calendar provided
- ③latest annual report and financial statements
- ④Registration agent and contact window for spokesman
- ⑤Update of Board meeting information (ex. annual report, meeting notice, meeting agenda)
- ⑥Resolutions of Board meeting, major internal regulations and CSR report offered.

--Investor conference--

Poya participated in 15 conferences held by external institutions in 2019 and announced conference timetable and presentation material on official website.

Improve the corporate governance

Poya has always been committed to corporate governance. In order to protect our shareholders’ equity and stakeholders’ rights, Poya keeps enhancing the information transparency with evaluation indicators planned out voluntarily in relate to the disclosure of information complying with authority.

Poya has set up the corporate governance system proactively since 2014 with regulations drafted and announced in comply with authorities. Poya has also voluntarily established the Independent Directors, audit committee and nominating committee, announcement of the CSR report, realization of the e-voting system voluntarily with voting case by case at BOD. Through the multiple voting channels, Poya can increase the attendance rate and participation of shareholders. Poya has enacted “Rules and Procedures for Board of Directors Performance Assessments” voluntarily with disclosure available on official website. Poya protects the shareholders’ rights and realizes its effective structure of corporate governance based on responsibility of work in transparency way.

In 2019, Poya was awarded in the top 5% of the assessment of corporate governance for the consecutive 6 years thanks to the solid performance of corporate governance. Based on our established performance, Poya will keep challenging ourselves through innovations and continues to be the best of Poya to our customers by growing steadily in a modest and down-to-earth attitude..

In addition to compliance with Company Act, Securities and Exchange Act and other related rules, Poya has also established effective corporate governance structure based on the “Corporate Governance Best-Practice Principles” to protect the shareholders’ rights with consideration of the respective stakeholders. Uphold the principle of ethical corporate management, Poya is committed to corporate sustainability with improving operational performance through effective corporate governance by enhancing the transparency and strengthen the function of Board of Directors. Please refer to the Figure 4.4 on Poya’s organizational chart.

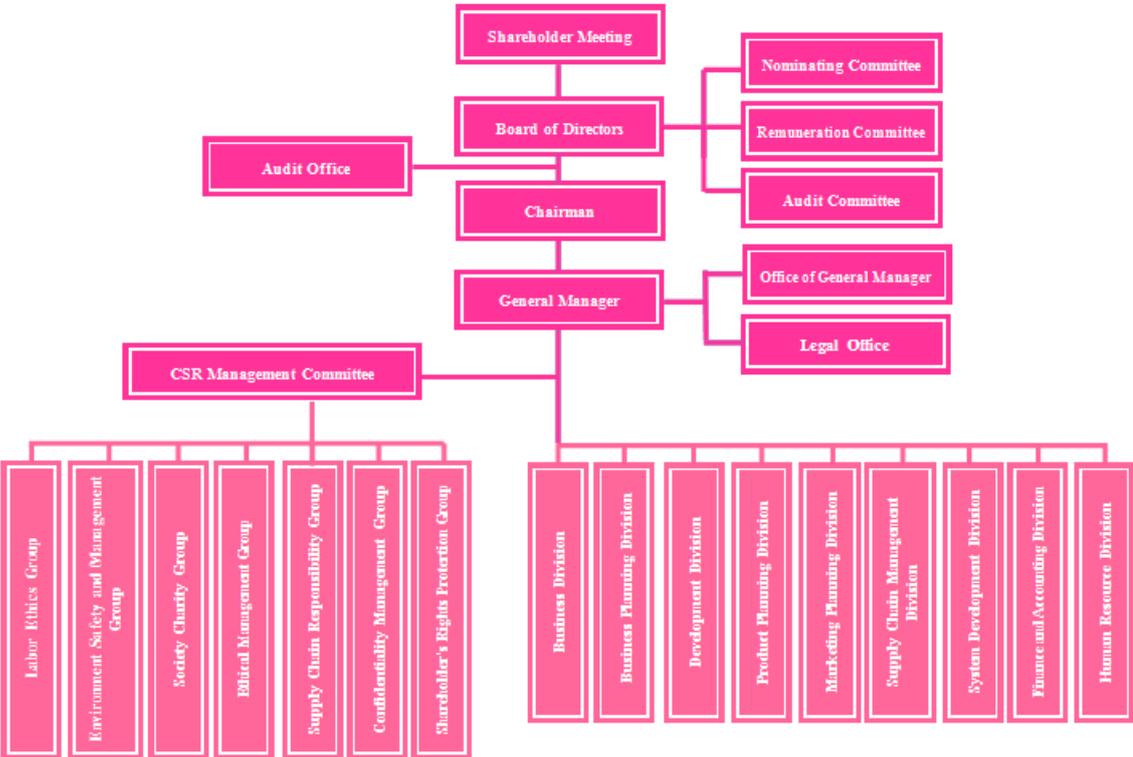


Figure 4.4 Organizational chart of Poya

Poya has established Audit Committee, Remuneration Committee and Nominating Committee under the Board of Directors. The General Manager is chairing the Corporate Social Responsibility Committee, to implement the corporate governance. Poya adopted the following methods:

-  Inspect and protect the rights of shareholders
-  Inspect the functions of Board of Directors
-  Inspect the functions of Audit Committee
-  Inspect the functions of Nominating Committee
-  Inspect the level of information transparency
-  Inspect the internal audit system
-  Inspect operating strategies
-  Stakeholders and the execution of social responsibility

Please refer to Poya's website (<http://www.poya.com.tw/>) for the policies and executions of corporate governance, and the following documents on: Articles of Incorporation, Rules of Procedure for Board of Directors' Meetings, Procedures for Election of Directors, Audit Committee Charter, Remuneration Committee Charter, Nominating Committee Charter, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Social Responsibility Best Practice Principles, and Guidelines for the Adoption of Codes of Ethical Conduct.

Strengthen the Structure and Function of Board of Directors:

Poya reelected Directors at 2017 shareholders' meeting by the nomination system for the candidates with a tenure of three years. In an aim to ensure the independence of Board of Directors by taking considerations of the stakeholders' viewpoint, Poya also elected 3 Independent Directors and established Audit Committee to replace supervisors.

The Board of Director was comprised by 7 Directors with one to be the female Director. The background of our Directors varies from information, finance, accounting, electronic components, constructions to culture and entertainment industry. The directors are, therefore, equipped with the abilities of decision making in financial field, industry knowledge, risk management and managerial capability. The variety of members' background could increase the quality of decision making on operations, leading to a better corporate governance for Poya.

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



Chen, Jian Zao

Chairman

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



Chen, Fan Mei Jin

Vice Chairman

Chairman of Poya Investment Co., Ltd.



Chen, Zong Cheng

Director and General Manager

Chairman of Wu Yang Investment Co., Ltd.
Chairman of Maersk Investment Co., Ltd.

Chen, Ming Shian

Director



Chairman of ST. Shine Optical Co., Ltd.
VP of Great China Business Dept., ST. Shine Optical Co., Ltd.
Director of Shine Optical Holding Groups Inc.
Director of Shine Optical (Samoa) Holding Groups, Inc.
Director of Shine Optical HK Limited

Liu, Zhi Hong

Independent Director



Director, Thinflex Corporation
Chairman, Song Yang Electronic Materials (Kunshan) Limited Company
Independent Director, Fitness Factory Co., Ltd.
Independent Director, Symtek Automation Asia Co., Ltd
Chairman, Chien Hsing Information Co., Ltd.
Director, Chien Lian Investment Co., Ltd.
Director, Shun Lai Business Consultancy Co., Ltd.

Lin, Tsai Yuan

Independent Director



Member of Remuneration Committee of TYC Brother Industrial Co, Ltd.
Chairman of Tungfang Design University

Zhung Jun Rong

Independent Director



Chairman and General Manager of San Far Property Limited
Director of Pleasant Hotels International Inc.
Chairman of Jingo International Records Co., Ltd.
Chairman of Cheng Hsin Investment Co., Ltd.
Chairman of Chang Yi Investment Co., Ltd.
Supervisor of Jingee Investment Co., Ltd
Director of Enshi Investment Co., Ltd
Director of Shi Cheng Investment Co., Ltd

*Remarks: The information was from 2019 Poya annual report.

For the latest data, please refer to the Market Observation Post System.

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

The Board of Directors is the supreme body of corporate governance. The function of chairman and general manager is clearly defined and executed by different people for the implementation of basic spirit of corporate governance and the function of Board.

The operations of Board meeting

The Company calls a Board meeting at least once a quarter and it shall call for special session in an emergency. The minutes of all meetings on records shall be retained as required. Convening a Board meeting can help the Directors understand the current business operations. The Board meeting provides guidance and advice based on the questions and strategies raised by the management, so that the management policy can be implemented and adjusted accurately. Also, it helps to intensify the managerial function and the corporate governance. For important resolutions of the Board meeting, please refer to the company's annual report.

Courses for further studies taken by the Directors

In order to broaden the Directors' Knowledge, Poya arranges periodic courses for further studies for Directors every year. The courses cover corporate governance, CSR and related regulations. All the Board of Directors met the requirements of 6 hours for further studies based on the "Guidelines for Directors' and Supervisors' Further Studies Implementation made by Listed and OTC Companies." in 2019. The courses for further studies taken by the Directors could be referred to annual report which announced on Poya's official website.

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

To fulfill the duty of supervision, such directors shall specify the important content of the conflicts and act on recusal on the board meetings by complying with Article 15 of Rules of Procedure for Board of directors meetings, if there are conflicts of interest. We included the names of the Director involving in conflicts of interests, important content of the conflicts, the reason and situation of avoidance from the meeting in the Board minutes. Please refer to 2019 Complete Board meeting minutes on Poya's official website.

The remunerations of Directors

Profit distribution shall be determined by the corporate earnings in the previous year and be proposed by Board of members on the resolution meeting of shareholder meeting. Besides, the Remuneration Committee will evaluate the managerial performances of the Board according to corporate operating results, and thus the remunerations of Board members will be highly correlated to the corporate performances. According to the Articles of Incorporation of the Company, the remuneration for directors should be less than 6% of the profit after covering accumulated losses (which was the pre-tax profit after the distribution to employees' compensation and directors' remuneration.). Please see our annual report on Poya's official website for Directors' remuneration in 2019.

