

# POYA 寶雅

2020 CSR Report  
企業社會責任報告書





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# 01 About the Report

Poya International Co., Ltd. (hereinafter to be referred as Poya) has started our “Corporate Social Responsibility Report” since 2014 with commitment to publish the Report annually. By the disclosure of Environment, Society, and Corporate Governance, we are in the hopes to represent our policies, measures and results of corporate social responsibility and the resolution for the sustainable development of the Company to our stakeholders.

## 1.1 Period and Scope Covered by the Report

The purpose of this report is to disclose our results on sustainable development with reply to the material topics concerned by our stakeholders through our significant analysis. This report covers the period from January 1st to December 31st, 2020, which is consistent with the audit report confirmed by accountants. This report boundary focuses on Poya’s headquarter, retail locations in Taiwan. Poya has all operations in domestic market with no overseas branch or retail location.

## 1.2 The Compiler Principal of Report

This report is in accordance with core options of the Global Reporting Initiative (the GRI). We include the map of GRI index at the end of the report.

## 1.3 The Disclosure and Management of Report

The corporate social responsibility performance is reported to Poya Board of Directors. This report is published in both Chinese and English versions on Poya’s official website (<http://www.poya.com.tw/>) and MOPS. Data in this report are based on statistic results and related surveys complied by Poya with the financial information in accordance with the audited financial reports.

## 1.4 The Production Team of Report

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(Chinese)



(English)

# 02 Poya's CSR

## 2.1 message from the Management

Poya has been established for almost two decades since the inception of Poya in 1997. Upholding the spirit of “customer first”, Poya continues to improve customer satisfaction through store optimization, a rich portfolio of high value-added products, and implementation of omni-channel strategy. Poya also enhances our brand service force through internal training mechanisms, enabling Poya to be closer to all aspects of customers' lives. In recent years, Poya has accelerated our store expansion pace with addition of our new brand – Poya Home. On the way to grow our retail business, Poya also spares no effort to create value for our shareholders, employees and society, by the implementation of corporate social responsibility.

In 2020, Poya continues to expand our footprint and reach out to the community, enabling us to meet the needs of customers on a timely basis by shortening the distance and connecting with our customers. We also continue to expand our scale and optimize product mix for our new channel-Poya Home, leading the Taiwan hardware market into a new era by our Home Center market position. We noted the consumption habits changed due to the impact of COVID-19 epidemic in 2020. As such, Poya has adjusted our pace to accelerate the integration of the physical and virtual channel. The new digital platform is expected to be launched in 2021 to create an OMO shopping experience.

Poya still achieved good performance through our store expansion and differentiation on market positioning, despite the impact of the COVID-19 in 2020. By the end of 2020, the total number of stores nationwide reached 281, including 260 Poya stores and 21 Poya Home stores. The net operating revenue and net profit after tax were totaled NT\$17.5 billion and NT\$2.1 billion respectively, both reaching record highs in 2020.

Meanwhile the company is committed to strengthening corporate social responsibility and promoting ESG through the Corporate Responsibility Development Committee, so as to incorporate the elements of sustainable governance into the core of corporate culture and decision-making. We outline our core sustainable principle as follows: corporate governance, products, employees, environment, and society, in line with the United Nations Sustainable Development Goals, SDGs.

Poya keeps implement corporate governance. Poya conducted a re-election of directors (including independent directors) in accordance with the relevant internal regulations in 2020 shareholders' meeting. All newly-elected independent directors would be appointed as audit committee members. Poya also elected the third nomination committee members and the fourth remuneration committee members. Poya strengthens and improves the functions of the board of directors through the diverse background of independent directors and functional committees.

Realizing the environmental and climate change issues, Poya continues to adopt latest energy saving equipment and implement e-system, including the replacement of lighting system from traditional lights to LED light bulbs in 2017, the establishments of distribution centers in Kaohsiung and Taoyuan in 2017 and 2019 respectively, and the installation of solar panel in Kaohsiung distribution center, to effectively save the energy and carbon reduction. With energy saving programs, the average electricity consumption of Poya per store has improved year by year. The average electricity consumption was 274,563 kWh in 2020, which was down 3.7% from 2019.

With respect to the social participation, in 2020, Poya sponsored the “2020 Global Beach Clean-Up” held by the Society of Wilderness to support the environment protection; sponsored the “Protect the Ocean Charity” held by National Penghu University; introduced the members only activity, “ lighting the way home for sea turtles” with 5x points promotion on marine environment-friendly products to encourage customers to purchase related products; sponsored “Zeelandia Dementia Association”; sponsored” Golf development foundation”; sponsored the golf team fee of "Yi Tsai Club "; sponsored national slow-pitch soft ball championships- the silence cup for hearing impaired labor in Tainan in 2020. The total amount of donation for the above activities was NT\$790,000. Poya expects to devote itself to Taiwan by actions with our sincere gratitude to the customers’ support.

Employees are the vital assets of the Company. We consider employees are the key to the sustainable operations of the company. Poya provides a safe and comfortable working environment for employees, establishes a fair and complete salary and welfare system, emphasizes the cultivation, development and training system, and improves the communication channels between employers and employees.

Poya aims at becoming “A more preferred Poya by the customers”, and will continue the work on sustainable development of the Company in the fields of environment, society and corporate governance. We love Taiwan so much and value the limited resources of the Earth. We hope our contribution 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 Honors and Recognition

2020 **Top 99th** with large scale enterprises in services industries by Common Wealth Magazine

2020 **Silver prize** for “the best service in Taiwan”, conducted by Commercial Times

2019 **Top 112th** with large scale enterprises in services industries by Common Wealth Magazine

2019 **Top 5%** of the TPEX-listed companies in “Corporate Governance Evaluation” for six consecutive years.

2018 **Top 121st** with large scale enterprises in services industries by Common Wealth Magazine

## 2.3 Meeting the SDGs



- ☀ The company and Eden Social Welfare Foundation jointly held a charity for dumpling donation in 2020 P.55-56



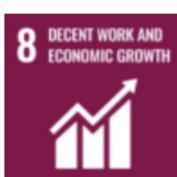
- ☀ All employees of Poya are covered by Labor Insurance, Employment Insurance, and National Health Insurance P.39
- ☀ A complete pension fund system to the employees. P.42
- ☀ Employee Welfare Committee P.46



- ☀ Regular labor safety training courses P.39
- ☀ Routine training courses and E-Learning platform. P.40-42



- ☀ Establishing "guidelines on gender equality and sexual harassment prevention" P.43
- ☀ No difference in compensation because of gender. All employees are paid equally for the same job. "Better performance, more rewards". P.44



- ☀ The total number of stores reached to 281 in 2020. P.10
- ☀ Net profit in 2020 was NT\$2.11billion P.14
- ☀ Hired employees with physical and mental disabilities P.37



- ☀ Domestic sourcing on merchandise P.26-29
- ☀ Packaging reduction P.27



- ☀ Adopting latest energy saving equipment P.47-51
- ☀ LED lighting bulbs for all the stores P.50
- ☀ Implementing e-system in internal management P.51



- ☀ Sponsored the "Protect the Ocean Charity" held by National Penghu University P.55-56
- ☀ Introduced the members only activity of lighting the way home for sea turtles P.55-56
- ☀ 5x points promotion on marine environment-friendly products P.55-56



- ☀ Establishing an effective corporate governance structure P.23-29
- ☀ Poya asks the suppliers to complying with its contracts based on principle of good faith P.36-37

# 03 Identification of Stakeholders and Materiality Assessment

Poya values the stakeholders' opinions. We communicate with stakeholders through a variety of channels to understand and identify issues that our stakeholders are concerned with. We confirm the materiality of the topics and then evaluate the internal and external boundary to ensure that important CSR information has been fully disclosed in this report.

## 3.1 Identification Process of Material Aspects

Stakeholder Identification	<ul style="list-style-type: none"> <li>•According to the five principles in "AA1000 SES Stakeholder Engagement Standards", the CSR team identifies the following stakeholders of Poya.</li> </ul>
Material Aspects Inspection	<ul style="list-style-type: none"> <li>•CSR team will collect the concerned issues through a variety of channels.</li> <li>•CSR team will select key CSR issues which are highly relevant to Poya based on the GRI standard.</li> </ul>
Analyzing and placing order	<ul style="list-style-type: none"> <li>• CSR team analyzes the degree of stakeholders' concern to each topic based on the questionnaire.</li> <li>•CSR team analyzes the impact of each topics to sustainable operations.</li> <li>•CSR team then assesses and places order for each topic.</li> </ul>
Reorganize and Disclose	<ul style="list-style-type: none"> <li>•CSR team will determine the boundary by identifying the internal and external impact caused by the material topics based on GRI-G4.</li> <li>•The execution results, communication channels and frequency are incorporated into this report.</li> </ul>

## 3.2 Poya's Stakeholders and Communication Channels

Pursuant to the AA1000 Stakeholder Engagement Standards (SES), Poya employs the five principles, which are dependency, responsibility, influence, diverse perspectives, and tension, to identify the following stakeholders of Poya by our CSR team:



Poya has set up a stakeholder section on the corporate website. ([https://www.poya.com.tw/en/financial\\_reports.html](https://www.poya.com.tw/en/financial_reports.html)), with customer service mailbox and hotline available. We aim at understanding the needs and expectations stakeholders have of the company through a variety of communication channels. Poya provides various communication channels which are described below:

Stakeholder	Concerned Issues	Communication Channel Frequency
Investor	<ul style="list-style-type: none"> <li>☺ Operational and financial information</li> <li>☺ Corp. Governance</li> <li>☺ Shareholders' Equity</li> <li>☺ Social Charity</li> <li>☺ Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>◆MOPS (according to regulations)</li> <li>◆Investor Conference(17 times in 2020)</li> <li>◆IR Email(reply in real time)</li> <li>◆Shareholders' Meeting(annual)</li> <li>◆Office website(at least once a month)</li> </ul>
Employee	<ul style="list-style-type: none"> <li>☺ Remuneration and Welfare</li> <li>☺ Training and Education</li> <li>☺ Human Equality and Rights</li> </ul>	<ul style="list-style-type: none"> <li>◆ABC Conference (monthly)</li> <li>◆Internal Meeting (monthly)</li> <li>◆Training Course(at least once a quarter)</li> <li>◆KPI Assessment(at least once a quarter)</li> <li>◆Email (reply in real time)</li> <li>◆Communication Software/Notes/Connections (reply in real time)</li> <li>◆Labor-management meeting(quarterly)</li> </ul>
Customer	<ul style="list-style-type: none"> <li>☺ Customer Service</li> <li>☺ Supplier Appraisal</li> <li>☺ Supplier ESG assessment</li> <li>☺ Legal compliance</li> <li>☺ Human Rights and Equality</li> </ul>	<ul style="list-style-type: none"> <li>◆Questionnaire (irregular)</li> <li>◆AD/DM (monthly)</li> <li>◆Official Website (reply in real time)</li> <li>◆Email (reply in real time)</li> <li>◆0800 Hotline (reply in real time)</li> <li>◆Communication Software (reply in real time)</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>☺ Supplier Appraisal</li> <li>☺ Supplier ESG assessment</li> </ul>	<ul style="list-style-type: none"> <li>◆E-Platform (real time)</li> <li>◆On-site assessment and New Product Presentation (irregular)</li> <li>◆Review Report and Communication Meeting (irregular)</li> <li>◆Audit Management (irregular)</li> </ul>
Government	<ul style="list-style-type: none"> <li>☺ Corp. Governance</li> <li>☺ Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>◆Conference held by Competent authority (irregular)</li> <li>◆Communication with Supervision agency(according to regulations)</li> <li>◆Correspondence policy by relevant authority (according to regulations)</li> </ul>
Community and NGO	<ul style="list-style-type: none"> <li>☺ Social Charity</li> <li>☺ Climate Change and Greenhouse Gas Emission</li> </ul>	<ul style="list-style-type: none"> <li>◆Community Care (irregular)</li> <li>◆Society Charity (irregular)</li> <li>◆Activities in Local Community (irregular)</li> </ul>

### 3.3 Analysis and Ranking of Substantial Issues

Figure 3.1 shows the Matrix of Material and Substantial Issues. The company prioritizes the material topics in the report by the degree of concern and frequency stakeholders hold toward each topic and the degree of impact to the company.

To those material and substantial aspects, detailed information will be addressed in the report. Other related topics but with fewer concern or lower impact shall also be briefly disclosed in the report. Or some topics would be replied through Poya's CSR official website or other communication channels.



Figure 3.1 Matrix of Material and Substantial Issues

### 3.4 Material Aspects and Boundary of the Report

The CSR report covers the scope of Poya's headquarters and the branches nationwide which are substantially in the internal boundary. The external boundary includes customers, suppliers and local community. The material aspects and boundary of the report shall be determined by analyzing that whether each aspect causes substantial impact internally and externally.

Aspect	Material topic	Internal		External		
		Head Office	Branches	Customers	Suppliers	Community
Economy	Economic Performance	■	■			
	Market Status	■	■	■		■
	Procurement Practices	■	■		■	
	Anti-Corruption	■	■		■	
	Anti-Competition	■	■	■		
Environment	Energy	■	■			■
	Water consumption	■	■			■
	Greenhouse Gas Emission	■	■		■	■
Society	Employment	■	■		■	
	Occupational Safety and health	■	■		■	
	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	■	■	■	■	

# 04 About Poya International

## 4.1 Corporate 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. Also, Poya has devoted to provide a various product offerings with up to 60,000 SKUs at most in our shopping space with average size of 342 pings or 1,129 square meters per store. 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 mass market product at an attractive price. 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.



POYA 寶雅

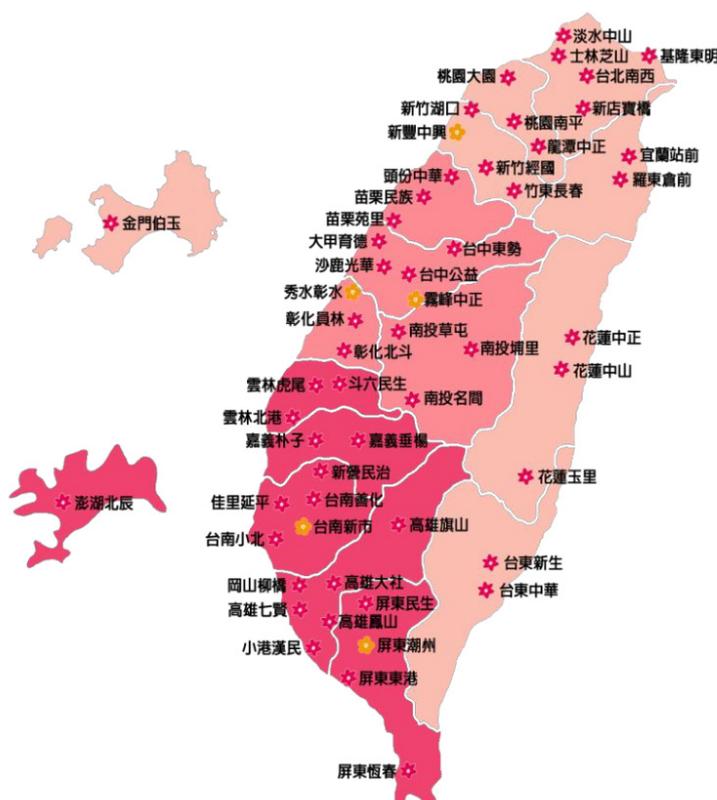
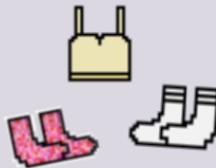


Figure 4.1  
281 stores  
(260 Poya and 21 Poya Home  
by the end of 2020)

Corporate Profile	
Chairman	Chen Jian-Zao
Date of Foundation	March, 1997
Date of Listing	September, 2002 (Code:5904)
Capital	NTD 0.98 billion in 2020
Industry	General Merchandise Retailing Industry
Address of Headquarter	No.74, Sec. 3, Minzu Rd. West Central Dist. Tainan City

## Main products of Poya

Skin Care & Cosmetics	Daily Merchandises	Trendy underwear and socks	Delicate and personal supplies
<ul style="list-style-type: none"> <li>Includes domestic brands of cosmetics, counters of skin care beauty and healthy products, and cosmetics and skin care products in open-shelves.</li> </ul> 	<ul style="list-style-type: none"> <li>Includes daily necessities, family groceries, hardware, shampoo and showering products.</li> </ul> 	<ul style="list-style-type: none"> <li>Includes counters of branded underwear, and personalized and trendy underwear and socks.</li> </ul> 	<ul style="list-style-type: none"> <li>Includes food, stationery, leather goods and fashion ornaments.</li> </ul> 

## Poya's Industry outlook

Poya is a general merchandise retailer selling a whole variety of merchandise. According to the report compiled by the Ministry of Economic Affairs, annual growth rate of retailers in Taiwan was 0.2% with the sales of 3.9trillion. Of which, the annual growth rate of comprehensive merchandise retailing industry reached 1.5%, better than whole retailers performance in Taiwan. The comprehensive merchandise retailing industry includes: Department store, Supermarket, Convenience store, Hypermarket and Other Comprehensive store. Please refer to figure 4.2. for sales mix of each.

Leveraged by our unique market position supported by a rich product portfolio of skincare & cosmetics products and delicate personal goods, Poya has established a modern and comfortable shopping space with one-stop shopping experience to our customers. Thanks to our expansion strategy, the market share of Poya in the general merchandiser field has continued to rise.

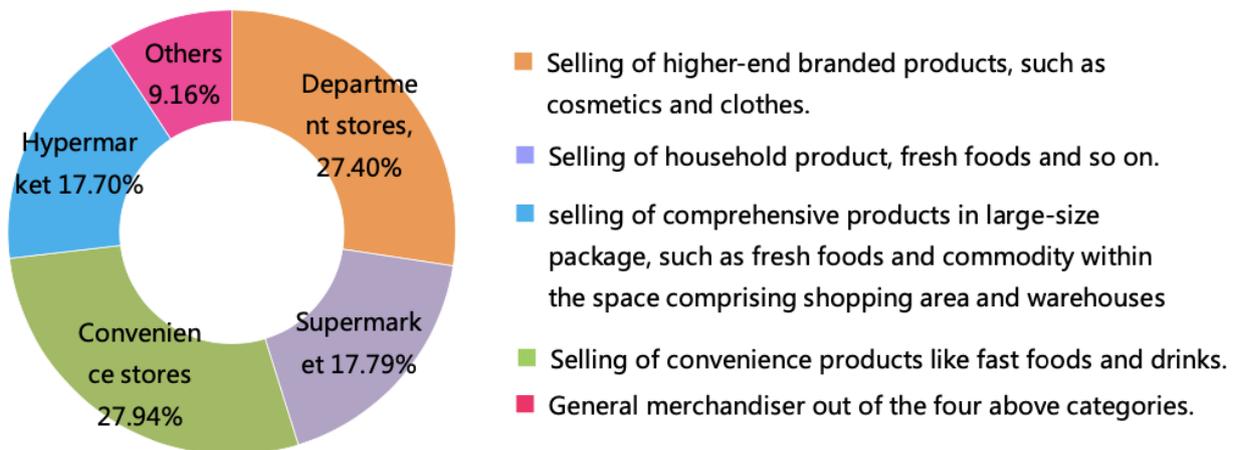


Figure 4.2 2020 Sales Percentage in General Merchandise Retailing Industry (Source: Ministry of Economic Affairs)

# 寶家 POYA HOME 五金百貨

The company launched a new home center brand 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 21 stores by the end of 2020.

By our comfortable shopping environment with a full selection of products and a friendly service platform, Poya Home aims to address customers problems with solutions for their daily life. Our products range from professional hardware sourcing domestically or from the international brands, repair parts, household products, daily necessities, personal care and imported snacks.

Leveraged by our experience and resources, Poya taps into a more potential market with Poya home serving as the second growth driver.

## Main products of Poya Home

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



## 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, the ratio of chain store in Taiwan's hardware market remains low. There are around 1,300 hardware stores sharing the 80 billion market, mainly on lower-end with no differentiation and diversity. Coupled with unorganized shopping space, we believe this can't be an ideal destination for consumers. In addition, due to lack of scale, we noted the traditional hardware department stores heavily rely on suppliers, which leads to messy pricing with unsound management of product quality. As such, Poya considers this as an opportunity with market potential. We penetrated into the hardware market officially in the middle of 2019 with Poya Home brand, targeting 100 stores in 7 years. This should allow us to be the leading player thanks to our acceleration of scales with store expansion plan. By providing a better shopping experience, we believe development of Poya Home could lead us to the next milestone.

## 4.2 Operation Strategy

We outline three operation strategies to meet customers' changing needs in the pursuit of the sustainable growth.

### Development of Chain Store System

Given our focus on Taiwan's domestic market, there were 281 stores including 260 Poya and 21 Poya Home by the end of 2020. Thanks to robust development of shopping malls in Taiwan and our established store opening strategy, we lift our long-term store target from 400 to 500 stores by smaller shops into those untapped area. Meanwhile, we also aim to increase our scale and complete the supply chain of Poya Home to expand our footprint in Taiwan's retail market.

### Product Optimization & Store Upgrade

Poya holds focus group meetings at a regular base to capitalize on the market trend. By realizing of consumer demand, Poya can continue to optimize product assortment with our suppliers. Poya continued to upgrade our stores, introducing 5th generation stores in 2017 and 6th generation stores in 2018. Our 5th generation store emphasized on display optimization, which includes (1) makeup zone (2) derma cosmetics (3) hotspots and thematic counters for display; we also develop customized shelves, allowing us to display a variety of products within same space, which enable us to roll out our smaller shops. In the recent two years, we have continued to optimize and adjust different product mix for the development of different stores at school district, residential area, and commercial area etc, to bring customers a better experience.

### Marketing Transformation

In the past, Poya's marketing was mainly focus on the distribution of brochures/DMs. Poya launched our first redeemable rewards campaign in 2019, which was a bit hit through various media reports and recommendations by influencers. In 2020, we continued our well-received campaigns on collection of points for redemption activities with the debut of the Spring Festival lucky bag, which attracted more eyeballs. In the future, we will continue our digital transformation in marketing to drive customers to our physical stores.

**精彩福袋 • 好運全開**

1/25 初一開賣 每款每店限量100份

每袋價值 \$800-\$2,000以上

每袋價值 \$600以上

每袋價值 \$99

（多款人氣商品混搭，福袋內容依實際為主）

注意事項：  
1. 本活動期間內，凡購買指定商品，即可參加抽獎。  
2. 抽獎活動由即日起至2021年1月25日止。  
3. 抽獎活動詳情請洽各門市。  
4. 抽獎活動最終解释权歸本公司所有。  
5. 抽獎活動如有任何疑問，請洽本公司客服。

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## 4.3 Financial Results

### In 2020, Poya reached...



Net profit in 2020: **NT\$2.11 billion**  
(up 11.84% YoY from 2019)



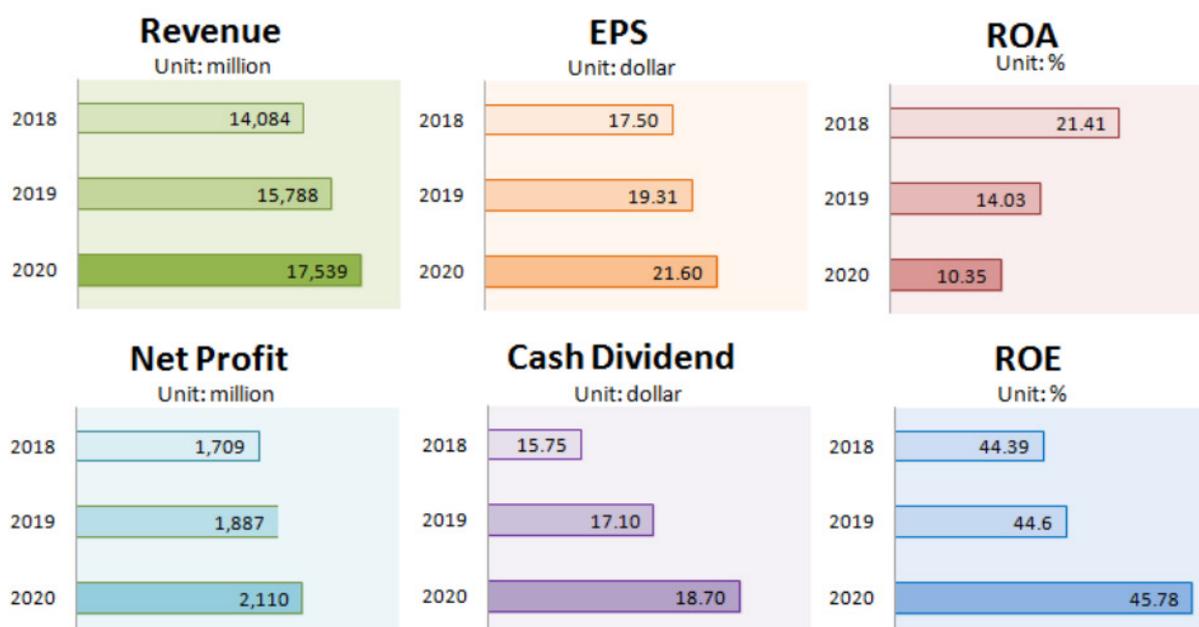
ROE in 2020: **45.78%**  
(up 2.65% YoY from 2019)



Store numbers in 2020: **281 stores**  
(Including 21 Poya Home stores)  
(increased a total of 46 new stores in 2020)

Poya aims at becoming as “A more preferred Poya by the customers”. We enhance our brand value of Poya through proactive store expansion, product optimization, store upgrade and digital marketing. With the dedication by our management team and all of the employees, the operating revenue and profit for the year tax in 2020 were NT\$17.5 billion and NT\$2.1 billion respectively, both of which reached record highs.

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](https://www.poya.com.tw/en/financial_reports.html)



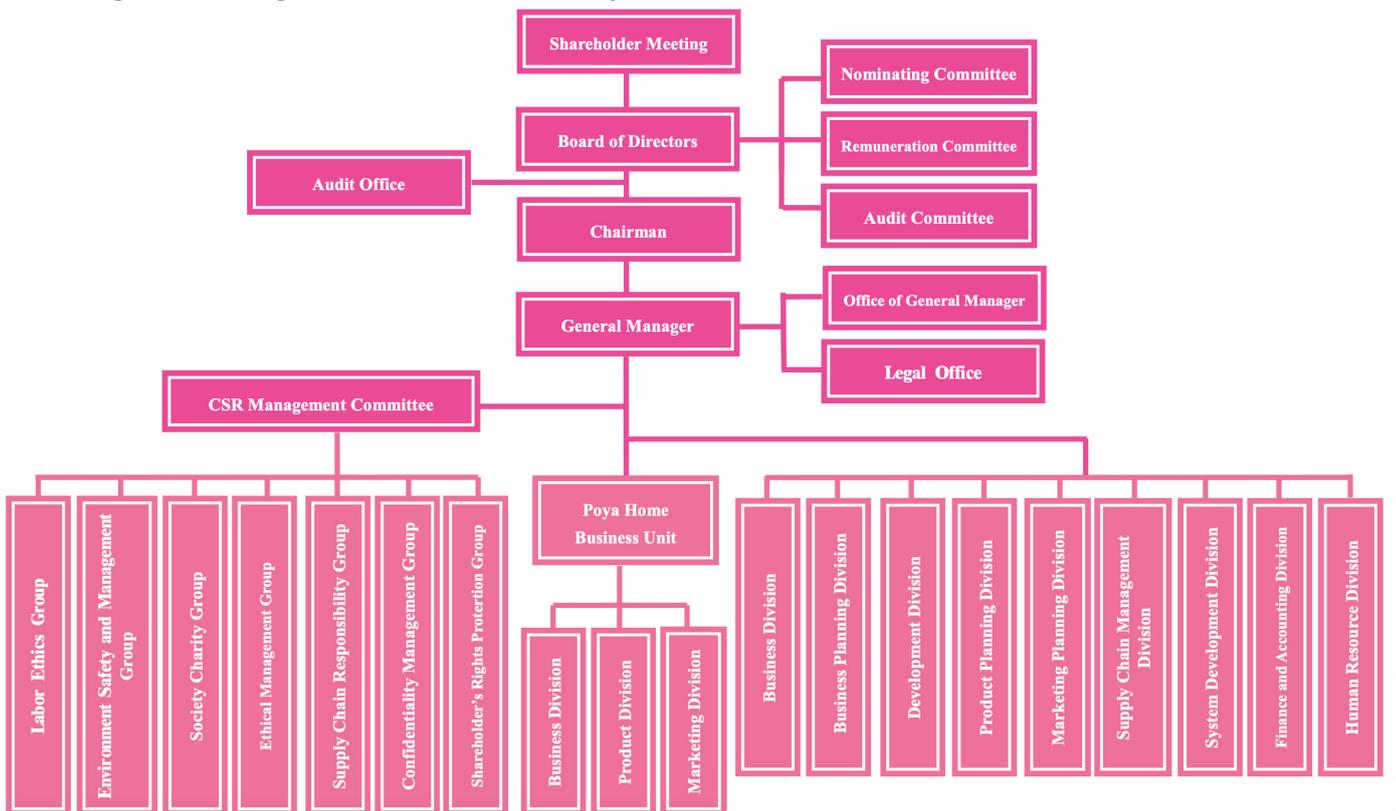
## 4.4 Sound Corporate Governance

Sound corporate governance is the cornerstone of stable corporate development. Poya has built a sound and rigorous corporate governance structure to ensure sustainable business operation. (Please refer to Figure 4.3 on Poya’s organizational chart)

Poya has set up the corporate governance system proactively since 2014 .Poya has also voluntarily established the Independent Directors, audit committee and nominating committee to strengthen the structure and operation of the board of directors; Poya voluntarily publish and disclose our annual CSR report; we proactively implement e-voting at shareholders’ meetings and adopt case by case voting. Through the multiple voting channels, Poya can increase the attendance rate and participation of shareholders. In addition to various codes of conduct in compliance with the regulations of the competent authorities, Poya also amends relevant regulations in accordance with competent authorities. Poya enhances 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. Poya was not fined for violating the Company Act, the Securities and Exchange Act, and other laws and regulations in 2020.