Purchase of liability insurances for the Company's director

Uphold the principle of ethical corporate management, there is no lawsuit or violations of laws for the Directors of Poya international. The liability insurance for the Company's Directors was covered by the Company with annual check of the contents in a regular basis to make sure its integrity.

Poya International purchased liability insurances for the directors and supervisors from Fubon Insurance in 2019 with the sum insured to be USD\$5 million. The period of insurances was from October 1, 2019 to October 1, 2020.

Internal audit

The internal Audit Office is subordinated to the Board of Directors and to assess the completeness, effectiveness and implementation of the internal audit system independently and objectively. The Audit Office shall also duly give advices to ensure effective function of the internal audit system.

The Audit Office will conduct annual audit, project audit, assessment on internal control system, and consultant services by projects. The internal audit provides internal audit reports with working papers to the Board of Directors and the management for suggestions and effectiveness of the internal control system.

The Audit Office makes an annual audit plan based on the risk assessment results in the previous year. The Audit office, then, conducts auditing by risk assessment and review model, and assist each division and affiliates of the Company in review of the risk projects, system planning and process design at the same time. This should help to lower the operational risks and increase the corporate value.

The Overall Assessment of BOD

- ✓ Internal audit
- ✓ The degree of participation in corporate operations
- ✓ Promote the quality of decision making at the BOD
- ✓ The composition and structure of BOD
- ✓ The election of Directors and further studies

The assessment of Performance for the BOD members

- ✓ Internal audit
- ✓ Control over corporate target and mission
- ✓ Acknowledge of the Directors' duties
- ✓ The degree of participation in corporate operations
- ✓ Internal relationship and communication
- ✓ The Directors' professionalism and further studies

Functional Committees

Poya has established Audit Committee, Remuneration Committee and Nominating Committee directly responsible to the board to assist the Board of Directors to fulfill the duty of supervision. The Board of Directors, Audit Committee, Remuneration Committee and Nominating Committee operated by “Sample Template for Poya Co., Ltd. Rules of Procedure for Board of Directors Meetings”, “Sample Template for Poya Co., Ltd. Audit Committee Charter”, “Sample Template for Poya Co., Ltd. Remuneration Committee Charter” and “Sample Template for Poya Co., Ltd. Nominating Committee Charter” respectively. Audit Committee and Remuneration Committee were composed by 3 Independent Directors. The articles of each committee were passed by the Board of Directors with report of the events and resolutions to the Board of Directors in a regular basis.



Audit Committee

☑ The Audit committee is to assist the Board to fulfill the supervisory duty and exercise the function required by Company Act, Securities and Exchange Act and other related rules. The Committee is consisted of 3 Independent Directors among whom 2 are financial experts. The Committee shall operate in accordance to Audit Committee Charter in a quarterly basis.

☑ There were 6 meetings held in 2019 with sound communications between Independent Directors, internal auditors, and CPAs.



Remuneration Committee

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

☑ There were 4 meetings held in 2019 with the attendance rate of 88% by three independent directors.



Nominating Committee

☑ The Nominating Committee is to seek, review, and nominate candidates for BODs, to develop the organization structure of the Board and each Committee, to make a performance assessment for the Board, the Functional Committees and each Director once a year, , and to evaluate the independence of Independent Directors to fulfill the operations of the Board and to intensify the managerial mechanism. The Committee consists of 3 Independent Directors and 2 Directors and 31 shall be under operation according to Nominating Committee Charter.

The practice of corporate social responsibility

Corporate Social Responsibility Committee

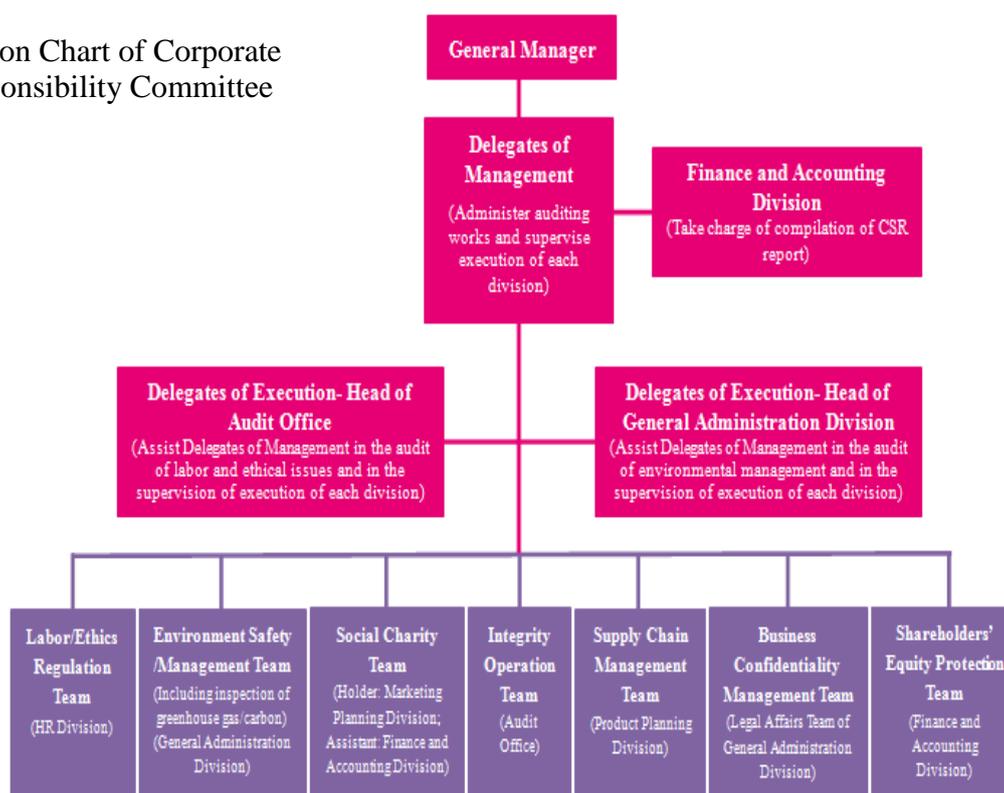
The Corporate Social Responsibility Committee (herein called Responsibility Committee) is the top organization at Poya in charge of corporate social responsibility. The Responsibility Committee is responsible to draft and organize the sustainable development of the corporate social responsibility. The Responsibility Committee consists of seven functional teams: Labor/Ethics Regulation Team, Environmental Safety/Management Team, Social Charity Team, Integrity Operation Team, Supply Chain Management Team, Business Confidentiality Management Team, and Shareholders' Equity Protection Team. The Chairman of the Responsibility Committee shall review the annual performance of each functional team personally on irregular basis. Please refer to Figure 4.7 for the Organization Chart of Corporate Social Responsibility Committee.

Description of Responsibility Committee :

- Chairman : The general manager
- Core members : Top manager of each division, including the Finance and Accounting Division, Audit Office, Human Resources Division, Marketing Planning Division and Product Planning Division.
- Functional Team: Middle and junior managers of the relative divisions.

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

Figure 4.7
Organization Chart of Corporate Social Responsibility Committee



Risk Management

All major operational decisions shall be assessed and analyzed by related authorities of the Company, and will be executed after the resolution of the Board. It was the compliance with the related rules and regulations, complete risk management and quick crisis handling measures that Poya could always overcome the difficulties for 20 years as founded in 1997. According to the assessment of business operations, risks can be divided into four aspects: financial risks, market risks, strategy and operation risks and damage risks. Poya sets up managerial measures and crisis response procedures for different risks in order to lower the uncertainties of business operations.

Anti-corruption

Poya conceives the mission of ethical operation and enacts the corporate social responsibility policies such as “Ethical Corporate Management Best Practice Principles”, “Guidelines for the Adoption of Codes of Ethical Conduct” and “Procedures for Ethical Management and Guidelines for Conduct”. Poya requires the Directors, managers and all personnel to abide by the policies mentioned above and hopes that all Poya employees can be self-disciplined and behave ethically. Poya is firmly against any form of corruption. To avoid any improper benefits received by any Poya employee, Poya makes clear requirements in “Guidelines for the Adoption of Codes of Ethical Conduct” that provision, promise, request, or acceptance of improper benefits in whatever form/name by a third party is prohibited. The Audit Office is authorized to be solely responsible for supervision. Poya will impose a penalty on those who violate ethical conduct according to the severity of the violation. Poya will disclose the name and title of the violator, the date and details of the violation, and the actions we have taken. In 2019, Poya’s employees did not have any violation of ethical conduct.

Financial Risks

Responsible unit:
Finance and Accounting Division,
Audit Office
Control Method:
1. Enact and conduct each strategy.
2. Risk assessment procedures

Market Risks

Responsible unit:
Board of Directors,
Office of General Manager
Control Method:
1. Enact and conduct each strategy
2. Control and handle the possible market risk crisis

Strategy and Operation Risks

Responsible unit:
Business Planning Division, Marketing Planning Division
Control Method:
Evaluate the risk and review the performances of the operational strategies.

Damage Risks

Responsible unit:
Human Resources Administrative Division
Control method:
Enact the management guidelines for contingency measures and program the training system

Environment

05



- 5.1 Greenhouse Gas Inspection**
- 5.2 Programs of Water Conservation, Energy Saving and Carbon Reduction**
- 5.3 Plan of Centralized Logistic Center**



05 Environment

According to IPCC of the United Nations, global warming will lead to serious consequences like melting of glaciers, rise of sea level, extinction of certain species, lack of food and death of trees. Furthermore, the extreme weather caused by global warming also intensifies drought and water scarcity. In the Global Risk Report issued by WEF in 2019, among the top 10 risks there are 5 environment-related risks: extreme weather, climate changes which are unable to be adjusted and relieved, natural disasters, man-induced environmental disasters and loss of biodiversity and destruction of ecosystems. Among them, extreme weather has been ranked first in the possibility of risk occurrence for three consecutive years. As being a member of the earth, Poya shall spare no effort to protect the environment from global warming, climate change and water scarcity.

5.1 Greenhouse Gas Inspection

Poya is not an energy-intensive company, and therefore decreasing emission of greenhouse gas will not lead to an instant effect. However, Poya still supports the climate change mitigation strategy since Poya understands that global warming is one of the most serious environmental impacts in the world. Poya has carried out greenhouse gas inspection annually since 2012, and disclosed the result in CSR since 2014.