Figure 4.3 Organizational chart of Poya



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.

1

**Sound corporate governance**

2

**Strengthen the structure and function of Board of Directors**

3

**Implement corporate social responsibility**

4

**Maintain the shareholders' equity with fair treatment for every shareholder**

5

**Enhance the information transparency**

## Strengthen the structure and Function of Board of Directors

To enhance financial information disclosure, managerial performance and stability, and the Company's sustainable development, the Audit committee, the Remuneration Committee, and the Nominating committee have been set up under the Board of Directors, Poya 's highest governing body. Our general manager serves as the chairman for the Corporate Social Responsibility Management Committee. It implements top-down management and supervision to ensure the sound operations of the corporate governance.

Poya reelected Directors at 2020 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.

The Board of Director was comprised of 7 Directors with one to be the female Director, accounting for 14% of all directors. The average age of the board members is 63. The background of our Directors varies from information, finance, accounting, electronic components, construction 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.

Evaluate and protect the rights of shareholders

Evaluate the functions of Board of Directors

Evaluate the functions of Audit Committee

Evaluate the functions of Nominating Committee



Evaluate the information transparency

Evaluate internal audit system

Evaluate operating strategies

Undertake the corporate social responsibility for stakeholders

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 Maersk Investment Co., Ltd.



**Wu, Lin-I** Independent Director

Chairman and General Manager, Li Xin Emporium Co., Ltd.  
Chairman, Fullon Hotels & Resorts  
Chairman and General Manager, Yamay International Development Corp.  
Vice President, Chairman and General Manager, Peng Cheng Construction Corp.  
Chairman, Hi Mall



**Li, Ming Hsien** Independent Director

Associate Professor, National Cheng Kung University  
Vice Director, Zhi Cheng Accounting Firm  
Independent Director, Soft-World International Corporation  
Independent Director, Brogent Technologies  
Chairman, Chien Hsing Information Co., Ltd.  
Independent Director, Allring-Tech.  
Independent Director, Jinyuan President Securities



**Liu, Zhi Hong** Independent Director

Director, Thinflex Corporation  
Independent Director, Symtek Automation Asia Co., Ltd.  
Independent Director, Fitness Factory Co., Ltd.  
Chairman, Chien Hsing Information Co., Ltd.  
Director, Chien Lian Investment Co., Ltd.  
Director, Shun Lai Business Consultancy Co., Ltd.



**Chen, Ming Shian** Director

Chairman and VP of Great China Business Dept., ST. Shine Optical Co., Ltd.  
Director, Shine Optical Holding Groups Inc.  
Director, Shine Optical (Samoa) Holding Groups, Inc.  
Director, Shine Optical HK Limited Director, 3D Global Biotech

\*Remarks: The information was from 2019 Poya annual report.  
For the latest data, please refer to the Market Observation Post System.

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

The function of chairman and general manager is clearly defined and executed by different people for the implementation of sound corporate governance and the function of the Board.

## The operations of Board meeting

The Board of Directors meets 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 operation. The Board meeting provides guidance and advice based on the performance and strategies proposed 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. The board of directors convened 13 times in 2020 with an attendance rate of 93%. For important resolutions of the Board meeting, please refer to the company's annual report.

## Courses for further studies taken by the Directors

To keep updated knowledge of the Directors, Poya arranges regular 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 2020. The courses for further studies taken by the Directors could be referred to annual report.

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

To fulfill the duty of supervision, 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 2020 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 for Directors' remuneration in 2020.

## Purchase of liability insurances for the Company's Directors

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 2020 with the sum insured to be USD\$5 million. The period of insurances was from October 1, 2020 to October 1, 2021.

## Board performance evaluation

The Company has established the "Rules of performance evaluation of Board of Directors and conducted evaluations in accordance with the relevant regulations. The Company completes self-evaluation and peer evaluation with internal questionnaires by the end of the first quarter of the following year. The results reported to the Board of Directors, and disclosed on the Company's official website designed for investors. The company would continue to enhance by the proposed suggestions. The evaluation of the members of the Board, the Board of Directors, the Audit Committee and the Remuneration Committee for the year of 2020 was completed on January 25, 2021, and the results of the performance evaluation suggested "Effective overall performance of the Board of Directors".

### Measurement items for performance evaluation for Board of Directors:

The degree of participation in the corporate operations/ Improvement of the quality of decision making by the Board of Directors/Board composition and structure/ Election and continuous development of Directors/ Internal control

### Measurement items for performance evaluation for individual Directors:

Undertaking of the goals and missions of the Company/Recognition of duties as Directors/ Degree of participation in the Company's operations/Management of internal relationship and communication/ Professionalism and continuing education/ Internal Control

### Measurement items for Performance evaluation for members on the Functional Committees:

Degree of participation in the Company's operations/ Recognition of duties as members on the functional committees/improvement in the quality of decision making by functional committees/Composition and election of functional committee members/internal control

## Internal audit

The Company's internal audit is an independent unit under the Board of Directors. In addition to the routine report to the Board of Directors, the internal audit also reports immediately to the Audit Committee, the Chairman and the General Manager when necessary to implement the spirit of corporate governance.

The Audit Office prepares annual audit plans in accordance with laws and regulations and risk assessment results. In addition to performing various audit operations in accordance with the audit plans, the Audit Office also performs project audits based on regulatory changes and newly identified risks in order to conduct comprehensive risk management, improve operational performance, and further enhance the overall interests of the Company. The results of the 2020 audit have been reported to the Board of Directors, and no internal control deficiencies or irregularities were found. The Audit Office only made suggestions on the operation process for the reference of each department to improve the quality of management.

## Functional Committees

Poya has established Audit Committee, Remuneration Committee and Nominating Committee under 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 are composed of 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 supervision and exercise the duty 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

☉ The Audit committee convened 7 times in 2020 with sound communications between Independent Directors, internal auditors, and CPAs. The average attendance rate was 82% (The 2nd term: 82%; The 3rd term: 89%).

## 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.

☉ The Remuneration committee convened 6 times in 2020 with the attendance rate of 89% by three independent directors. 4 meetings and 2 meetings were held at 3rd and 4th term respectively.

## 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 shall be under operation according to Nominating Committee Charter.

☉ The nominating committee convened 2 times in 2020 with the attendance rate of 90% by directors.



## The implementation of corporate social responsibility

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (herein called Responsibility Committee) is responsible for formulating and organizing the direction and target for the sustainable development of corporate social responsibility policy. The Committee is divided into seven functional groups, including 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, or our general manager, shall review the annual performance of each functional team personally on irregular basis. Please refer to Figure 4.4 for the Organization Chart of Corporate Social Responsibility Committee.

Description of Responsibility Committee:

- ◆ Chairman: The general manager
- ◆ Core members: Top manager of each division, such as Finance and Accounting Division, Audit Office, Human Resources Division, Marketing Planning Division and Product Planning Division.
- ◆ Functional Teams: 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 corporate social responsibility policies and plans with Chairman reporting to the Board of Directors on regular basis ; Since 2014, Poya has voluntarily drafted and published the annual CSR report to help stakeholders to understand the operations of corporate social responsibility.

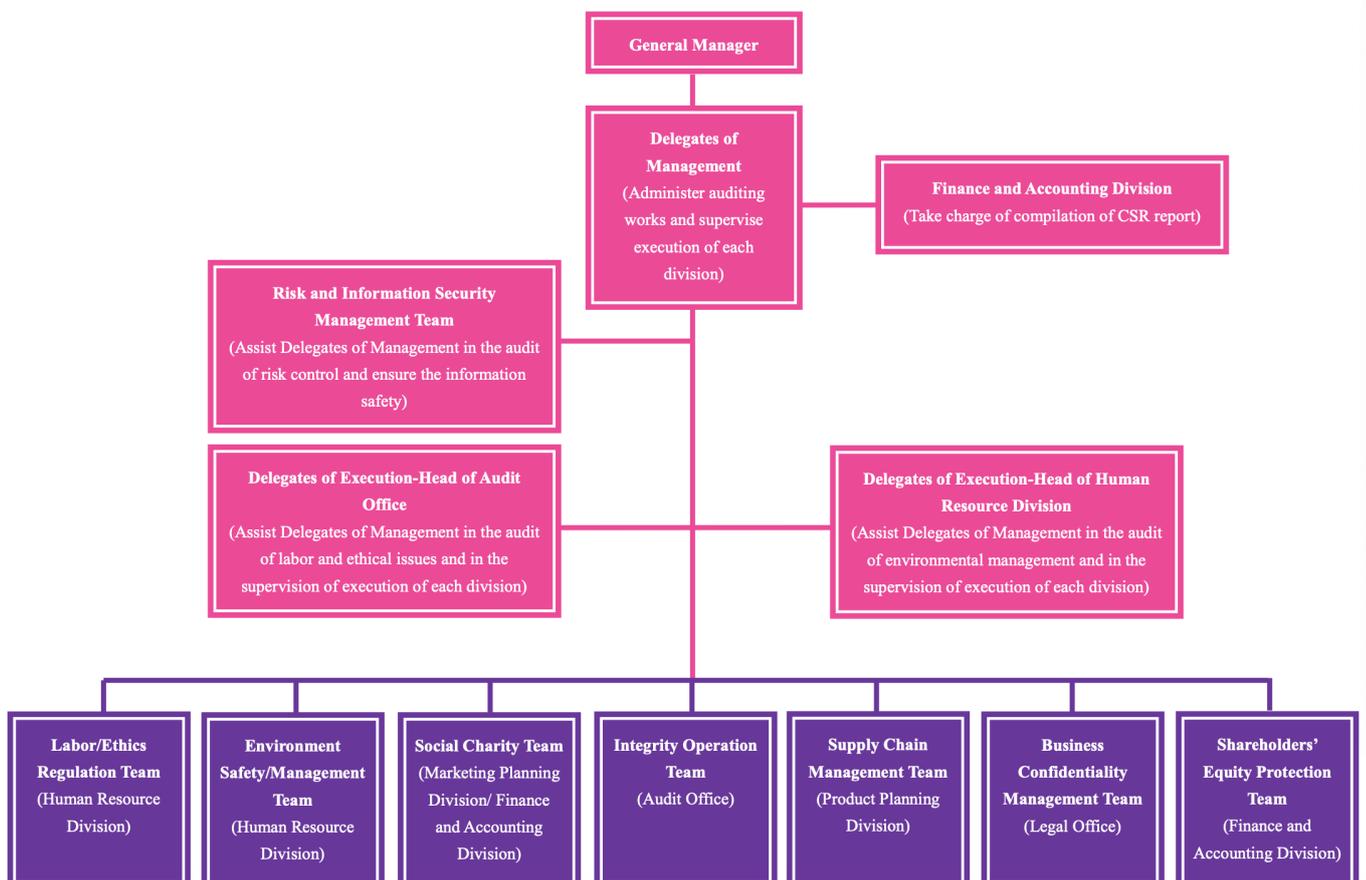


Figure 4.4 Organization Chart of Corporate Social Responsibility Committee

## Risk management

Poya established the Risk and Information Security Management Team under the CSR Management Committee for risk management, responsible for coordinating with relevant departments to identify, assess, control and monitor risks. The team will report to CSR Management Committee on a regular basis each year, and will respond to the implementation of risk management in a timely manner and make necessary recommendations for improvement.

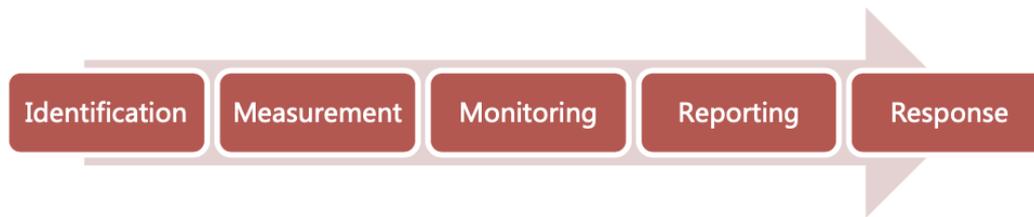
According to the assessment of business operations, risks can be divided into four aspects: financial risks, market risks, strategy and operation risks and damage risks. We set up corresponding dedicated units based on the categorization of the risk. From here, we identify, evaluate, monitor, and respond to all risks. The primary risks and dedicated units are as follows:

Dimension	Type	Risk management measures	Dedicated Unit
Economics	Strategic operational Risks	Each division formulates operational and risk assessment plans, tracks operational performance in our monthly strategy meeting, and adjusts operation strategies in a timely manner to meet operational goals and vision according to observation on market competitiveness and consumption trends.	Business Planning Division/ Marketing Planning Division
Economics	Finance Risks	The Finance and Accounting Division takes laws, policy and market changes into consideration when setting various strategies, processes and indicators, periodically analyzing and assessing changes of relevant risk and taking appropriate countermeasures to reduce the Company's overall potential risk.	Finance and Accounting Division/ Audit Office
Economics	Market Risks	Each business unit, based on function, analyzes and assesses Board of major domestic and foreign policy, law and technological changes and adopts appropriate countermeasures to reduce future potential operating risks.	Board of Directors/ Office of General Manager
Society	Information Security Risks	Information security and crisis management procedures are established by System Development Division in accordance with changes in laws, policies and technology to reduce the impact of information system crashes, data corruption or intrusion on the company's operations. We also regularly analyze and evaluate the risk changes and take appropriate measures to reduce the future potential risks.	System Development Division
Society	Damage Risks	The Human Resources Management Division establishes various procedures and indicators in accordance with the law, including contingency management methods and education and training systems to reduce the impact of natural disasters on operations.	Human Resource Management Division
Environment	Climate Risks	Each division proposes appropriate countermeasures related to climate change according to their functions. Climate risk items include: transitional risk of related regulations and physical risk such as increased extreme weather events. Please refer to Chapter 7, "Environment" for details.	Each Division of the Company

The Audit Office prepares annual audit plans and self-inspection procedures and methods through risk assessment and legal regulations, and continuously controls the above potential risks through the execution of audit plans and self-inspection operations. The results would be reported to the Board of Directors on a regular basis.

## Risk Management Process

Our risk management process is divided into five stages:



The description of each stage of control is as follows:

1. Risk Identification: The Risk and Information Security Management Team and all related divisions identify potential risks associated with operational activities through risk management meetings.

2. Risk Measurement: After evaluating each risk factor according to their job content, each related department shall establish an appropriate exposure assessment for risk management.

(1) Risk assessment includes risk analysis and evaluation, which is used to assess the impact of risk on the Company by analyzing the likelihood of occurrence of risk events and the degree of negative impact if they occur, and to serve as a reference for the subsequent prioritization of risk control and selection of response measures.

(2) For quantifiable risks, rigorous statistical analysis methods and techniques should be adopted for analysis and management.

(3) For other risks that are currently difficult to quantify, the likelihood of their occurrence and the extent of their impact are expressed through textual descriptions.

3. Risk Monitoring: Each division head shall monitor and control the implementation of risk management within the scope of responsibility and management process at all times and take necessary measures in a timely manner.

4. Risk Reporting: In order to adequately document the risk management process and the results of its implementation, the Risk and Information Security Management Team shall report the risk status to the Board of Directors at least once a year for management reference.

5. Risk Response: The following measures should be taken in response to the risks faced

(1) Risk avoidance: Take measures to avoid activities that may give rise to risks.

(2) Risk reduction: Measures are taken to reduce the impact and/or likelihood of the occurrence of the risk after it has occurred.

(3) Risk Sharing: The transfer of risk to others, in part or in whole, ex: insurance.

(4) Risk Acceptance: No measures are taken to change the likelihood of the occurrence and impact of risks.

## Ethical Corporate Management

Uphold with the ethical management, Poya formulated relevant policies to implement 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” for the Directors, managers and all the personnel to follow and to improve self-disciplined and integrity for the Company from Top-down perspective.

Poya conducts “Ethical Corporate Management” briefing at the monthly internal meeting to promote its concepts and policies. For the cooperation with suppliers, Poya asks the suppliers for complying with its contracts based on principle of good faith, and prohibits them from breaking the public order or goods morals. If there is any violation on law or related food safety regulations lead to significant affect or damage on environment and society, the company shall have the right to terminate the contract. In addition, 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 2020, Poya’s employees did not have any violation of ethical conduct.

If any external stakeholder finds any breach of integrity, the Company provides a free customer service hotline, e-mail, Facebook and investor service contact window so that each stakeholder can immediately respond to the management and provide comments. Once the company receives the message, we will send it to the corresponding special unit and request it to report the progress and do internal review within the specified time.

## 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 voluntarily disclosed the performance. Please see below our disclosure of information:

<p> Voluntary disclosure</p> <ol style="list-style-type: none"> <li>① Disclosing the respective remunerations of the directors in the annual report voluntarily.</li> <li>② Introducing e-voting at the Board meeting voluntarily.</li> <li>③ Preparing the annual CSR voluntarily since 2014.</li> </ol>	<p> Investor conference</p> <p>Poya participated in 17 conferences held by external institutions in 2020 and announced conference timetable and presentation copy on official website.</p>
<p> Information transparency</p> <ol style="list-style-type: none"> <li>① CN/EN official website</li> <li>② Financial calendar offered</li> <li>③ Latest annual report and financial statements</li> <li>④ Registration agent and contact window offered</li> <li>⑤ Updating relative information of Board meeting (ex. annual report, meeting notice, meeting agenda)</li> <li>⑥ Resolutions of Board meeting, major internal regulations and CSR report offered.</li> </ol>	<p> Information in CN/EN</p> <ol style="list-style-type: none"> <li>① Material Information</li> <li>② Major resolutions of Board meeting</li> <li>③ Major internal regulations</li> <li>④ Financial statements</li> <li>⑤ CSR report</li> <li>⑥ Conference presentation</li> <li>⑦ Annual report, meeting notice, meeting agenda</li> </ol>

## Maintain the shareholders' equity with fair treatment for every shareholder

### a. Official website for investors section on corporate governance.



Poya set up official website as investor section on corporate governance in both Chinese/English languages, 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. Implement E-voting system

In order to maintain the shareholder equity, and have a full communications with shareholders, all the acknowledgements and discussions on annual shareholders meeting 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 78% in 2020 with the total voter turnout rate up to 91%.

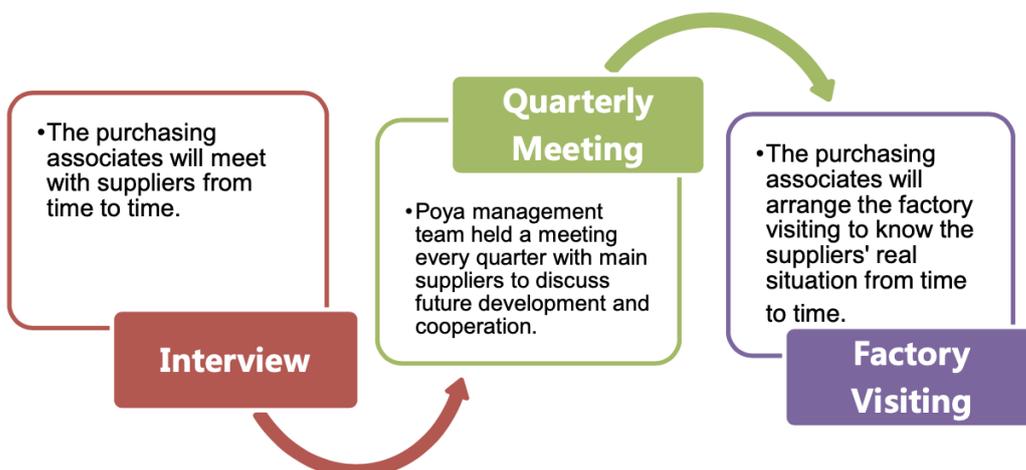
# 05 Product



## 5.1 Supply Chain Management

Most of our goods are purchased from local suppliers, therefore Poya faced little risk of exchange rate. Currently, there are over 400 suppliers cooperating with Poya, including local/international corporations based in Taiwan. The biggest supplier accounts for less than 5%, indicating limited concentration risk from single suppliers. We also work with strategic suppliers to develop new products in response to changing needs from consumer and market demand.

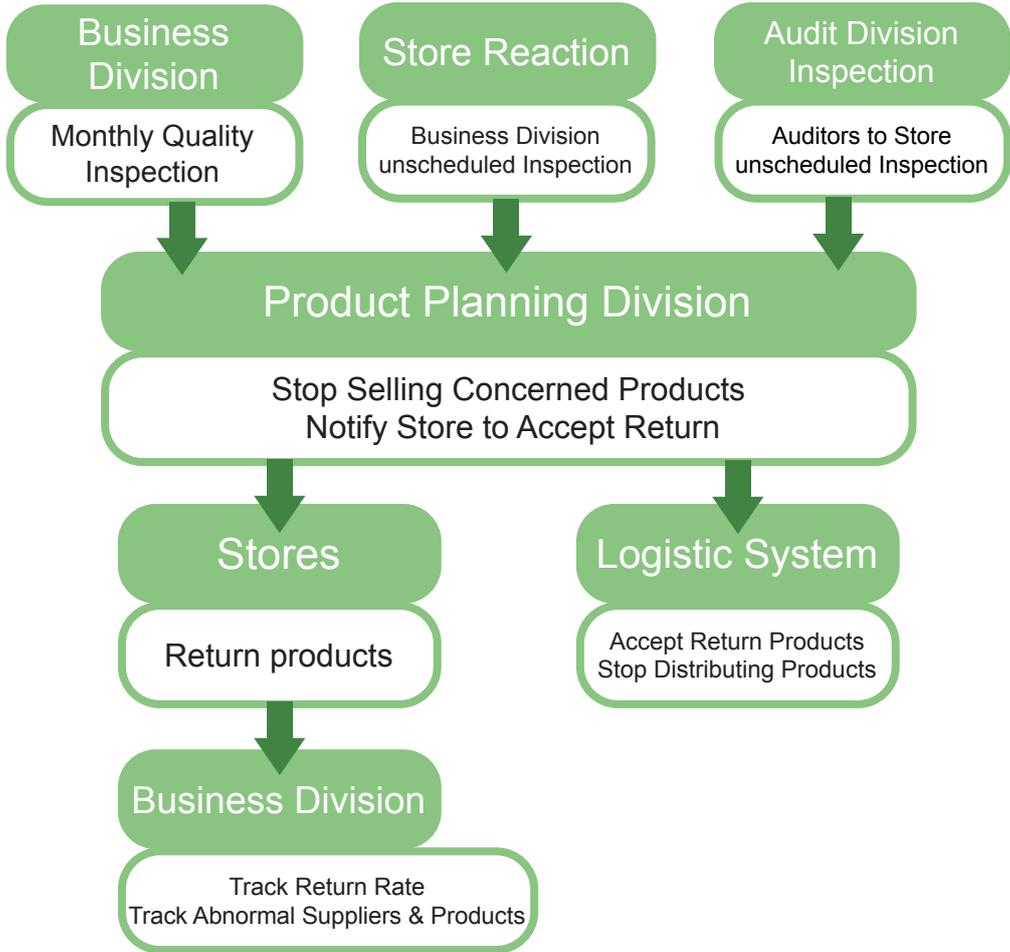
Poya offers more than 60,000 products with wider selections for customers. In 2017, we introduced our automated logistics center to improve inventory efficiency and operational effectiveness. With our diversified product assortment as well as competitive inventory management, Poya continues to establish our competitive advantage and to differentiate ourselves from our competitors.



# Food Safety and Product Safety

Given our rich product portfolio with 60,000 items, Poya has enhanced and improved our procurement and returns of goods mechanism each year. In 2016, there was an accident that Poya was selling expired product, which Poya has learned from the lesson and to strengthen defective goods management. There is no similar incident ever happened again. Figure 5.1 shows the flowchart of monthly quality checks. 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 examine product inspection in stores on a regular basis and employees of audit division will conduct the inspection on an irregular basis. If there are concerned products in store, Poya will remove and stop selling such product until the quality being confirmed.

Poya has established supply chain management process to ensure the product quality. Before entering a contract with suppliers, 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. Poya requires our suppliers to comply with related regulations, such as the Commodity Labeling Law, under the review from Poya’s purchasing department. In recent years, with the rise of environmental awareness, Poya also encourages suppliers to carry out third-party certification and reduce packaging. In 2020, there’s no fines from the authorities due to food safety issues. For those who are considered to violate our internal standard working process, Poya has reviewed and adjusted with no significant impact. Poya do not sell any controversial or prohibited products.



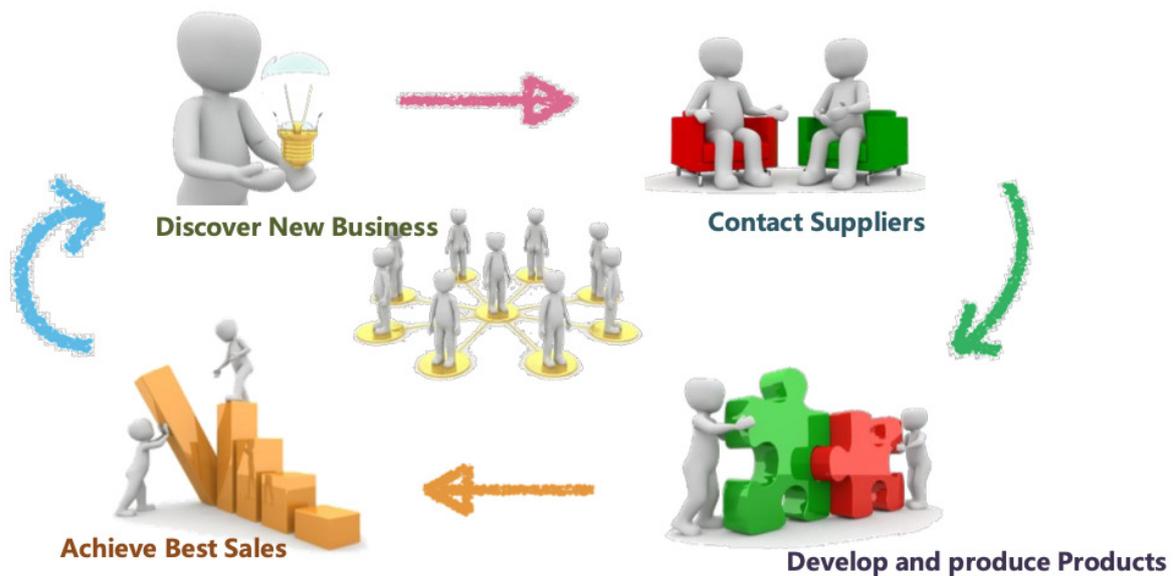
Figures 5.1 Poya monthly quality inspection flow chart

## Suppliers Cooperation

Poya could follow the market trend to develop the owned or exclusive products according to sales analysis and customer feedback from focus group.

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

This should benefit to our customers, suppliers, and ourselves, as customers get the products they want with suppliers obtaining higher product sales and Poya enjoys sales performance and increase of customer satisfaction. (Figure 5.2)



Figures 5.2 Suppliers Cooperation Model

## Precise Order

We are dedicated to improve our accurate order system to avoid negative impact as “massive order, massive return” to suppliers. Poya has established an automatic order system which will suggest optimal quantities according to the historical sales and the real-time stock for each shop. Then our store staffs will review the order and the store managers will approve the order.