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

Period of the Report

- ✓ 1st Jan 2015~31st Dec 2019
- ✓ Inspect the Emission of Greenhouse Gas during such Period and Disclose the Result of Greenhouse Gas Inspection

Boundary of Organization

- ✓ Execute the Greenhouse Gas Inspection based on ISO14064-1
- ✓ Boundary of Organization for the Inspection:
 - (1) Headquarters in Taipei and Tainan
 - (2) 235 Stores (By the end of 2019)

Scope of Gas Inspection

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



The store number of Poya increased to 235 stores in 2019, therefore carbon emission from air-conditioners increased. Our external electricity, energy efficiency and carbon reduction performed well since we replaced our lighting system from traditional lights to LED in 2017.

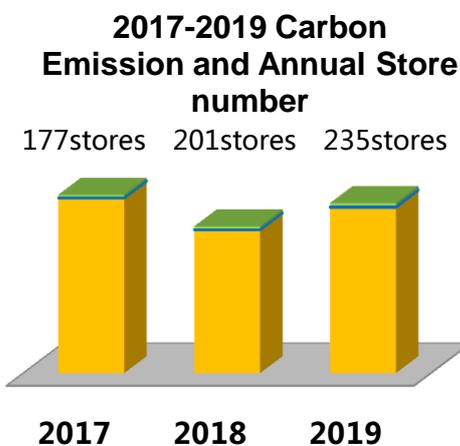
On the other hand, due to store expansion demand, store renovation activities, periodical store inspection plan, the number and utilization rate of motor vehicles for business increased, leading to more carbon emission generated from “Source of Fuel Consumption of Motor Vehicles.” However, carbon emission generated from such category accounts only for 0.75%. Therefore, it is not the main source of carbon emission under Poya’s operation.

For a long time, Poya focuses on environmental issues and responsibilities. Poya regards itself as one of the global members and is dedicated to control and decrease the negative impact led by the business operation on the environment. However, the average carbon emission of each store is decreasing thanks to the introduction of inverter air-conditioners and execution the energy-saving programs. (See Left Chart-Average Carbon Emission of Each Store)



Greenhouse Gas Inspection Methods :

- ① The Emission Coefficient Method is used for tracking the vaporization of coolants in accordance with the Greenhouse Gas Emission Coefficient Management Table of Version 6.0.1. Residential and commercial use air-conditioners are used as the emission factors for the calculation of coolant vaporization.
- ② The fuel consumption is calculated by the gasoline usage of the motor vehicles based on CO₂ emission factor of both fixed source and mobile source (fuel).
- ③ Carbon emission is calculated by the electricity usage based on the emission coefficient of the electricity from external supply in the year.



Type	Carbon Emission(ton)&(%)			Remark
	2017	2018	2019	
■ Source of Vaporized Greenhouse Gas	599 1.55%	662 2.09%	742 2.03%	Scope 1
■ Fuel consumption of Motor Vehicles	211 0.37%	189 0.60%	275 0.75%	Scope 1
■ External Electricity	37,706 97.90%	30,837 97.31%	35,695 97.22%	Scope 2
Total Carbon Emission	38,516	31,688	36,712	
Average Carbon Emission of Each Store	217	158	156	

5.2 Programs of Water Conservation, Energy Saving and Carbon Reduction

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

To treasure and conserve water resources is one of the key responsibilities of Poya. The implementation of water management includes:

Program of Water Conservation

The main source of water is from the Taiwan Water Corporation and only two stores located in Hualien and Kaohsiung use groundwater. Poya is a retail firm. Therefore, our water usage mainly goes to fulfill the daily needs of our employees and customers. Poya does not cause significant and serious effect on water sources. Sewage is discharged into the river and ocean through sewers.

In 2019 , the avg. water usage of Poya ↓6.7% !



Figure 5.1



Figure 5.2

Water usage in 2018 and 2019 (Unit: cubic meter) :

Year	Total	Average
2019	192,646	1,025
2018	170,304	1,099

* Total water consumption is the amount of headquarter and each store.

* The average water consumption is total amount to the number of total stores in each year.

Water Saving Equipment Adopting, checkups and Repairs

Some Poya stores offer restrooms to our customers. In order to promote water-saving activities, Poya puts up posters in the restrooms (see Figure 5.1) of parts of Poya's stores and the headquarters. Besides, Poya purchases the toilet equipments with water-saving marks and sets up the water-saving devices, such as water-saving faucets.

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

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

Poya started to introduce the modern inverter air-conditioners (see Figure 5.2) in 2013 and adopted inverter air-conditioners in the new stores opened in 2014. Now, there are 235 stores, 67% of which use inverter air-conditioners instead of the outdated water tower air-conditioners. This percentage is raised by 5% compared to the year before. Poya will make a gradual replacement in order to lower the usage of water tower air-conditioners.

Program of Energy Saving and Carbon Reduction

Poya continues to push forward the energy management, and executes the examination program of greenhouse gas emission to comply with the advocacy of energy saving and carbon reduction promoted by government. Poya sets a goal of 10% saving by 2021, and Poya also reaches 2% carbon reduction every year. In 2019, the average electricity usage of each Poya store was about 264,627 kilowatt per hour, which was 8% lower than in 2018, 31% lower than in 2017 and 50.49% lower than in 2016. Taking advantage of aggressive energy-saving programs, the average electricity usage of each Poya store decreased year by year since 2012.

Thanks to the implementation of LED in 2017, the carbon emission reduced by 26,113 tons in 2018, which equivalents to the emission amount consumed by 67 Daan Forest Parks. The year of 2018 was extraordinary well for Poya on energy saving.

The implementations of energy saving included:

○ Automatic lighting sensors were installed in stores

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

○ See-through glass adopting at the second floor (Figures 5.3)

Adopt see-through glass to increase natural lighting, and decrease the usage of electric lights in the daytime.

○ Signboards with light-sensitive controller

The light-sensitive controller will automatically turn on the lights of signboard when sky gets dark and will automatically shut off the lights when the store closes or sky gets bright.

○ The adoption of LED

The traditional lamps will be replaced to LED partially in headquarter and each store on a regular schedule to maintain enough brightness, also save the energy.

○ Promotion of Energy-saving Concept (See Figure 5.4, 5.5)

Poya encourages employees not to use the elevator unless there are more than four stories to go up or go down. Poya encourages employees to turn off the lights and fans during lunch break and when leaving the warehouse.

○ Maintenance of Air-conditioners and Related Equipments

- Control the temperature at 26~28 degrees (*Raising 1 degree could save the energy by 6%.)
- Each floor in Poya's headquarter is upholstered with curtains to reduce the energy consumption from air-condition.
- Decrease the unused space of the stores to lower the usage of electricity and air-conditioners.
- Inverter air-conditions were installed to save electricity by 30%~35%
- Regularly clean the air-conditioner filters to increase the efficiency of air-conditioners.

Figure 5.3



Figure 5.4



Figure 5.5



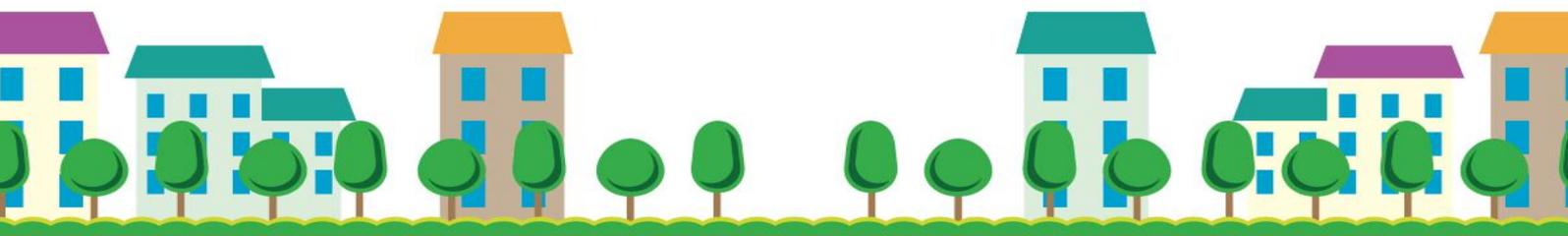
 How many trees you save=
How many paper you save/
5,000*0.6
Source: Environmental Quality
Protection Foundation

Program of Paper Conservation

Poya not only reduces greenhouse gas but also enacts energy-saving policies. Thanks to the advanced technology improvements, Poya could grow our business in an eco-friendly way.

Through internal E-management and reduce paper using in 2017, the headquarter uses E-filing of tax, E-voucher, E-salary slip and E-gift certificate for employees and branches reducing physical price tag, and E-signature for credit card verification. In the middle of 2019, Poya upgraded APP to be more practical, fun, and user-friendly to attract members to download it. Our goal is to cultivate customer shopping behaviors and launch e-DM to reduce paper waste. The amount of paper saved in 2017 is equivalent to 1,876 trees; the amount of paper saved in 2018 is equivalent to 3,990 trees, and the amount of paper saved in 2019 is as high as

...8,263 trees



5.3 Plan of Centralized Logistic Center

Kaohsiung logistic center operated in July, 2017. The north logistic center also operated in January, 2019 on schedule. The south and north warehouses can support the delivery of 200 stores respectively, which are the most powerful backing for Poya's goal of 400 stores. After Poya imported the self-management logistics system in recent years, work efficiency has been improved year by year through continuous process improvement.

The centralized distribution rate was 64% in 2016, 75% in 2017, 90% in 2018 and arrived at 94% in 2019. Poya launched a new hardware brand "Poya Home" in the middle of 2019, and the product assortments are different from Poya. The logistic center of Poya Home was built next to the north logistic center and operated at the end of 2019. Currently, the capacity of POYA HOME's logistic center is 50 stores, and we will gradually expand it to meet the store expansion plan in the future.

Because Poya collects and dispatches products through our logistic centers, the total delivery frequency increases. Therefore, carbon emission, exhaust gas emission and energy consumption declines. Under stable operation of logistic center, Poya could adopt the pattern of "deliver at night, display on the following day".

The procurement goods from suppliers were received and checked in the logistic center, which allows stores to order in small quantities to reduce the in-store inventory. The store associates could shift their working time from receiving the goods to daily store operations such as display and customer service, to offer better shopping experiences. . (fig. 5.6)



Taoyuan logistic center

- ➔ Capacity: 200 stores
- ➔ Start operating in January, 2019



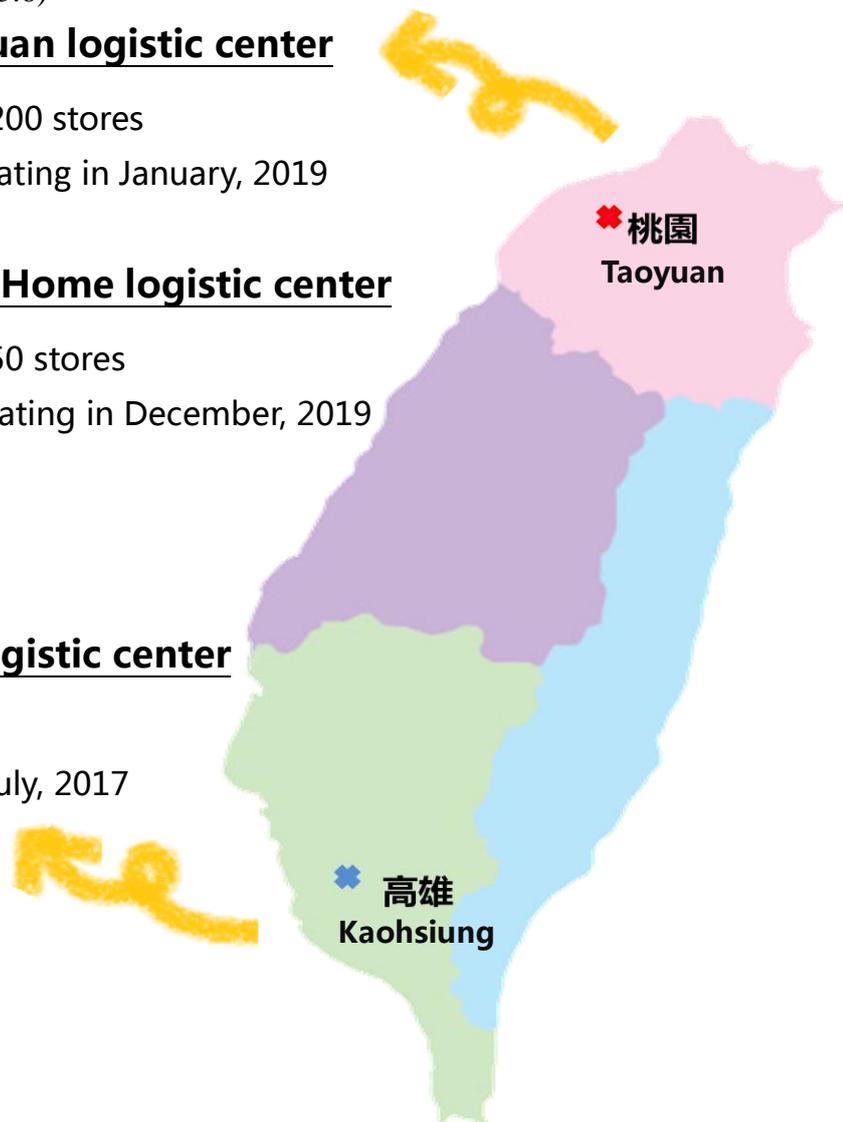
Poya Home logistic center

- ➔ Capacity: 50 stores
- ➔ Start operating in December, 2019



Kaohsiung logistic center

- ➔ Capacity: 200 stores
- ➔ Start operating in July, 2017



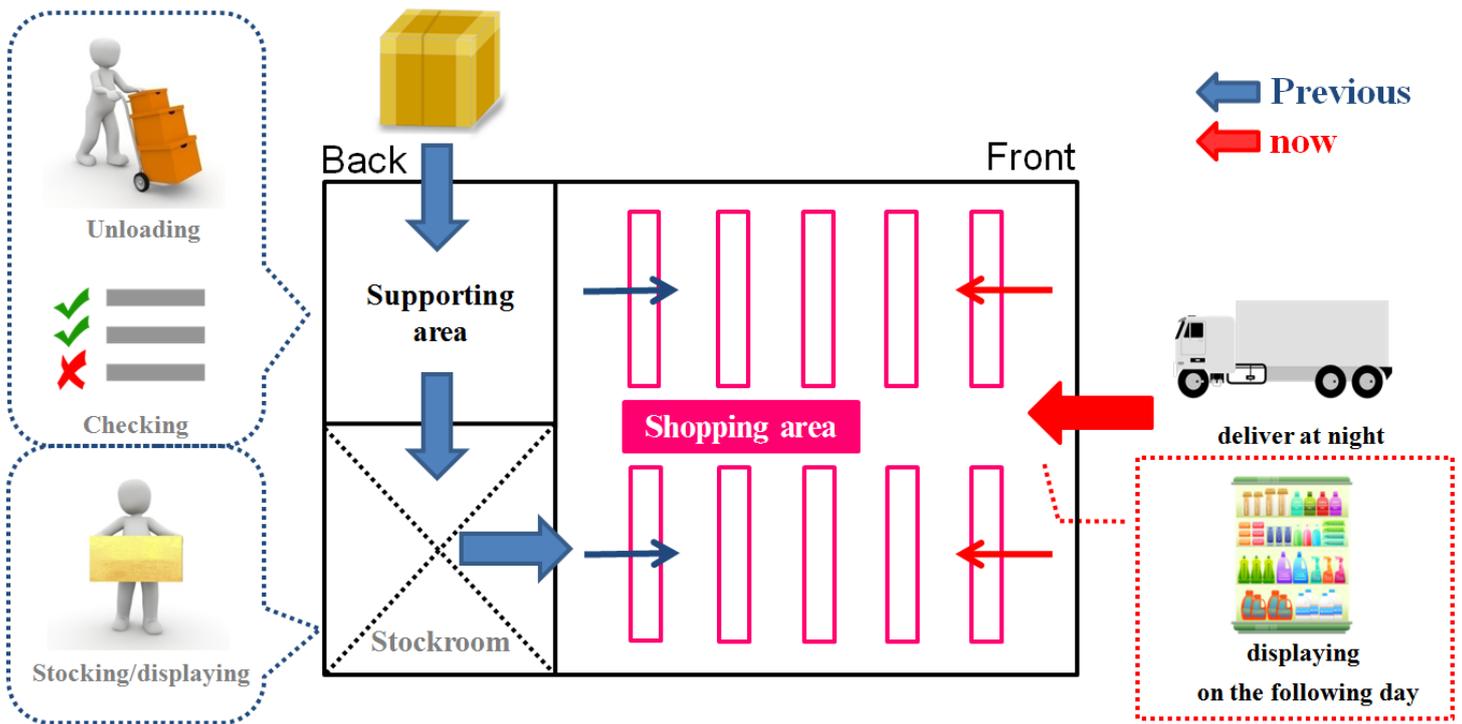


Figure 5.6
 Poya could adopt the pattern of “deliver at night, display on the following day” based on the stable operation of distribution centers.

Society

06



- 6.1 Employee Care
- 6.2 Supply Chain Management
- 6.3 Consumer Service
- 6.4 Society Participation
- 6.5 Map of GRI Index



06 Society

Poya focuses on its competitive ability and corporate financial performance. Besides, Poya also dedicates itself to social responsibility to protect the rights of other stakeholders. Poya regards our employees as one of the important corporate assets, therefore Poya offers the employees reasonable and fair compensation and welfare, comfortable and safe working environment, transparent promotion system and regular job training by setting up a complete human resource system.

As a general merchandise retailer, we are the platform between the suppliers and the customers. Our main goal is understanding and satisfying the customers' needs. Thanks to our effective and instant supplier management system, Poya can control the product quality and ask the suppliers to abide by the Product Labeling Law. In the long term, Poya hopes to cooperate with the suppliers to create higher value for the customers!

Poya not only offers high-quality products and considerable services but also dedicates itself to Taiwan society. In 2019, Poya participated in the "Beach clean-up in Tainan" organized by the Wilderness Tainan Ocean Initiative to support environment protection by donations and actions. We donated a total of NTD\$920,000 for "The Single Parent Educational Foundation", "Charity Road Run organized by SunFar 3C" and "Tainan volunteer firefighter alliance", etc. Through social participation, Poya hopes to promote positive social culture and its value.

To respond to our customers' expectations, Poya will continuously provide high-quality and excellent service and support Taiwan Society.



Poya's human rights policy

Poya complies with the laws and regulations of Taiwan and every operating base. Poya supports and voluntarily follows the internationally recognized human rights standards such as "UN Universal Declaration of Human Rights", "Core labor standards of International Labor Organization", "UN Global Compact" and "UN Guiding Principles on Business & Human Rights", etc. Poya treats current colleagues, contract employees, timekeepers and interns with dignity and respect and strengthen the human rights awareness of internal colleagues and stakeholders.

Human rights policy

- Provide employees with a dignified and safe working environment
- Eliminate illegal discrimination to ensure equal job opportunities
- Prohibition of child labor
- Prohibition of forced labour
- Assist employees to maintain physical & mental health and work-life balance
- Regularly review and evaluate related systems and actions
- Keep the independent complaint mechanism open to raise concerns
- Strive to avoid violating human rights with others
- Establish a consummate personal information protection and administration system to safeguard customers' privacy and rights

6.1 Employee Care

Poya is a female-orientated store mainly selling trendy cosmetics, personal products and daily groceries. It is Poya's hope to bring up "Beauty, Trendy and Color", which is our brand value to our customers. As such, for every member of Poya, we connect with the brand value into our daily life, adding fun elements into our daily work, with more sensitive to the fashion trend through working.

Poya regards all the employees at an equal base and avoids any discrimination owing to race, social class, language, thought, religion, political party, birthplace, gender, sexual orientation, marriage, appearance, age, disability and the status of member of labor union. Poya also hires female employees who want to re-enter the job market after marriage or parental leave. By 2020, there were 4,454 employees in Poya. The average age was 29 years old. People with disabilities accounted for 1.1% of total staff. Besides, there were 80 aboriginal employees. Poya provided a kind working space with multi-culture.