## The CSR Requirements for Suppliers

Poya is a specialty retailer in the personal store space providing up to 60,000 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. With our dedication to customer service, Poya provides the most professional, convenient, extraordinary shopping experience to our customers with a rich portfolio of product selections and shopping space. On the way to grow our business, Poya also spares no efforts in implementing the corporate social responsibility by introduction of the products as follows:

1. The textile bathing products without dyeing, bleaching, and chemicals additives: Poya will seek qualified suppliers with production procedure 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 shop 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'Oreal, Johnson & Johnson, Nice 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 procedures to ensure the safety and quality for all the infant and personal care products; Nice 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. Poya also advances our supplier management policy, requiring suppliers to follow the regulations of environment, occupational health and safety, labor and human rights etc to implement our CSR requirement for suppliers. 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.

## 5.2 Product Management and 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.

## Product Quality and Safety

To understand customers' demands and better satisfaction, Poya interviews representative customers and shops with them in POYA stores. (see Figure. 5.3) Poya replaces 20% to 30% of merchandise yearly. And our merchandise policy emphasized on safety and quality of products which meet customers' demands. In suppliers' contracts, Poya clearly requires suppliers to ensure product quality with no acceptance on counterfeit, and to comply with related laws and regulations. At the same time, Poya performs regular inspections 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-scheduled inspections as well. Any concerned products will be removed from shelves and stop selling immediately until the concern dismissed.

## Products Labeling

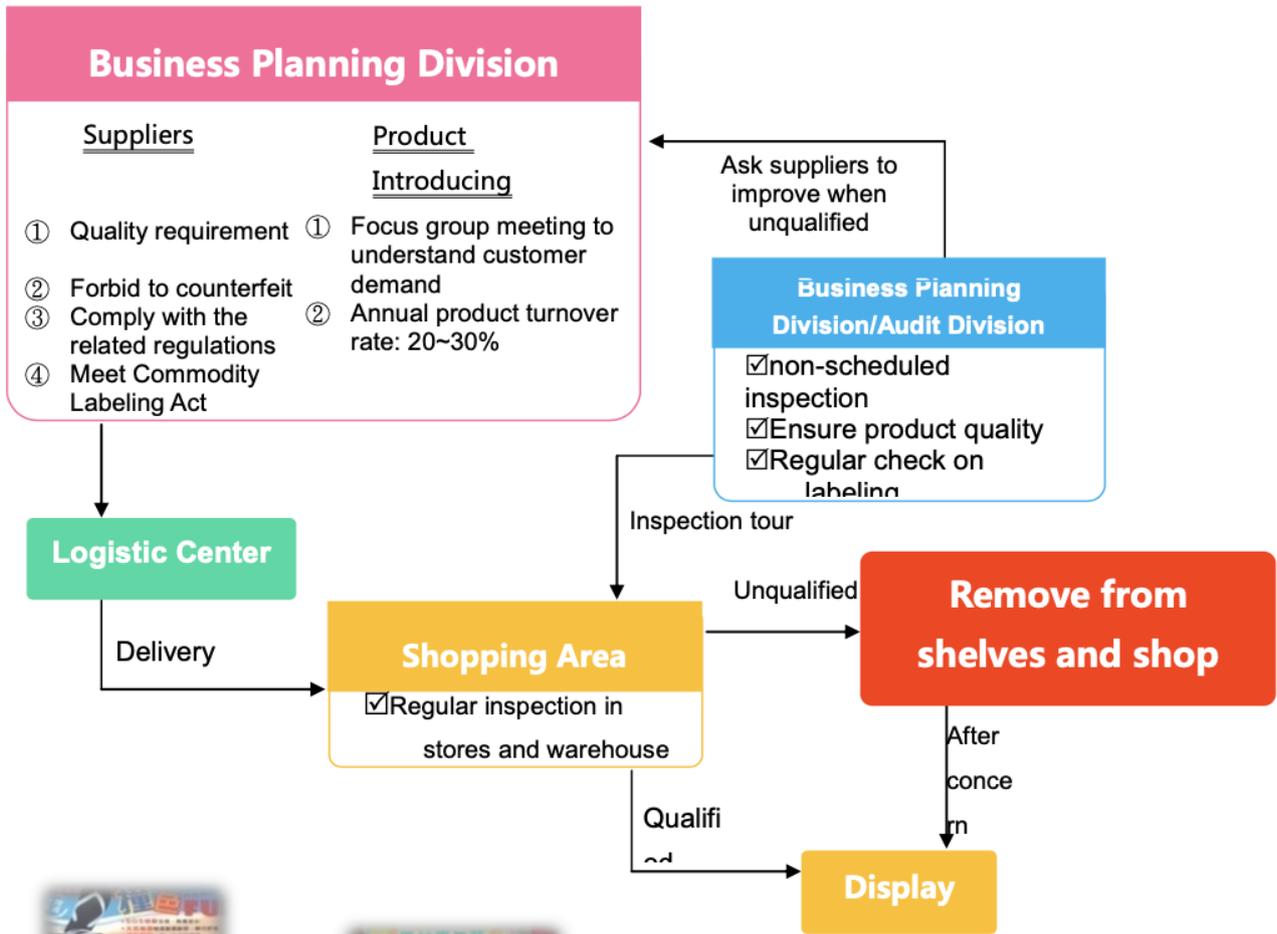
Poya strictly requires our suppliers that all products should abide by the Product Labeling Law, which helps consumers to get sufficient information to use items properly. Imported products should label the instructions in Chinese with proper and full content translation. Any warnings on the original label of imported products or services should be attached on the Chinese label. Poya checks the product labels regularly. If any concerns, 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 replace those suppliers 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 5.3 Focus group meeting and accompany shopping in Poya



# Management Procedure of Product Quality and Safety



**Orange Rubber Flip-Flops**  
SGS qualified non-toxic product



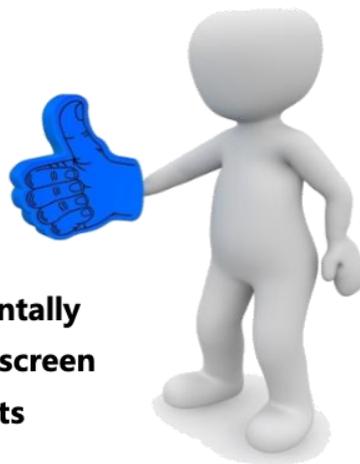
**Dried Fruits**  
Made with fresh ingredients and no additives



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



**Environmentally friendly sunscreen products**



## Store Construction and Safety

Poya always keeps “Best Services with 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. In the past two years, we have continued to optimize and adjust the store to match the development of different locations, such as stores at school district, residential area and shopping district to bring customers a better experience.

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.

### 5<sup>th</sup> 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

### 6<sup>th</sup> generation



#### Narrower Shelves

Narrow shelves to include more SKUs

#### One stop shopping experience

Almost 60,000 SKUs to fulfill one stop shopping demand

### Store safety precaution :

- ☑ To prevent customers from any potential risk at our store in advance, Poya has strengthened 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 with application of insurance claims.
- ☑ 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.



Strengthen structure and fasten to the wall



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

## Store Operation Checking System

Until the end of 2020, there were 281 stores including 260 Poya and 21 Poya Home. To sufficiently control service quality, Poya has set up the Store Operation Checking System for all stores. For those stores needed for improvement, Poya will focus on staff training and operation process modification to increase service quality and professional image.

### Step 1

#### Service Quality Audit

By mysterious 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 checks to all stores monthly. The SOP checks include 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 operation report. The meeting will detect the potential problems of the store with solutions.



### Step 4

#### Store Operation Assistance

For stores classified in C level, Poya would arrange the internal lecturer to assist the store operation, and track the results 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 our operating experience.



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

**Yonghe Zhongshan Store**  
2/3 customer service staff  
received an email from  
customer Ms. Cheng

I just want to say thank you to the service staff of Poya near Lehua Night Market for your willingness to sell all the masks that you have, calming customers down with timely explanation by managers for customers waited for a long time. Thank you

**Xinzhuang Jianguo Store**  
2/1 Customer service staff  
received an email from Mr. Chen

I went to Xinzhuang Jianguo store today and dropped my cell phone in the store. The cashier at the store contacted me to collect my cell phone. I was so excited that I forgot to ask for the store staff's last name, so I would like to ask you to pass on my thanks, and thank you for your good service staff.

**Tainan Jinhua Store**  
4/6 Customer service staff  
received an email praising from  
Mr. Liang

I lost my item here one night, the next morning I asked them, and the whole store staff cooperated well with each other, so that I received a notice at the end of the day that the night shift clerk had saved it for me and asked me to pick it up, thank you.

**Chiuchow Xinsheng store**  
8/17 customer service staff  
received a APP praise from  
customer Ms. Lin

The mask introduced by Chiuchow store's cashier works well! And the staffs even helped me carrying things out when I bought a lot of things, many thanks!

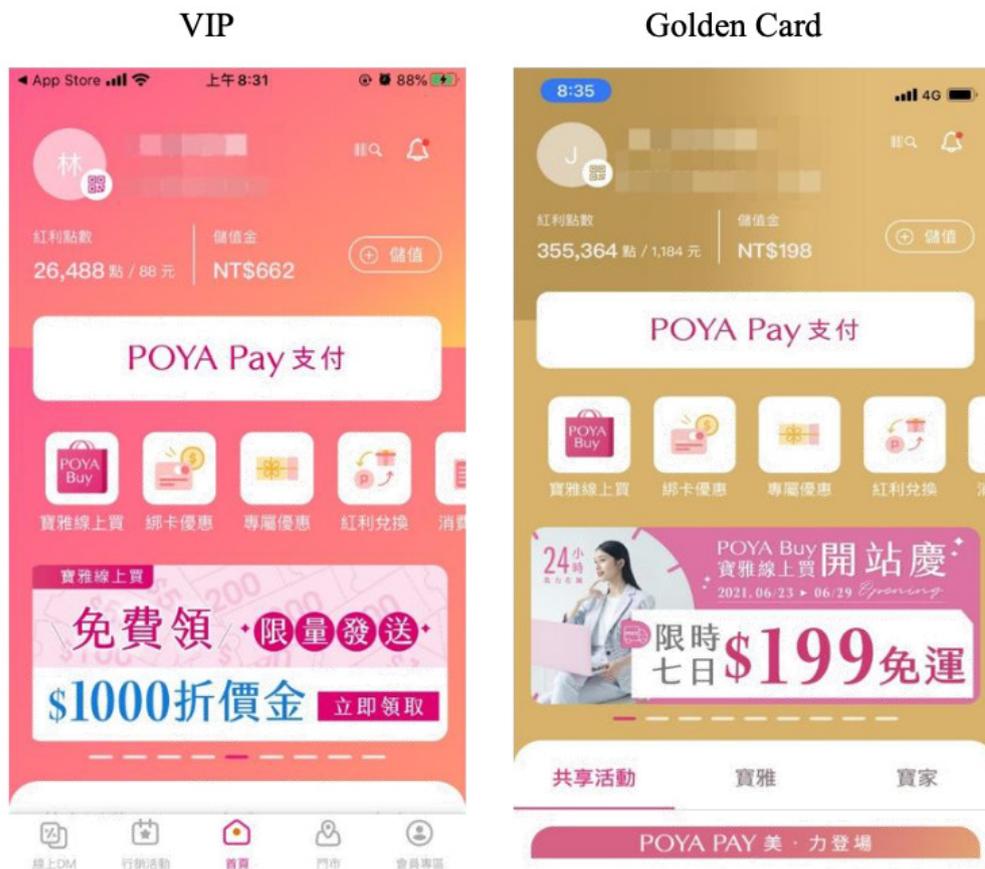


## Digital transformation Strategy

E-commerce has been developed in Taiwan for more than a decade, and has been accelerated in the recent two years due to the pandemic which changed consumer payment and shopping behavior. Since 2020, Poya has been planning a three-year OMO strategy, which will integrate online and offline to provide consumers with a seamless shopping experience.

In 2021, we upgraded our POYA APP with addition of digital mobile payment function, POYA PAY. This new updated POYA PAY app enables our consumers gain access to marketing campaigns, online DMs and other information easily, with payment function to accumulate points directly. In June 2021, we launched POYA BUY, our e-commerce platform. In addition to home delivery and pickup at convenience store, customers are also able to pick up products at more than 300 Poya and Poya Home stores throughout Taiwan. Leveraged our advantage over established store network, we will continue to improve shopping experience for our customers by our omni-channel strategy.

Figure 5.4 Poya pay and Poya Buy APP



### A Virtual Loyalty Card

Easy to reward points!  
Can't find loyalty cards?  
It's OK. Show App and  
get reward points.

## Customer Personal Data Protection Policy

In 2020, Poya had no substantiated complaints or violations that were considered to be violations of customer privacy.

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 operations (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 associated 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.

# 06 Employee Care

On the way to expand our operations and enhance our competitiveness, Poya also dedicates itself to corporate social responsibility to protect the rights of other stakeholders. Employees are vital assets of the Company and the important factor to our accelerated growth of our Company. Therefore Poya offers employees reasonable and fair compensation and welfare system, comfortable and safe working environment, transparent promotional system and regular job training through our complete human resource system. This helps Poya to keep talents and grow with the Company.

In addition, Poya values the importance of the protection of human rights and voluntarily follows international human rights standards with prohibition of child labor, forced labor, and to help employees maintain physical and mental health on work-life balance. In 2020, female employees accounted for 77% of the total number of employees and the female executives accounted for 73.6% of total employees, indicating that Poya values importance of gender equality. Poya also provides benefits such as physiological leave, family care leave, and breastfeeding time in order to provide a friendly working environment for female employees.

## 6.1 Human Resources Overview

By the end of 2020, there were 4,495 members in the Poya family, with an average age of 29 years. With 76.7% female employees and 73.6% female executives, Poya values gender equality in its work environment and talent utilization. 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.

In 2020, Poya hired 57 employees with physical and mental disabilities, accounting for 1.27% of the total number of employees, which was better than the legal requirement. Also, Poya hired 72 indigenous employees, accounting for 1.6% of the total workforce.