Employee Structure(As of Dec.31,2019)

There were **4,454** employees in Poya

① By area :



North	426	1,217
Central	212	915
South	204	645
Kao-Ping	173	662
Total	1,015	3,439

② By Age :



<21 Yr.	131	411
21-30 Yr.	469	1,813
31-40 Yr.	297	882
41-50 Yr.	95	290
>50 Yr.	23	43

③ By Education :



Junior	14	30
Senior	185	939
College	60	228
University	732	2,220
Graduate School	24	22

④ By Position :



Senior Managers	61	79
Middle Managers	143	99
Basic Managers	201	890
Staff	610	2,371 ¹⁵

* The percentage of female executives is about 24%

⑤ By New Employees/Ex-serving Employees :



	New				Ex-serving			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	87	32	30	29	69	21	20	28
21-30 Yr.	237	109	79	103	161	89	56	77
31-40 Yr.	55	20	13	16	42	13	17	16
41-50 Yr.	15	3	2	4	7	3	2	3
>50 Yr.	0	1	0	0	1	1	0	0



	New				Ex-serving			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	257	145	96	78	206	108	79	75
21-30 Yr.	669	431	254	287	525	398	220	265
31-40 Yr.	148	72	55	63	122	58	55	56
41-50 Yr.	54	9	5	9	44	3	5	12
>50 Yr.	8	1	1	1	3	2	3	1

By 2020, there were 235 Poya stores. With more new stores opening, Poya has an increasing demand for labor. In terms of recruitment, Poya puts the most effort to ensure that the recruiting process is fair, open, and transparent. We choose an appropriate person based on their professional capability and experience. To increase the customers' value and offer better services, Poya expects all of the employees to work with enthusiastic attitudes and grow with Poya.

However, the rapidly changing and highly competitive working environment made some employees leave. The Figure above shows the number of new and ex-serving employees classified by area, gender, and age.

Compensation system

Poya puts emphasis on the fairness of the compensation system and avoids any difference in compensation because of the age, race or gender. All employees are paid equally for the same job. Yet, the salary adjustments will be given based on the regular overall performance evaluation since Poya advocates the corporate culture of “better performance, more rewards”.

In addition to the operation bonus for personal performance, Poya also provided employee stock dividends to share the operation performance with employees. Besides, Poya has established a complete pension fund system to allocate sufficient amount of pension fund for the employees.



Employee Welfare Committee

Poya has established the Employee Welfare Committee according to the Labor Standards Act to handle the matters of employee welfare and allocate the employees allowance to Employee Welfare Committee. The amount of allowance depended on the operation performance.

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

The female employees accounted for 77% of the total employees. To protect their rights and let them keep balance among work, healthy, and family, Poya offered menstrual leaves, family care leave, maternity leaves, paternity leaves, breast-feeding time and the procedures of leave without pay. The breast-feeding rooms offered convenience, privacy and safety to our staff in headquarter.

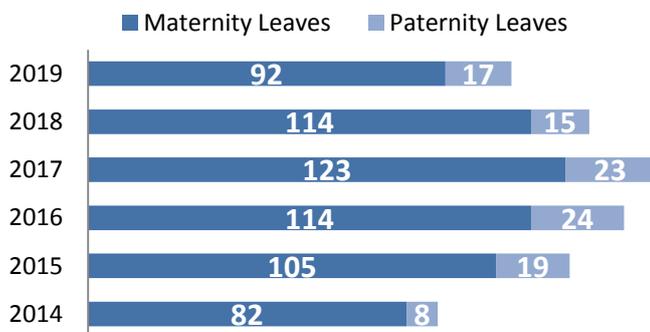
Menstrual Leave

It is a type of leave which female employees may have the option to take one day-off within a month if she is menstruating and unable to work. Half-paid is offered, and menstrual leave is beyond measures for full attendance. It won't be calculated in sick leaves if total menstrual leaves in the whole year are less than 3 days.

Family Care Leave

Employees can take family care leave when their family members have to take an inoculation, with serious illness, or with severe accident. The family care leave is up to 7 days within a year, and it will be calculated into personal leaves. Family care leave is beyond measures for full attendance.

Number of maternity leaves and paternity leaves from 2014 to 2019



The reinstatement rate and the ratio of employees in parental leave to total employees in 2019

To cope with government measures, Poya implements parental leave without pay and guarantees reinstatement to the original position. If employees have the need of taking care of their families, they can take family care leave or Poya would assist them to transfer to other suitable positions or departments. The ratio of employees on parental leave to total employees with maternity leaves in 2019 was 55%. By the end of 2019, the reinstatement rate of the employees was up to 24%. Some employees were still on parental leave, and some employees resigned from their positions due to family factor or personal career planning.



Number of employees with parental leave	17	92
Actual number of employees using parental leave	2	70
Resumption of work after parental leave	2	20
Number of employees who are still working after taking parental leave and returning to work for 12 months	0	16
Reinstatement rate	100%	29%
Retention rate	NA	94%

Complete work environment

In order to provide a comfortable and spacious working space, Poya's headquarter in Taipei moved to a new office which offered brand new working environment, staff tea rooms, conference rooms to enhance convenience. Poya places microwaves in each branch to offer a convenient rest space for employees. Poya also creates a breastfeeding room with privacy and safety voluntarily before government required, and a freezer and sofa were provided to increase the functionality and convenience.

All employees of Poya are covered by Labor Insurance, Employment Insurance, and National Health Insurance and are entitled to insurance benefits in accordance with the relevant laws and regulations. Benefits for maternity, injury, disability, old age, and death are also paid by the Company in accordance with the Labor Insurance Law, the Employment Insurance Law, and the National Health Insurance Law, and are referred to the Labor Insurance Bureau and the Health Insurance Bureau by the Company.

Safety at workplace is a part of the responsibilities of a company. Therefore, Poya executes fire safety inspections and maintains the facilities at all stores and the headquarters regularly. Furthermore, Poya also appoints professional technicians to all employee residences to inspect the safety of the public areas, home appliances, water heaters, and fireproof equipments.

For the promotion of job safety, Poya regularly offers the training courses of labor safety to related personnel of general administrative division every year. Poya hopes that the courses can help employees emphasize on their safety and also lower the probability of the accidents. In 2019, employees taking the course of labor safety with 119 hours in total.

In accordance with the relevant laws and regulations on occupational safety and health, the Company handles safety and health work to prevent occupational disasters and protect the safety and health of employees. Poya will insure the related responsibility of any store construction or renovation for at least NTD 20 million and will also appoint a manager at the construction site to supervise the labors and do the safety management. If there is any accident, the injured employee will be sent to the hospital accompanied by the manager and will gain the indemnification. During the construction period (about two months), all construction sites will be surrounded by the metal fence to avoid customers from entering the construction sites. The administrative division is authorized as the management unit for taking a record and making a report of the accidents. Under safety and health management programs, Poya had no internal or external employees died or injured in 2019 because of corporate facilities, policies or construction. There is no case of occupational diseases among employees in the same period.

2019 Work Injury Statistics		
Total work days		1,082,608
Total work hours		8,660,864
Total lost days		331
Disability(people)	Total	50
	Death	0
	Permanent Disability	0
	Permanent Partial Disability	0
	Temporary Total Disability	50

Year	2019			
	During work period		Car accident on the way to and off work	
Type of injuries	male	female	male	female
Gender				
North	3	2	2	7
Central	2	3	0	5
South	0	2	1	5
Kaohsiung & Pingtung	1	7	2	8
Total	6	14	5	25

Training system and development

Poya emphasizes the recruitment and training of the talents. In addition to the routine courses, Poya also provides complete and real-time trainings to the employees by E-Learning platform. (see figure 6.1)

In order to response to the high workforce demand due to Poya's quick expansion ,which is our long term plan, Poya designs a completed and standardizing apprentice system and offers a comfortable learning environment and platforms to assist employees to complete the courses as soon as possible and perform at work. The employees could gain promotion opportunities after they prove themselves by what they did, and Poya receives the good sales performance from their efforts.

67 lessons were provided in 2019.
1,530 employees were participated.
19% growth compared to last year.



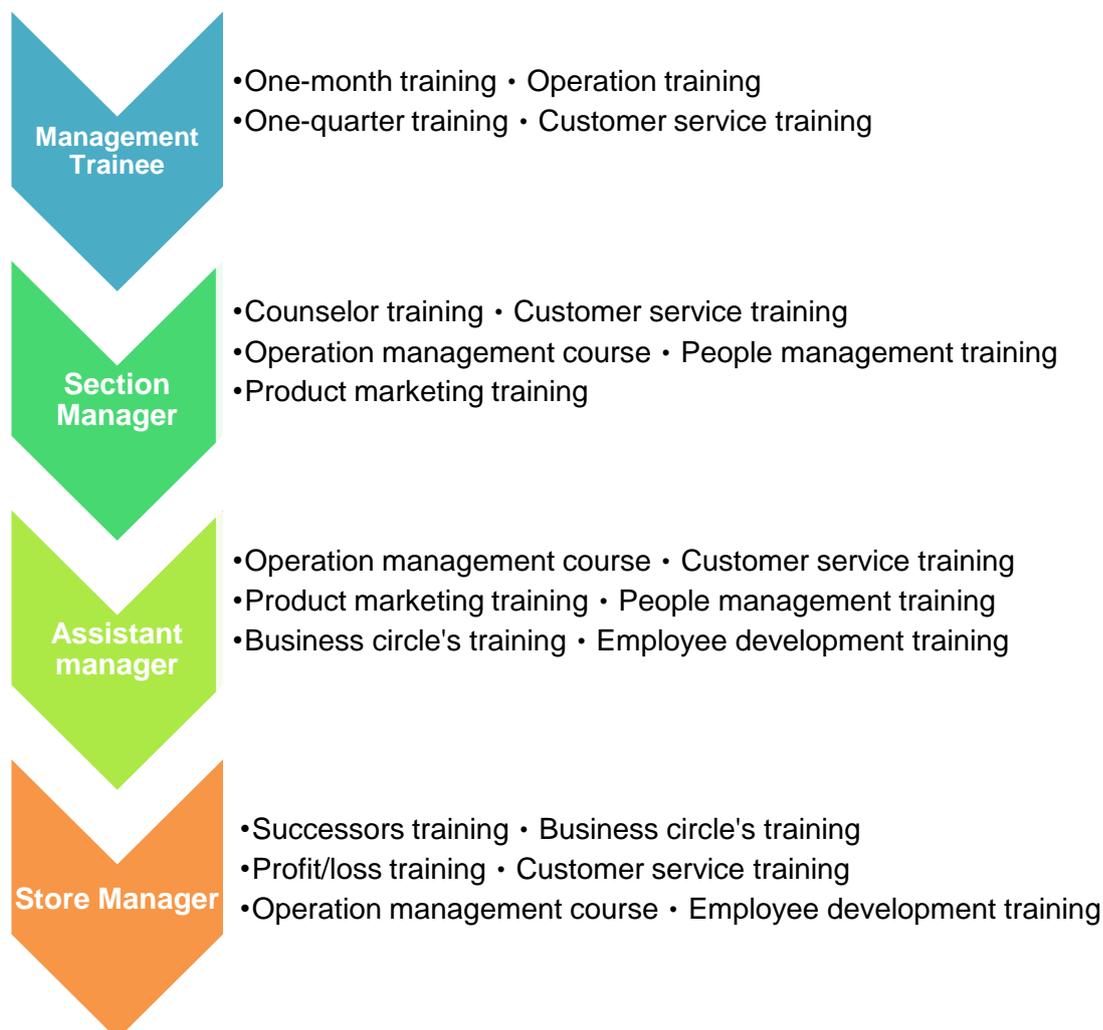
Figures 6.1 E-learning platform

Performance of employee career training in 2019 :

Course Name	Hours of study	Lessons	Participants	Total hours
OJT Evaluation	7	28	♂171/♀584	5,285
Section Manager Assessment	7	25	♂151/♀386	3,759
Assistant Manager Assessment	7	14	♂77/♀161	1,666
Total		67	♂399/♀1,131	10,710
Course Name	Course Frequency	participants	Total hours	Total Expense(NTD)
Basic-level Training	28	♂171/♀584	5,285	1,236,100
Manager Evaluation	39	♂228/♀544	5,425	

Complete regular job training and promotion system

Everyone in Poya has a fair opportunity of job promotion as long as the employee completes the essential trainings and is recognized as having contribution to its work. However as pursuing work performance, everyone shall still observes company policies and avoid any temptation from the suppliers or outsiders.



Performance management system

There is a justice, fair and transparent performance evaluation system which encourages the employees not only to achieve the operating goals of the company but also to emphasize on self-learning, raise working abilities and make a personal career planning. Poya advocates the corporate culture of “better performance, more rewards.” It is the abilities and working performances rather than education level or working experiences that lead to better compensation or job promotion. °

The officers of each division shall make the evaluation for employees twice a year. The specific assessment is suitable for each job position. Employees assess themselves’ based on current working descriptions, key performance indicators of each department, and working objectives. The evaluation is the basis for promotion, compensation and pay raise. The system also helps employees to find their talents and suitable positions by goal setting and evaluation interview.



Figure 6.3 Nine levels of KPI
The evaluation contents

(Taking Finance and Accounting Division as an example)

- ✓ The ability of problem solving
- ✓ Project implementation
- ✓ Financial forecast and analysis
- ✓ The completeness of daily work
- ✓ Work attitude

Retirement system

By allocating sufficient amount of pension fund, Poya has established a complete pension fund system to the employees. Poya adopts both the old and new systems of retirement. The Labor Retirement Regulation has been established under the old system, governed by the Labor Standards Act. After the actuarial estimation, 2% of the total monthly salaries will be allocated as reserve for the pension fund deposited at a designated account at the Bank of Taiwan (previously at Central Trust of China). The calculation of pension payment is based on the Labor Retirement Regulations and will be disbursed accordingly. Employees who elect to go with the new retirement system will have 6% of their respective monthly salaries allocated to their personal pension accounts monthly as required by the Statute for Labor Pension.

Employee relations management

Communication

Poya International devotes to upgrade employees' salary, welfare and work environment. The company also offers platforms such as oral report, monthly meeting, ABC conference, and E-platform included EIP, Notes, and Connections to make an effective, two-way communication with employees. The opinions from employees could be heard sufficiently.

Protection of Human Rights

Poya regards all the employees at an equal base and avoids any discrimination owing to gender, age, race, color, religion, political parties and disability. All the employees in Poya deserve equal protection and treatment without discrimination. During the report period in 2019, there was no discrimination occurred in Poya. Poya shall abide by the relative rules and regulations to do any operating activity or to make any investment commitment, and therefore Poya do not additionally include any clause of human rights in the contracts. However, Poya puts much emphasis on human protection and requests all the employees to handle the human right issues according to the laws and regulations. Poya do not recruit child labors and there is no recruitment of child labors during the report period in 2019.

Poya do not have any forced or compulsory labor since Poya always ensures that all the employees offering services by voluntary with fair conditions of employment. Poya provides the employees with favorable welfares which are at a level comply with and even much better than the minimum level required by the local rules. There are paid leaves offered for the employees. Everyone in Poya will not be forced to work overtime and will have an overtime wage or necessary compensation if working extra hours.

When Poya has a situation under Article 11 of the Labor Standards Law, it shall communicate with the employee in advance about the employment, and give notice before 10 days for those who have worked for more than three months and less than one year; 20 days for those who have continued to work for more than one year and less than three years; and 30 days for those who have continued to work for more than three years.

Fair Work Rights

Poya is keen to build a working environment with healthy and gender equality. In order to prevent employees from sexual harassment, Poya devotes to improving the facilities in working environment, encourages employees to participate the seminar of sexual harassment prevention, and enacts the "guidelines on gender equality and sexual harassment prevention". Moreover, Poya provides the complaint channels to accept the case of sexual harassment occurred during work and appoints coherent person to coordinate and handle it.

Complaint Mechanism

Poya has established the complaints box, 0800 hotline and "complaint mechanism" to receive the opinions from employees and answer their concerns.

The employees can complain in the following methods:

1. Oral report: The person who accepts the oral report from employees has to take a record and handle it immediately.
2. Written report or complaint form: Employees can hand over compliant forms or written reports according to complaint procedures to express their opinions. The coherent officers should make inspections and report the resolution to the complainant right after received.

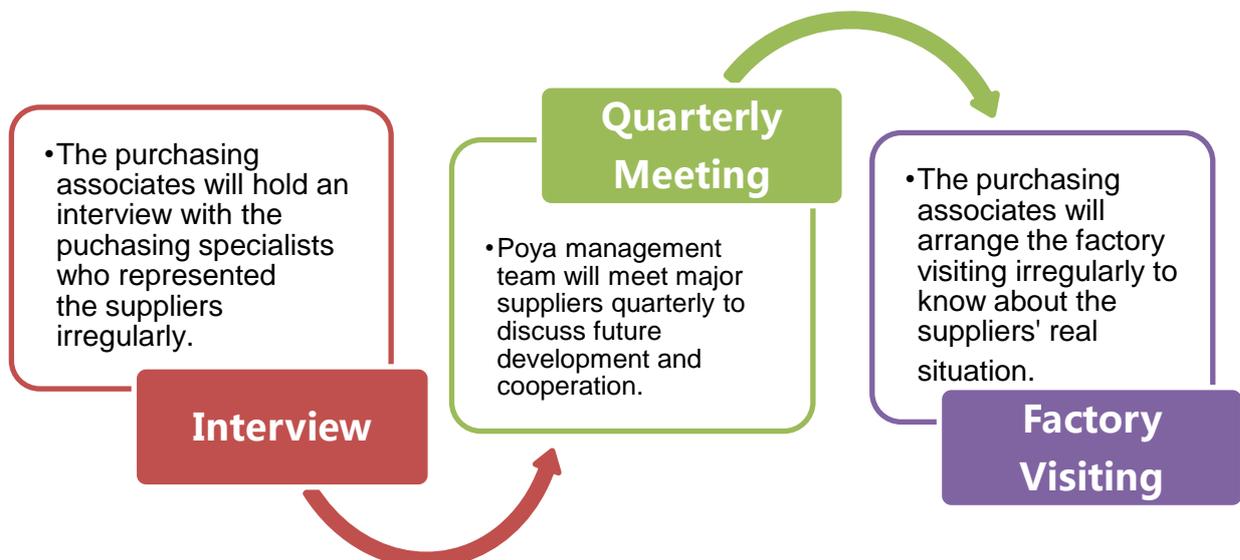
In order to pursue the development of ethical corporate management, Poya encourages employees to report any violation and allows anonymous report on the unethical practices of others in its Rules of Personnel Management to protect the reporter and stipulates relative regulations in Codes of Ethical Conduct.



6.2 Supply Chain Management

Poya is a Taiwanese local firm. Most of our goods are purchased from local suppliers, therefore Poya faces little risk of exchange rate. Currently, there are over 400 suppliers cooperating with Poya, including international corporations, local corporations, and small or medium enterprises in Taiwan. In order to meet the customer demand, Poya offers a lot of options through making purchase from a variety of suppliers.

The biggest supplier accounts for less than 5%. Seeking for long-term development and cooperation with each other, Poya do not change the suppliers frequently. However, Poya will make a replacement for out fashion products or the suppliers when customers change their demands or purchasing behaviors.