## Employee Structure(As of Dec.31,2020)

There were **4,495** employees in Poya



① By area :



North	499	1,343
Central	183	872
South	182	629
Kao-Ping	182	605
<b>Total</b>	<b>1,046</b>	<b>3,449</b>

② By Age :



<21 Yr.	91	314
21-30 Yr.	495	1,845
31-40 Yr.	327	899
41-50 Yr.	106	338
>50 Yr.	27	53

③ By Education :



Junior	16	38
Senior	186	899
College	74	246
University	742	2,234
Graduate School	28	32

④ By Position :



Senior Managers	63	74
Middle Managers	160	132
Basic Managers	213	1011
Staff	610	2232

\*Female executives account for 73.6% of total executives

⑤ By New Employees/Resigned Employees :



	New				Resigned			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	65	20	11	16	71	24	11	15
21-30 Yr.	271	78	75	70	233	96	83	59
31-40 Yr.	89	24	13	22	75	26	11	17
41-50 Yr.	23	4	1	4	19	3	1	1
>50 Yr.	0	0	0	0	0	1	1	0



	New				Resigned			
	North	Central	South	Kao-Ping	North	Central	South	Kao-Ping
<21 Yr.	200	89	56	46	191	104	53	42
21-30 Yr.	712	376	196	202	631	369	196	226
31-40 Yr.	179	61	31	45	154	68	38	53
41-50 Yr.	55	15	6	8	47	18	7	9
>50 Yr.	9	0	0	1	9	0	0	1

By 2020, there were 281 Poya stores. With more new stores opening, Poya has an increasing demand for talent. 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 resigned employees classified by area, gender, and age.

## 6.2 Occupational Safety and Health

### Complete work environment

In order to improve working environment, Poya's headquarter in Taipei moved to a new office in 2018 with brand new working environment, pantry, and conference rooms. Poya places microwaves in each store to offer a convenient rest space for employees. Poya also voluntarily creates a breastfeeding room with privacy and safety before government required. To enhance functionality and convenience, the area is equipped with refrigerator and sofa, which helps our employees to return back to work place after maternity leave.

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 would be applied by the Company and transferred and requested for the compensation paid by the Labor Insurance Bureau and the Health Insurance Bureau in accordance with the Labor Insurance Law, the Employment Insurance Law, and the National Health Insurance Law.

Safety at workplace is a part of company responsibilities. 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 dormitories to inspect the safety of the public areas, home appliances, water heaters, and fireproof equipments. For the promotion of operational 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 2020, employees taking the course of labor safety with 1,290 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 with help of the application of the insurance claim. 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 2020 because of corporate facilities, policies or construction. There is no case of occupational diseases among employees in the same period.

2020 Work Injury Statistics		
Total work days		1,151,340
Total working hour		9,210,720
Total lost days		487
Disability(people)	Total	51
	Death	0
	Permanent Disability	0
	Permanent Partial Disability	0
	Temporary Disability	0
	Total Disability	51

Year	2020			
	During working hour		Car accident on the way to and off work	
Type of injuries	male	female	male	female
Gender				
North	3	5	4	6
Central	0	1	0	6
South	2	2	1	5
Kaohsiung & Pingtung	1	5	2	8
Total	6	13	7	25

## 6.3 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 long term expansion plan, Poya designs a complete and standardized apprentice system. With organized learning environment and platforms, this could assist employees to complete the training courses in a short term period to perform at work and enable our employees to gain promotion opportunities. Poya considers this as win-win situation to help our employees to success and drive the company's growth.

**84 lessons were provided in 2020.**

**2,396 employees were participated.**

**56% growth compared to last year.**



Figures 6.1 E-learning platform

Performance of employee career training in 2020:

Course Name	Hours of study	Lessons	male	female	Total hours
OJT Evaluation	7	36	310	855	8,155
Section Manager Assessment	7	28	230	590	5,740
Assistant Manager Assessment	7	20	138	273	2,877
<b>Total</b>		<b>84</b>	<b>678</b>	<b>1,718</b>	<b>16,772</b>

Course Name	Course Frequency	male	female	Total hours	Total Expense(NTD)
Entry-level Training	36	310	855	8,155	1,873,200
Manager Evaluation	48	368	863	8,617	

## 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.



## Performance Management System

There is a complete performance evaluation system to enable employees to follow the system to review their own target achievement rate and to align the interests with the company.

Poya does not use education or qualifications as the basis for promotion. Poya values employees' abilities and emphasizes "better performance, more rewards", giving employees the corresponding salary according to their abilities. The officers of each division shall make the evaluations 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.

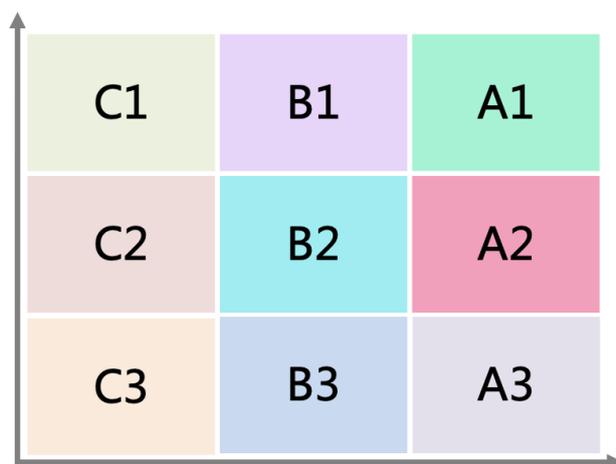


Figure 6.3

Nine levels of KPI The evaluation contents  
(Taking Finance and Accounting Division as an example)

- ① The ability of problem solving
- ② Project implementation
- ③ Finance forecast and analysis
- ④ The completeness of daily work
- ⑤ 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.

## 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 respects and strengthens 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

## 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 communications with employees. The opinions from employees could be heard sufficiently.

### Fair Work place

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, encouraging employees to participate the seminar of sexual harassment prevention, and enacting 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.

### 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 2020, 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 was no recruitment of child labors during the report period in 2020. Poya do not have any forced or compulsory labor since Poya always ensures that all the employees offer 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.

## 6.4 Employee Welfare and Care

### Compensation system

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

In addition to the bonus based on personal performance, Poya also provides employee stock dividends to share the operational performance with employees to enhance our incentive policy. Besides, Poya has established a complete pension fund system to allocate sufficient amount of pension fund for the employees.

Category	Year	2019	2020	Growth rate
Number of full-time employees not in supervisory positions		2,696	3,168	17.5%
Average salary of full-time employees not in supervisory positions (in thousands)		465	477	2.6%
Median salary of full-time employees not in supervisory positions (in thousands)		406	409	0.7%

**\*Remarks**

1. All of Poya's stores are directly operated(non-franchised), with 90% of the manpower being front-line service personnel (including 33% part-time employees). Due to the large scale store expansion, a high percentage of new employees and fresh employees are hired, which affects the average salary.
2. Poya will promote and adjust the salary every year according to the results of employee performance assessment.
3. All better than the minimum salary standard



The female employees accounted for 77% of the total employees. 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 per month for taking consideration of our female workers on the body condition. Half-paid is offered, and is considered as absence. 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 if family members are vaccinated, or 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 not considered as absence.

**The reinstatement rate and the ratio of employees in maternity leave to total employees in 2020**

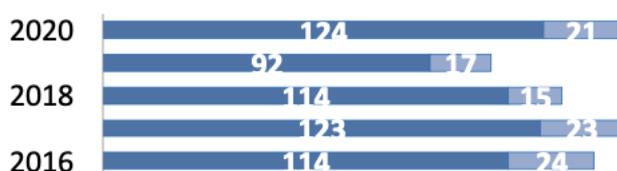
To cope with government's policy, Poya implements parental leave without pay and guarantees reinstatement to the original position. If employees have the need of taking care of their families, they can take family care leave or Poya would assist them to transfer to other suitable positions or departments. The ratio of employees on parental leave to total employees with maternity leaves in 2020 was 44%. 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	21	124
Actual number of employees using parental leave	2	68
Resumption of work after parental leave	1	30
Reinstatement rate	50%	44%

**Number of maternity leaves and paternity leaves from 2014 to 2020**

■ Maternity Leaves ■ Paternity Leaves



## Employee Welfare Committee

Poya has established the Employee Welfare Committee according to the Labor Standards Act to handle the matters of employee welfare, allocating the employees allowance to Employee Welfare Committee. The amount of welfare allowance increases in response to the better sales performance in recent years. The welfare systems and subsidy plans are under review and adjusted every year based on the economic situation.

# 07 Environment

According to The Global Risk Report published in 2020 by The World Economic Forum (WEF), the top five risks are environmental risks, including "extreme weather", "climate action failure", "natural disasters", "biodiversity loss and ecosystem destruction" and "human-environmental damage". Among them, extreme weather has been ranked first in terms of risk likelihood for four consecutive years and is regarded as the greatest risk. In the face of global warming, climate change and water scarcity, Poya, pays attention to energy use and environmental impact with management of the current situation of greenhouse gas emissions by relevant plans in a hope to fulfill our corporate responsibility.

## 7.1 Greenhouse Gas Inspection

Poya has carried out greenhouse gas emission inspection annually since 2012, and disclosed the results in CSR since 2014.

Poya effectively controls 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 emission. Besides, Poya draws up and executes the plan of energy saving and carbon reduction. The reference of greenhouse gas emission inspection is listed at the chart below.



### **Period of the Report**

- ✓ 1<sup>st</sup> Jan 2015~31<sup>st</sup> Dec 2020
- ✓ Inspected the Emission of Greenhouse Gas during such Period and Discloses the Results of Greenhouse Gas Inspection

### **Boundary of Organization**

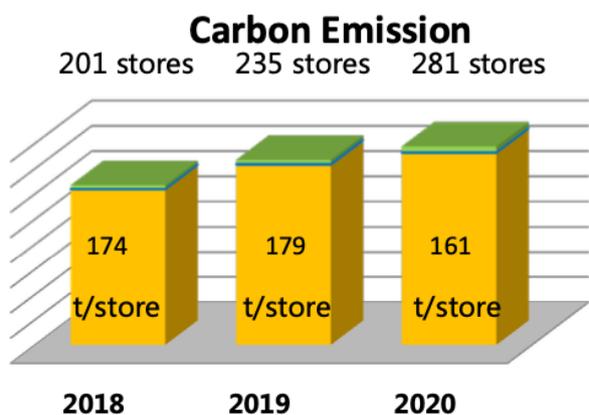
- ✓ Executed the emission of Greenhouse Gas Inspection based on ISO14064-1
- ✓ Boundary of Organization for the Inspection:  
(1) Headquarters in Taipei and Tainan  
(2) 281 Stores (By the end of 2020)

### **Scope of GHG 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

## Carbon Emission from Stores

The store numbers of Poya increased to 281 in 2020. With the store expansion, the total carbon emission increased to 39,363 kilograms, and the average carbon emission per store is about 161 kilograms, decreasing by 10% compared to 2019. The 2021 carbon emission target for Poya is a 3% reduction from the previous year, and a 2% annual reduction as our long term goal.



\* Store data coverage rate of approximately 88%

### GHG Inspection Methods:

- ① The Emission Coefficient Method is used for tracking the emission of refrigerant 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 refrigerant emission.
- ② The fuel consumption is calculated by the gasoline usage of the motor vehicles based on CO<sub>2</sub> 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.

## Carbon Emissions by Category

By category, Poya's carbon emission is mainly derived from:

- (1) The leakage from refrigerant, mainly due to the increase in the number of air conditioners in larger store base
- (2) Emissions from transportation, which are mainly due to the demand of store expansion, store renovation and regular store inspection programs.
- (3) External Electricity supply, which is mainly from the conversion of electricity used in store operations.

Type	Carbon Emission(ton)&(%)			Remark
	2018	2019	2020	
Leakage from refrigerant	654 2.07%	743 2.02%	1,100 2.79%	Scope1
Fuel consumption of transportation	189 0.60%	275 0.75%	214 0.54%	Scope1
External Electricity	30,837 97.34%	35,695 97.23%	38,049 96.66%	Scope2
<b>Total Carbon Emission</b>	<b>31,681</b>	<b>36,713</b>	<b>39,363</b>	

## 7.2 Water Consumption Track, Energy Saving Carbon Reduction Plan

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

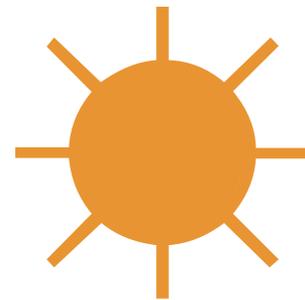
### Program of Water Conservation

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 2020, the avg. water usage per store ↓5.7 %!**

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

Year	Total	Average
2020	217,137	773
2019	192,646	820
2018	170,304	847



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

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

Poya started to introduce the modern inverter air-conditioners (see Figure 7.1) in 2013 and adopted the inverter air-conditioners in all the new stores opened in 2014. Out of our current 281 stores, there is 77% of which use inverter air-conditioners to replace the outdated water tower air-conditioners. Poya will gradually replace the water tower air conditioners with inverter ones.



Figure 7.1

### Adopt, checks and repairs of Water Saving Equipment

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 as reminder to treasure the water resources. Besides, Poya purchases the toilet equipments with water-saving grades 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 leakage.



Figure 7.2

## Program of energy saving and carbon reduction

Since 2012, Poya has been adjusted the electricity consumption to actively promote energy saving and carbon reduction for signboards, store electricity and air-conditioning electricity, etc. In the first half of 2017, LED lighting was gradually introduced in the stores. With the continuous promotion of energy saving and carbon reduction measures, the average electricity consumption of a single store was 254,044 kWh in 2020, a decrease of 10% compared to 2019, 12% compared to 2018 and 34% compared to 2017.

### Energy Saving Solutions

-  **Automatic lighting sensors were installed in stores**  
The automatic lighting devices were installed in the storage of each store to implement the energy saving strategy.
-  **See-through glass design at the second floor (Figures 7.3)**  
Adopt see-through glass to increase the natural lighting and decrease the usage of lightings 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 light bulbs**  
The traditional lamps are replaced with LED light bulbs for headquarter and stores, with retirement of less energy saving lamps by batches on a regular basis to fulfill the energy saving strategy.
-  **Promotion of Energy-saving Concept (See Figure 7.4, 7.5)**  
Poya encourages not taking elevators below the fourth floor, turning off lights during lunch break, and turning off lights and fans when entering and leaving the warehouse.
-  **Maintenance of Air-conditioners and Related Equipments**
  - A. The temperature of air-conditioner keeps at 26~28 degrees  
(\*For every increase of 1 degree could lead to the energy saving by 6%.)
  - B. Each floor for the Headquarter was equipped with curtains to reduce the energy consumption from air-conditioner.
  - C. Minimize the spare space of the stores to lower the usage of electricity and air-conditioners.
  - D. Inverter air-conditioners were installed to save electricity by 30%~35%
  - E. Regularly clean the air-conditioner filters to increase the efficiency of air-conditioners.