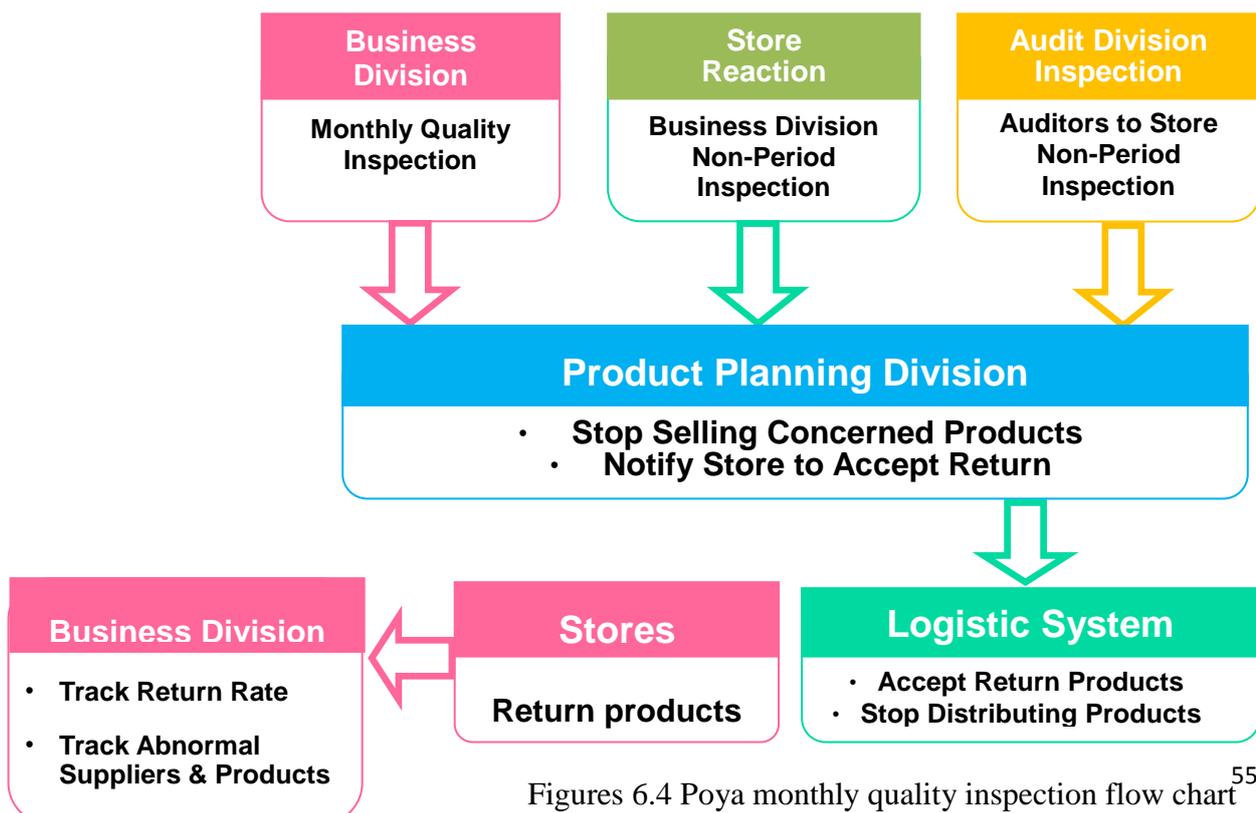
Food Safety and Product Safety

Complied with the supply chain management process, some steps shall be taken before making a contract with the supplier. First, Poya shall review the related information of the suppliers. Second, employees of the purchasing division shall visit the factory to understand the environment, the process of production, and the operating situation to ensure the product quality

In the contracts, Poya requests all the suppliers not only to ensure the quality and avoid any counterfeit of the products but also to observe the related rules and regulations. And Poya also requests all suppliers follow the Product Labeling Law. Thus, consumers understand the products and use them correctly, which achieve product safety.

In 2016, there was an accident that Poya was selling expired products. Because too many products in store, it is really challenging to execute the expiry date checking. Before it happened, Poya did the monthly checking or irregular checking before displaying. However, the execution still couldn't be made perfectly. After that, Poya reinforce our checking process and recheck by business planning division and audit office. Once the abnormal products are picked, Poya will soon send the notice to all the branches to ask employees to check the quality. Now, Poya puts more emphasis on the product quality and expiry date. These two matters are listed in the key items of store inspection. Poya's products are mainly from suppliers, so Poya requires all suppliers, including raw material sources, content ingredients, product labeling, product marketing, warning labels, etc., to comply with relevant laws and regulations; it also cooperates with suppliers to ensure compliance with laws and regulations through communication, inspection and audit mechanisms. No fines were imposed by the authorities for food safety issues in 2019; all incidents of non-compliance with the Company's standard operating procedures that have been checked by the Company itself have been investigated by the relevant units and improved and completed without causing any significant damage or subsequent impact, and no prohibited or controversial products have been sold.

When products are displayed on the shelves, the employees of store check the labels and the quality of products again. Besides, employees of business division will execute regular product inspection in stores and employees of audit division will execute non-period inspection. If there are concerned products in store, Poya will remove and stop selling such product until the quality being confirmed. (Figure 6.4)



Figures 6.4 Poya monthly quality inspection flow chart ⁵⁵

Suppliers Cooperation

Poya could follow the market trend and develop the possible hot-selling product according to sales analysis and customer feedback. If the potential demand for a new product is confirmed, Poya will work with suppliers to develop and produce this item.

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

We see a triple win situation for customers, suppliers, and POYA. The customers get the products they want. Suppliers reward higher product sales. And Poya increases sales and level of customer satisfaction. (Figure 6.5)



Figures 6.5 Suppliers Cooperation Model

Precise Order

We aim to order precisely and prevent “massive order or massive return”. For our supplier, the precise ordering will lower the operation risk of massive return. As for POYA store-front, we established an automatic order system which will suggest optimal quantities according to the historical sales and the real-time stock. Afterwards, our store staffs will review the suggestion order and the store managers will audit the order.



Plan of Centralized Logistic Center

Before we launch the logistic center, suppliers have to handle, dispatch and deliver orders to all POYA stores. As POYA expanding our store network, the workloads for delivery also increased. Some local suppliers encountered problems of labor shortage or late delivery.

In 2011, Poya started the plan of the centralized logistic system. The supplier originally had to ship to the branches multiple times. Through the plan of the centralized logistic center, it can be reduced to one unified-transportation to the logistic center. The plan decreases the labor and the delivery cost for suppliers and leads our suppliers to grow up with Poya.

6.3 Customer Service

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

Quality and Safety of Products

To understand customers' demands and better satisfaction, Poya interviews representative customers and shops with them in POYA stores. (see Figure. 6.6) Poya replaces 20% to 30% of merchandise yearly. And our merchandises policy emphasized on introducing products with safety, high quality, and closer customers' demands.

In suppliers' contracts, Poya clearly requests suppliers to ensure product quality, to avoid counterfeit of any product, and to comply with related laws and regulations. At the same time, Poya performs periodic inspection in stores and warehouses, and removes those concerned products which are near expiration date, damaged, defective or incomplete labeling. Employees of business division and audit division execute non-periodic inspections as well. Any concerned products will remove from shelves and stop selling immediately until the concern dismissed.

Labels of Products

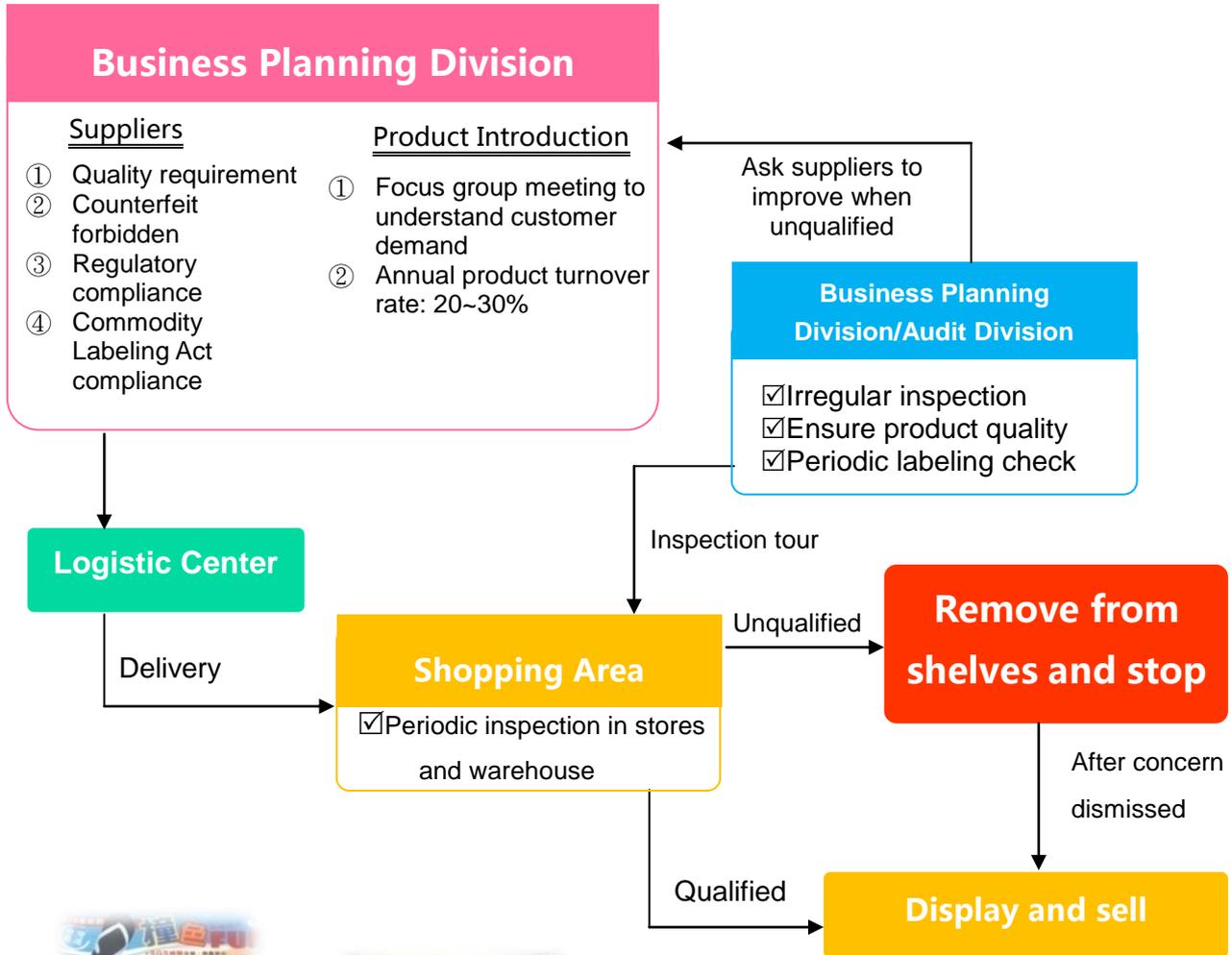
Poya strictly requests our suppliers that all labels of products should abide by the Product Labeling Law, which helps consumers to get sufficient information to use items properly. Imported products should labels the instructions in Chinese with proper and full content translation. Any warning on the original label of imported products or services should be attached on the Chinese label. Poya checks the product labels periodically. If any concerns exist, Poya will inform our suppliers and request them to solve the problems. Also, employees in Business Division will track the performances of concerned suppliers, and eliminate those without improvement.