Figure 7.3



Figure 7.4



Figure 7.5



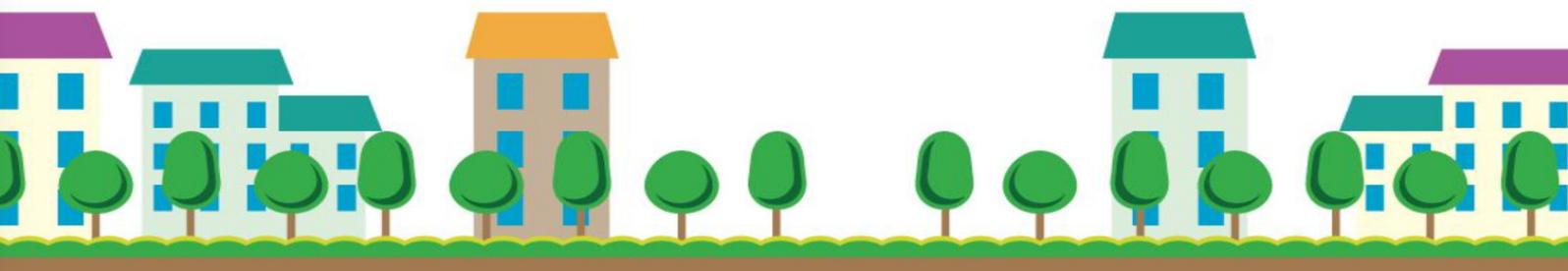
How many trees you save =  
How many paper you save/ 5,000 \*0.6  
(Source:  
Environmental Quality Protection Foundation)

### Program of Paper Conservation

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

By implementation of E-management system since 2017, the headquarter uses E-filing of tax, E-voucher, E-salary slip and E-gift certificate for employees with stores reducing physical price tag, and E-signature for credit card verification, to reduce paper usage. In the middle of 2019, Poya upgraded APP with entertainment and user-friendly function to attract members to download it. Our goal is to enhance customer shopping behaviors and stickiness to our upgraded App, which can reduce paper consumption largely by use of e-DM. The amount of paper saved in 2018 is equivalent to 3,990 trees; the amount of paper saved in 2019 is equivalent to 3,979 trees, and the amount of paper saved in 2020 is as high as

... 2,381 trees



## 7.3 Waste and Water Resource Management

### Waste management

Poya is a retailer that sells products to the general public. The source of waste is mainly from stores, logistics and the head office. The waste from the head office is mainly paper and household waste of employees. The head office has set up a recycling center for employees to sort and recycle waste, and the waste is mainly handed over to recycling operators, while the rest is handed over to the cleaning squadron. The main waste from logistics is cartons. The cartons are collected after unpacking and sold to recycling companies for disposal. Therefore, waste management is not a major issue for Poya and is handled in accordance with local government regulations.

Poya is still committed to reducing the waste generated during the service process in order to make a positive impact on society and the environment.

Waste carton recycling volume	2019	2020
Total Carton Weight(Tones)	1,856	2,070
Poya's total revenue (in millions)	15,787	17,538
Carton Weight per million Revenue (kg)	118	118

\* Poya's revenue increased, but the volume of cartons maintained a certain percentage

### Sewage

The sewage is mainly from toilets and sinks, which is mainly discharged to the sewer through the water pipes. The above-mentioned sewage is not a major issue for Poya.

Sewage costs as a percentage of total costs	2019	2020
Water charge (in thousands)	3,176	3,075
Total cost (in thousands)	4,395,061	4,922,568
Percentage	0.07%	0.06%

### Waste and sewage management

1. Promote to colleagues and customers to save water and reduce packaging, etc.
2. Promote garbage reduction and self-prepared tableware
3. Implement garbage classification and recycling

## 7.4 Plan of Centralized Logistic Center

Before the introduction of the logistics center, suppliers had to pick up and deliver the goods to each Poya store through the trucking fleet or by themselves. With the expansion of the number of Poya stores, many small and medium-sized suppliers had difficulty to meet the demand with problems on manpower constraints and insufficient delivery capacity. As such, Poya has established our centralized logistic center, with suppliers simplifying the multiple trips to one single delivery to Poya’s logistics center. This should help suppliers to grow with Poya with improving efficiency on labor/delivery and on operations.

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, providing the support to our long term expansion plan. Our efficiency has improved every year by our increasing efforts on work flows after the implementation of warehouse management system.

Poya launched a new hardware department channel "Poya Home" in the middle of 2019. Given the different product assortment work at warehouse, we set up a logistics center for Poya Home, next to Poya’s north logistic center in end 2019. Currently, the capacity of POYA HOME’s logistic center can support up to 90 stores, and we will gradually expand it to meet the store expansion plan in the future.

Because Poya adopts cross docking to collect and distribute products from suppliers, we centralizes the work at our DCs by replacing the multiple trips from suppliers to our individual stores. Therefore, it effectively brings down the carbon emission, exhaust gas emission and energy consumption. The goods received from the manufacturers are unloaded and inspected at the logistics center, and the packaging cartons are properly disposed of, resulting in a recycling rate of nearly 100%. Thanks to our logistics center, Poya could “deliver at night, display on shelves on the following day”, which allows stores to place order in small quantity with more effective inventory. The store associates can be focusing on serving clients, improving the display, and shopping environment, instead of tedious workflow. In addition, in response to the government’s promotion of renewable energy, the Kaohsiung Logistics Center has invested in the solar power generation project, which can generate more than 2 million kilowatts of electricity per year, reducing carbon emissions by an average of 1,048 tons per year, which is equivalent to the carbon reduction effect of 2.7 Daan Forest Park, and can also reduce the temperature of the logistics center.

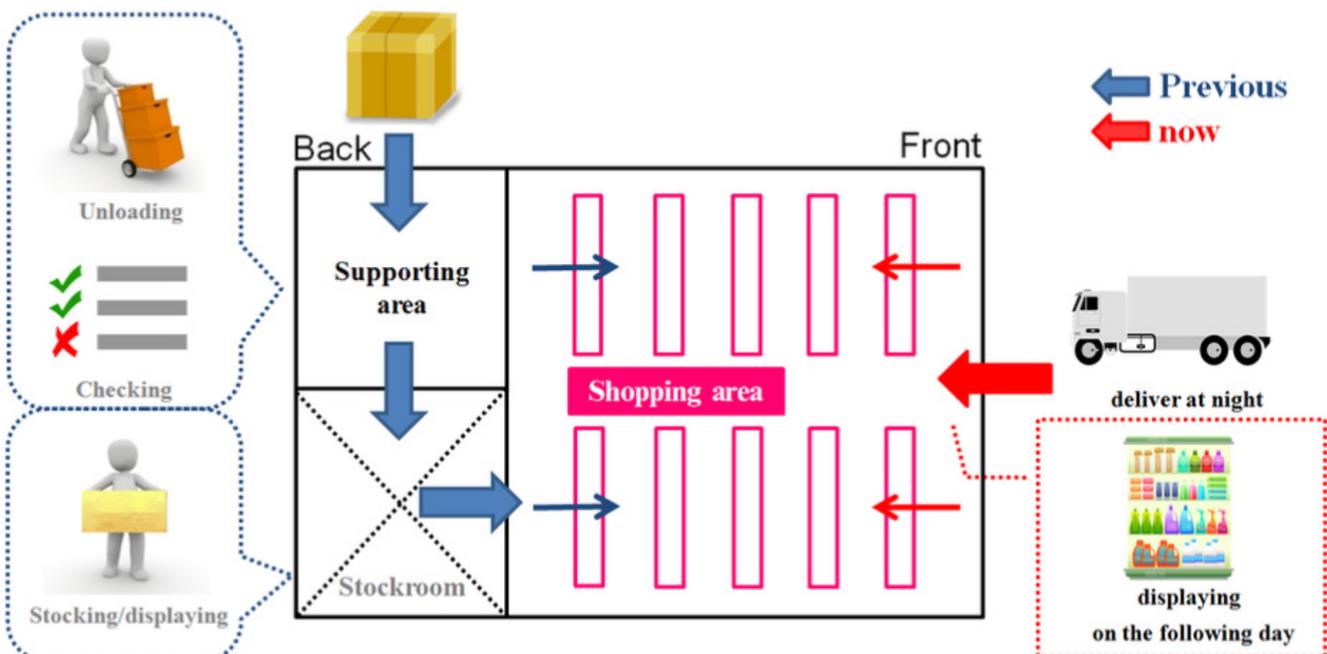


Figure 7.6

Poya could simplify the workflow and “deliver at night, display on the following day”based on the stable operation of distribution centers.

## ★ Taoyuan logistic center (Poya & Poya Home)

- ☺ Capacity: 200 Poya stores & 90 Poya Home stores
- ☺ Total number of pings: 10,800 pings



## ★ Kaohsiung logistic center

- ☺ Capacity: 200 stores
- ☺ Total number of pings: 7,200 pings



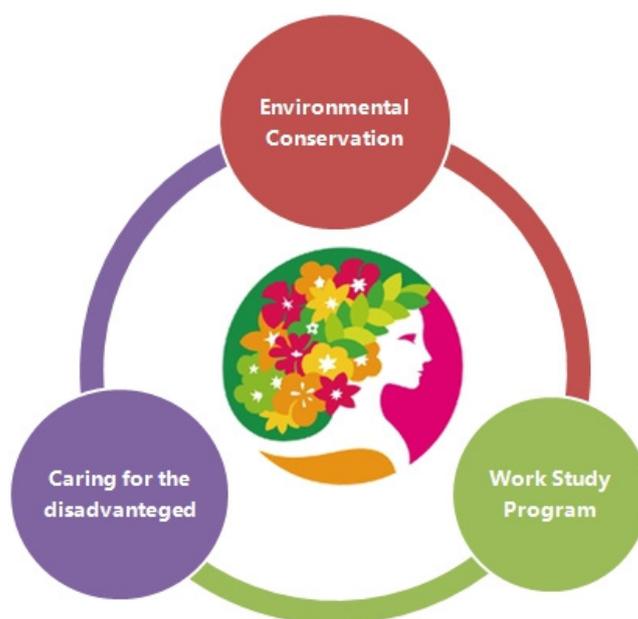
Year	2018	2019	2020
Distribution rate	90%	94%	94%
Carton recycling(t)	1,509	1,856	2,070

Year	2018	2019	2020
Solar power generation(kWh)	2,097,586	2,011,908	2,232,565
Equivalent to the reduction in carbon emission(t)	1,040	998	1,107

# 08 Society

Poya not only offers high-quality products and considerable services but also dedicates itself to Taiwan society. Leveraged by our 260 Poya stores and 21 Poya Home stores, Poya has actively promoted the concept of environmental conservation, care for the disadvantaged, and emphasized the Work study program to give back to the society.



## 8.1 Society Participation

### Environmental Conservation

#### **Sponsor the Wilderness Society 2020 International Beach Cleanup**

Environmental protection has become one of the most important issues for modern people. The Association's beach cleanup campaign not only removes as many hazards as possible, but also records relevant data and establishes a beach safety rating scale for the whole, in order to reduce the risk of people getting injured at the beach, to raise awareness of beach safety, to use the scale as a reference for public authorities and to urge improvements.

#### **Sponsored the "Protecting the Ocean Charity" activity of Penghu University of Science and Technology**

Poya launched the member-only activities, including "lighting the way home for sea turtles" and "5x points promotion on marine environment-friendly products". With the accelerated development of human society in recent years, the survival space of sea turtles has been seriously affected. In the past, green turtles would come all the way to Taiwan to breed their offspring, but due to factors such as overfishing, marine waste, and climate change, the habitat has been destroyed, and now the sight of sea turtles laying eggs on the island is rare. In cooperation with the Department of Marine Recreation at the National Penghu University of Science and Technology, Poya hopes to contribute to environmental sustainability, to raise public awareness of marine ecology and environmental conservation, to practice plastic reduction in daily life, and to reduce the purchase of products that contain ingredients harmful to the marine environment.

## Caring for the disadvantaged

Sponsorship of Tainan Zeelandia Dementia Association; Sponsorship of "national slow-pitch soft ball championships- the silence cup for hearing impaired labor in Tainan in 2020"

## Work study program

### Cooperation with Universities

In 2020, we have cooperated with 37 colleges and universities to match a total of 149 students to Poya stores for internship, providing a platform for vocational education to prepare students for employment.

In addition to the above activities, Poya also cooperated with other enterprises to do charity work. During the Dragon Boat Festival, the company and Eden social welfare foundation jointly held a charity dumpling donation; sponsored the "Golf Revival Foundation"; and sponsored the "109th Billion Dollar Club Golf Team Fee", with a total donation of NT\$790,000 this year.

**寶家 POYA HOME 五金百貨**  
伊甸社會福利基金會

# 端午認捐 暖心飄香

點亮希望，捐贈愛心粽  
期待您也能一同參與！

粽子預購 請洽服務台

- ◆ 捐贈期間 即日起-06/10(三)
- ◆ 受贈單位 伊甸社會福利基金會
- ◆ 受贈地點 台南市東區林森路二段500號A棟5樓

\*認捐端午商品將於06/19(五)寄送至伊甸社會福利基金會  
\*捐贈物資證明將於寶家官方粉絲專頁另行公佈

## 點亮龜途 TAKE ACTION! SAVE THE OCEAN

APP點點捐，讓海洋更美一點

您捐300點 寶雅再捐1元

10/15(四) — 11/10(二)

至APP紅利兌換專區，選擇欲捐贈的寶雅點數，即可與寶雅、國立澎湖科技大學海洋遊憩系，共同響應海洋棲地保育行動！

捐贈 300點 美好的開始

捐贈 600點 友善的延續

捐贈 1500點 愛海再接力

捐贈 9000點 救援行動家

POYA 寶雅 守護海洋 即刻行動 捐贈 300點 美好的開始

下載APP QR

注意事項：1.本活動募集點數之金額將全數捐贈予國立澎湖科技大學海洋遊憩系為海洋環境保護、海龜生態保育用途。2.點數經捐贈將無法取消退點。3.本公司保有活動最終解釋、修改、停止之權利。4.活動詳情請見寶雅官網及APP查詢。