In stores, all products come with price tags. Our store associates will update tags monthly according to the latest promotional price. Through that, we could provide customers adequate information and protect their rights.



Figures 6.6 Focus group meeting and accompany shopping in Poya

Management Procedure of Product Quality and Safety



Rubber Flip-Flops
SGS qualified
non-toxic product



Dried Fruits
Fresh made and
non-artificial



Stainless Steel Thermos
304 Stainless-Steel, acid
alkali-resistance with safety



KEYTOSS Environmental Product
Non-toxic and odourless
environment-friendly product



Store Construction and Safety

Poya always keeps “Best Services and Customer Orientation” deeply in mind. In 2017, Poya introduced 5th generation stores, which added a makeup zone to offer cosmetics try on and derma areas to create a professional impression. In 2018, Poya introduced 6th generation stores with narrower shelves to house more SKUs in the same space. We provide 60,000 SKUs to fulfill one stop shopping demand. In addition, Poya cares about the safety of shopping area. In order to provide a safer shopping environment, the employees of Store Engineering Department will check up, review and maintain the store equipments regularly to ensure the store safety. So far, Poya continues to make upgrade and improvement to provide better shopping experiences.

5th generation



Set up Makeup Zone

Set up make up zone for customers to try out cosmetics



Derma Cosmetics

Set up special areas for derma cosmetics with professional impression

6th generation



Narrow Shelves

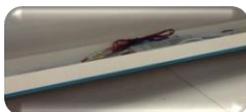
Narrow shelves to set more SKUs

One stop shopping experience

Almost 60,000 SKUs to fulfill one stop shopping demand

Store safety precaution :

- ☑ For shopping area safety, Poya always makes full preparation to prevent customers from any potential risk. Poya educates staff on the concept of public and fire safety. We also bought public liabilities insurance for customers. If an accident occurs in any Poya store, the injured customer will be sent to the hospital accompanied by the store staff and gain indemnification.
- ☑ Store Engineering Department would inspect and maintain store equipment regularly. If any breakdown or damage is detected, they will repair the equipment immediately.



Design furrow in shelves to protect wires from being damaged.



Attached shelves to the wall to prevent falling object injuries in case of an earthquake.



Equipped with extinguishers, hydrants emergency exits and store location maps in stores.

Store Operation Checking System

Until the end of 2019, there are 235 stores of Poya and 5 stores of Poya Home. To sufficiently control service quality, Poya completes the Store Operation Checking System and uses this system in all stores. For those stores need to be improved, Poya will focus on store staff training and operation process modification to increase service quality and professional image.

Step 1

Service Quality Audit

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

Step 2

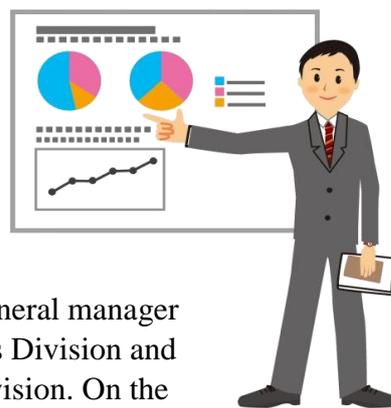
Standard Operation Process (SOP) Check

Poya performs SOP check to all stores monthly. The SOP check includes four aspects which are fundamental, display, company policy and inventory level. Based on the performances of all aspects, Poya will grade stores.

Step 3

KPI meeting

The meeting was held by general manager and participated by Business Division and Finance and Accounting Division. On the meeting, Poya reviews the performances of all stores by the aspects of the cost and benefit analysis, store operating report. The meeting will detect the potential problems of the store with solutions.



Step 4

Store Operation Assistance

For stores in C level, Poya arranges the internal lecturer to assist the store operation, and tracks the result in monthly KPI meeting. The assistance will keep tracking until the stores are qualified.

Through the consulting system, we can effectively improve store managers' ordering skills, business district management, and ability to analyze the profit and loss of stores, and share and pass on our operating experience to enrich Poya's knowledge base.



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

Yunlin Mailiao

4/9 Email: Compliment from Mr. Hong.

Today I went to buy the sunhat. Even though there was no storage, the staff still helped me with enthusiasm and asked the nearby branches to get me one. We really appreciate the vice manager.

Taichung Taiping

5/3 APP: Compliment from Miss Yang.

After shopping at Taiping branch, I got a call for asking if I lost a kid's medicine bag. It wasn't mine but the owner must be very worried. It is so nice to have the intimate staff for an enterprise. Thank you very much!

Fengyuan Fuqian

9/28 Email: Compliment from Miss Hong.

I went to buy the shoes polish tonight but couldn't find it. Before leaving, I asked the staff (Miss Pan) and she immediately told me where the shoes polish was. I would like to praise Miss Pan for her attentive behavior!

Tainan Xiaobei

5/18 Email: Compliment from Mr. Wu.

Since I didn't bring my cell phone, I was not sure about the related membership discount of the product. However, the staff patiently explained the benefits and combinations of the product to me. I would like to convey the praise to relevant departments.



Customer Data Protection Policy

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

◆ Collection, Processing and Use of Customer Personal Information

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

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

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

◆ The rights of parties in regard to customer personal data

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

◆ Personal data protection policy

Poya establishes a reasonable and legitimate process and technology system for data protection. Meanwhile, we set up a comprehensive management process in aspects in organization, environment, and operations to prevent data breach.

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

(2) Environmental Management: We apply access control to data center according to the job content of the entities. The data storage centers are equipped with disaster prevention equipment.

(3) Operation management: Define the scope of personal information, regularly check the company's personal information files and establish a list, set up authentication mechanisms, records, and alerts on the related equipment of operating system, and regularly test the effectiveness and stability of the pre-disclosure mechanism. Any measures that may infringe on the rights of our customers will be improved immediately after we notice. We are always welcome to any advices for the improvement.

In 2019, Poya had no major complaints or violations of customer privacy.

E-Commerce Strategy and POYA PAY

Thanks to the high penetration rate of mobile devices in Taiwan, E-commerce is at a booming trend. Since 2014, we have started our first online shop on YAHOO and opened a Shopee store in 2018. We also communicate with our customers through social media like Facebook and Instagram. By the end of 2019, POYA APP has reached 2 million downloads. In react to COVID-19, we applied more digital marketing methods and launched our official line group in April 2020 which reached 1 million members at year-end. In January 2021, we added the digital payment function to our POYA APP, so-called POYA PAY. Customers could link their credit card to POYA PAY and save their check out time at stores. Thanks to the additional payment function, we expect to drive more POYA PAY traffics and provide seamless shopping experiences to our customers.



Figure 6.7 Poya Virtual Store in Yahoo and shopee



Figure 6.8 Poya Facebook and Instagram Fan Page

☑ We partner with famous bloggers or influencers to write a post on Facebook and Instagram to increase product popularity. Our latest promotions and marketing plan are shown on the social media platform.

☑ POYA provides online services with real time reply on social media, where the customer could easily reach us and resolve their problems.

Figure 6.9 Poya APP



Shoppers can receive the latest product and discount information from POYA APP, including the online brochure, information on hot selling products, and marketing activities.



Digital Loyalty Cards

The customer could easily collect reward points from the APP without showing their physical Cards.



Special offer for App-members

We provide some special discounts for our app users. Customers could get a discount price by showing the App screen to cashiers.



6.4 Social Engagement

POYA has attended several social activities in 2019.

- 1) We attended the "2019 Tainan Beach clean-up activities" organized by The Society of Wilderness to support environmental protection.
- 2) We funded a total of NT\$920,000 for "The Single Parent Educational Foundation", "Charity Road Run organized by SunFar 3C", and "Tainan Volunteer Firefighter Alliance".
- 3) On 27th March 2019, we held a fundraising event with Dachengfong Umbrella company at our POYA shop for Leopard Cat Association(LCAT) and donated NTD\$89,450 for their scientific research and rehabilitation. Our purpose was to raise public awareness of the environment and animal protection. "

We will put an enduring focus on the environment and continuously take action to support our society and environment.



6.5 Map of GRI Index

GRI Standard	Index and Content	Chapter	Page
2016 General Disclosures	102-1 Name of the organization	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	102-2 Activities, brands, products, and services	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	102-3 Location of headquarters	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	102-4 Location of operations	04 About Poya International-Operation Strategy	p.20
	102-5 Ownership and legal form	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	102-6 Markets served	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
		04 About Poya International-Operation Strategy	p.20
	102-7 Scale of the organization	04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	04 About Poya International-Operation Strategy	p.20	

GRI Standard	Index and Content	Chapter	Page
		04 About Poya International-Financial Results	p.21
		06 Society-Employee Care	p.45-54
	102-8 Information on employees and other workers	06 Society-Employee Care	p.45-54
	102-9 Supply chain	06 Society-Supply Chain Management	p.54-56
	102-10 Significant changes to the organization and its supply chain	*Poya does not have any significant change of the organization or its supply chain.	
		04 About Poya International-Operation Strategy	p.20
	102-11 Precautionary principle or approach	04 About Poya International-Investor Relations Management	p.22-33
		06 Society-Supply Chain Management	p.54-56
		06 Society-Customer Service	p.57-64
	102-12 External initiatives	02 Start on Poya' CSR-External Awards	p.8
		05 Environment-Greenhouse Gas Inspection	p.35-36
		06 Society-Employee Care	p.45-54
	102-13 Membership of associations	*Poya is the member of TCFA and Tainan Yizai Association	

GRI Standard	Index and Content	Chapter	Page
	102-14 Statement from senior decision-maker	02 Start on Poya' CSR- A Message from the Management	p.6-7
		04 About Poya International-Corporate Profile and Industry Overview	p.16-19
	102-16 Values, principles, standards, and norms of behavior	04 About Poya International-Investor Relations Management	p.22-33
		06 Society-Employee Care	p.45-54
		06 Society-Supply Chain Management	p.54-56
		06 Society-Customer Service	p.57-64
	102-17 Mechanisms for advice and concerns about ethics	06 Society-Employee Care	p.45-54
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