01 POYA

# Appendix

## Appendix 1. 2018~2020 Performance

Product				
Item	Sub item	2018	2019	2020
Service Quality Assessment	A+B level store	92%	86%	88%
	C level store	8%	14%	12%
Employee				
Item	Sub item	2018	2019	2020
Employment Discrimination complaints		-	-	0
The Ratio of Female Executives		-	-	73.6%
Employee Structure by Age	< 21	-	-	405
	21-30	-	-	2,340
	31-40	-	-	1,226
	41-50	-	-	444
	> 50	-	-	80
Employee Structure by Education	Junior high	-	-	54
	Senior high	-	-	1,085
	College	-	-	320
	University	-	-	2,976
	Master degree	-	-	60
Total hours of Employee Career Training	Entry-level Training	-	-	8,155
	Manager Evaluation	-	-	8,617
The salary of full-time employees, not in supervisory position	Total numbers of Employees	-	2,696	3,168
	Average salary ( in thousands)	-	465	477
	Median salary ( in thousands)	-	406	409
The Reinstatement Rate in Parental Leave		-	-	44%
Disabling Injury	Disabling Injury Frequency Rate	-	5.77	5.54
	Disabling Injury Severity Rate	-	38.22	52.87
	Total Injury Index	-	0.47	0.54
	Work related fatalities	0	0	0
Environment				
Item	Sub item	2018	2019	2020
Environment	Avg. Carbon Emission per store(t)	174	179	161
	Water consumption (cubic meter/store)	847	820	773
	Electricity Consumption(kWh/store)	287,837	264,627	254,044
	Paper Saving(equivalent trees)	3,990	3,979	2,381
Waste	Recycling Weight per million Revenue (kg)	107	118	118
Sewage	Water charge/Total Expense	0.08%	0.07%	0.06%

Society	
NT\$790,000 in 2020	Sponsored the “2020 Beach clean-up in Tainan” organized by The Society of Wilderness
	Sponsored the “Protect the Ocean Charity” held by National Penghu University
	Introduced the activity of lighting the way home for sea turtles
	5x points promotion on marine environment-friendly products for members only
	Sponsored the “Zeelandia Alzheimer Disease Association”
	Sponsored the Asian Cultural Council Foundation
	Sponsored the golf team fee of "Yi Tsai Club "
	Sponsored the “ national slow-pitch soft ball championships-2020 silence cup for hearing impaired labor in Tainan ”
	Poya Home and Eden social welfare foundation jointly held a charity dumpling donation in 2020
	Cooperated with 37 colleges and universities to match a total of 149 students to Poya stores for internship
	NT\$920,000 in 2019
Sponsored the Asian Cultural Council Foundation	
Sponsored the “ national slow-pitch soft ball championships-2019 silence cup for hearing impaired labor in Tainan ”	
Sponsored the Asian Cultural Council Foundation	
Participated in “2019 Beach clean-up in Tainan” organized by The Society of Wilderness	
Sponsored the Single Parent Educational Foundation	
Sponsored the “Charity Road Run” organized by SunFar 3C	
Sponsored the Leopard Cat Association of Taiwan	
Cooperated with 19 colleges and universities to match a total of 97 students to Poya stores for internship	
NT\$340,000 in 2018	Sponsored the Tainan Volunteer Firefighter Alliance
	Sponsored the Asian Cultural Council Foundation
	Sponsored the “ national slow-pitch soft ball championships-2018 silence cup for hearing impaired labor in Tainan ”
	Sponsored the “Zeelandia Alzheimer Disease Association”
	Sponsored the “Golf Development Foundation”
	Participated in “2018 Beach Clean-Up in Tainan” organized by The Society of Wilderness

## Appendix 2 KPI and Long-term Target in 2020

### KPI and Long-term Target

---

#### **Corporate Governance**

- Top 5% of the assessment of corporate governance
  - Positive profit growth
  - At least one investor conference each quarter
  - At least one Board meeting each quarter
  - “Ethical Corporate Management” briefing at the monthly internal meeting
  - No fines from the authorities
- 

#### **Employee**

- Zero major occupational safety incident
  - At least 70 courses/ 10,000 hours of Employee career training annually
  - Female executives account for over 50% of total executives
- 

#### **Product Management and Customer Service**

- No violation of product or service information labeling and marketing communication standards for private brand
  - No violation of customer privacy
- 

#### **Environment**

- 3% reduction in Carbon emission
  - Save 5% on water consumption per store
  - Paper consumption saving 500 trees
  - 15% reduction in DM printing
-

## Appendix 3 Comparison table of GRI Standards

GRI Standard	Index and Content	Corresponding section and Notes	Page
2016 General Disclosures	102-1 Name of the organization	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	102-2 Activities, brands, products, and services	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	102-3 Location of headquarters	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	102-4 Location of operations	04 About Poya International-Operation Strategy	p.13
	102-5 Ownership and legal form	04 About Poya International-Corporate management	p.15-25
	102-6 Markets served	04 About Poya International-Corporate Profile and Industry Overview 04 About Poya International-Operation Strategy	p.10-13 p.13
	102-7 Scale of the organization	04 About Poya International-Corporate Profile and Industry Overview 04 About Poya International-Operation Strategy 04 About Poya International-Financial Results 06 Society-Employee Care	p.10-13 p.13 p.14 p.37-39
	102-8 Information on employees and other workers	06 Employee Care- Human Resources Overview	p.37-39
	102-9 Supply chain	05 Products-Supply Chain Management	p.26-29
	102-10 Significant changes to the organization and its supply chain	*No Significant changes to the organization and its supply chain	
	102-11 Precautionary principle or approach	04 About Poya International-Operation Strategy 04 About Poya International-Corporate management 05 Products-Product Management and Customer Service 05 Products-Supply Chain Management	p.13 p.15-25 p.29-36 p.26-29
	102-12 External initiatives	02 Start on Poya' CSR-External Awards 07 Environment-Greenhouse Gas Inspection 06 Employee Care	p.5 p.47-48 p.37-46

GRI Standard	Index and Content	Corresponding section and Notes	Page
2016 General Disclosures	102-13 Membership of associations	*Poya is the member of TCFA and Tainan Yizai Association	
	102-14 Statement from senior decision-maker	02 Start on Poya' CSR- A Message from the Management	p.4-5
	102-15 Key impacts, risks, and opportunities	04- About Poya International-Risk management	p.22-23
	102-16 Values, principles, standards, and norms of behavior	04 About Poya International-Corporate Profile and Industry Overview 04 About Poya International-Corporate management 05 Products-Supply Chain Management 05 Products - Product Management and Customer Service 06 Employee Care- Human Resources Overview 06 Employee Care - Training system and development	p.10-13 p.15-25 p.26-29 p.29-36 p.37-39 p.40-43
	102-17 Mechanisms for advice and concerns about ethics	06 Employee Care -Occupational Safety and Health 06 Employee Care - Training system and development	p.39 p.40-43
	102-18 Governance structure	04 About Poya International-Corporate management	p.15-25
	102-19 Delegating authority	04 About Poya International-Corporate management	p.15-25
	102-20 Executive-level responsibility for economic, environmental, and social topics	04 About Poya International-Corporate management	p.15-25
	102-21 Consulting stakeholders on economic,environmental, and social topics	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-22 Composition of the highest governance body and its committees	04 About Poya International-Corporate management	p.15-25
	102-23 Chair of the highest governance body	04 About Poya International-Corporate management	p.15-25
	102-24 Nominating and selecting the highest governance body	04 About Poya International-Corporate management	p.15-25

GRI Standard	Index and Content	Corresponding section and Notes	Page
2016 General Disclosures	102-26 Role of highest governance body in setting purpose, values, and strategy	04 About Poya International-Corporate management	p.15-25
	102-27 Collective knowledge of highest governance body	04 About Poya International-Corporate management	p.15-25
	102-28 Evaluating the highest governance body's performance	04 About Poya International-Corporate management	p.15-25
	102-31 Review of economic, environmental, and social topics	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-37 Stakeholders' involvement in remuneration	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-40 List of stakeholder groups	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-41 Collective bargaining agreements	Poya has not signed a group agreement with the union	
	102-42 Identifying and selecting stakeholders	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-43 Approach to stakeholder engagement	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-44 Key topics and concerns raised	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-45 Entities included in the consolidated financial statements	Shareholders Report (all entities included in the organization's consolidated financial statements or equivalent documents are included in this report)	
	102-46 Defining report content and topic Boundaries	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-47 List of material topics	03 Poya's Stakeholders and Communication Channels	p.7-9
	102-48 Restatements of information	*None	
102-49 Changes in reporting	*None		

GRI Standard	Index and Content	Corresponding section and Notes	Page
2016 General Disclosures	102-50 Reporting period	01 About the Report	p.3
	102-51 Date of most recent report	01 About the Report	p.3
	102-52 Reporting cycle	01 About the Report	p.3
	102-53 Contact point for questions regarding the report	01 About the Report	p.3
	102-54 Claims of reporting in accordance with the GRI Standards	01 About the Report	p.3
	102-55 GRI content index	Appendix 3 Map of GRI Index	p.60-67
	102-56 External assurance	*None	
Material topic	103-1 Explanation of the material topic and its Boundary	03 Poya's Stakeholders and Communication Channels	p.7-9
<u>Economic Category</u>			
Economic Performance	103-2 The management approach and its components	Shareholders Report	p.58-65
	103-3 Evaluation of the management approach	Shareholders Report	p.58-65
	201-1 Direct economic value generated and distributed	04 About Poya International-Financial Results Shareholders Report	p.14 p.94-156
	201-3 Defined benefit plan obligations and other retirement plans	06 Employee Care - Employee Welfare and Care	p.44-46
Market Presence	103-2 The management approach and its components	06 Employee Care - Training system and development	p.40-43
	103-3 Evaluation of the management approach	06 Employee Care - Training system and development	p.40-43

GRI Standard	Index and Content	Corresponding section and Notes	Page
Market Presence	202-2 Proportion of senior management hired from the local community	06 Employee Care- The Overview of Human Resource	p.37-39
Procurement Practices	103-2 The management approach and its components	05 Products-Supply Chain Management	p.26-29
	103-3 Evaluation of the management approach	05 Products-Supply Chain Management	p.26-29
	204-1 Proportion of spending on local suppliers	05 Products-Supply Chain Management	p.26-29
Anti-corruption	103-2 The management approach and its components	04 About Poya International-Corporate management	p.15-25
	103-3 Evaluation of the management approach	04 About Poya International-Corporate management	p.15-25
	205-2 Communication and training about anti-corruption policies and procedures	04 About Poya International-Corporate management	p.15-25
	205-3 Confirmed incidents of corruption and actions taken	04 About Poya International-Corporate management	p.15-25
Anti-competitive Behavior	103-2 The management approach and its components	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	103-3 Evaluation of the management approach	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	206-1 Legal actions for anti-competitive behavior,anti-trust and monopoly practices	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
<b>Environment Category</b>			
Energy and Greenhouse Gas	103-2 The management approach and its components	07 Environment	p.47-54
	103-3 Evaluation of the management approach	07 Environment	p.47-54
	302-4 Reduction of energy consumption	07 Environment	p.47-54

GRI Standard	Index and Content	Corresponding section and Notes	Page
Energy and Greenhouse Gas	302-5 Reductions in energy requirements of products and services	07 Environment	p.47-54
	303-1 Interactions with water as a shared resource	07 Environment - Programs of Water Conservation, Energy Saving and Carbon Reduction 07 Environment - Waste and Water Resource Management	p.49-51 p.52
	303-2 Management of water discharge-related impacts	07 Environment - Programs of Water Conservation, Energy Saving and Carbon Reduction 07 Environment - Waste and Water Resource Management	p.49-51 p.52
	303-3 Water withdrawal	07 Environment - Programs of Water Conservation, Energy Saving and Carbon Reduction 07 Environment - Waste and Water Resource Management	p.49-51 p.52
	305-1 Direct (Scope 1) GHG emissions	07 Environment - Greenhouse Gas Inspection	p.47-48
	305-2 Energy indirect (Scope 2) GHG emissions	07 Environment - Greenhouse Gas Inspection	p.47-48
	305-5 Reduction of GHG emissions	07 Environment - Greenhouse Gas Inspection	p.47-48
<u>Social Category</u>			
Employment	103-2 The management approach and its components	06 Employee Care	p.37-46
	103-3 Evaluation of the management approach	06 Employee Care	p.37-46
	401-1 New employee hires and employee turnover	06 Employee Care- The Overview of Human Resource	p.37-39
	401-3 Parental leave	06 Employee Care - Employee Welfare and Care	p.44-46
	402-1 Minimum notice periods regarding operational changes	06 Employee Care - Employee Welfare and Care	p.44-46
Occupational Health and Safety	103-2 The management approach and its components	06 Employee Care -Occupational Safety and Health	p.39
	103-3 Evaluation of the management approach	06 Employee Care -Occupational Safety and Health	p.39

GRI Standard	Index and Content	Corresponding section and Notes	Page
Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation : According to the "Occupational Disaster Profile" data reported to the Southern Occupational Safety and Health Center in 2020, there were 51 work-related injuries, with a disabling injury frequency rate of 5.54; a disabling injury severity rate of 52.87; and the total injury index is 0.54.	06 Employee Care -Occupational Safety and Health	p.39
Training and Education	103-2 The management approach and its components	06Employee Care - Training system and development	p.40-43
	103-3 Evaluation of the management approach	06Employee Care - Training system and development	p.40-43
	404-1 Average hours of training per year per employee	06Employee Care - Training system and development	p.40-43
Diversity and Equal Opportunity	103-2 The management approach and its components	06Employee Care - Training system and development	p.40-43
	103-3 Evaluation of the management approach	06Employee Care - Training system and development	p.40-43
	405-1 Diversity of governance bodies and employees	04 About PoyalInternational-Corporate management 06 Employee Care- Human Resources Overview	p.15-25 p.37-39
Non-discrimination	103-2 The management approach and its components	06 Employee Care	p.37-46
	103-3 Evaluation of the management approach	06 Employee Care	p.37-46
	406-1 Incidents of discrimination and corrective actions taken	06 Employee Care	p.37-46
Child Labor	103-2 The management approach and its components	06 Employee Care	p.37-46
	103-3 Evaluation of the management approach	06 Employee Care	p.37-46
	408-1 Operations and suppliers at significant risk for incidents of child labor	06 Employee Care	p.37-46

GRI Standard	Index and Content	Corresponding section and Notes	Page
Forced or Compulsory Labor	103-2 The management approach and its components	06 Employee Care	p.37-46
	103-3 Evaluation of the management approach	06 Employee Care	p.37-46
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	06 Employee Care	p.37-46
Human Rights Assessment	103-2 The management approach and its components	06 Employee Care	p.37-46
	103-3 Evaluation of the management approach	06 Employee Care	p.37-46
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	06 Employee Care	p.37-46
Customer Health and Safety	103-2 The management approach and its components	05 Products - Product Management and Customer Service	p.29-36
	103-3 Evaluation of the management approach	05 Products - Product Management and Customer Service	p.29-36
	416-1 Assessment of the health and safety impacts of product and service categories	05 Products - Product Management and Customer Service	p.29-36
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	05 Products - Product Management and Customer Service	p.29-36
Marketing and Labeling	103-2 The management approach and its components	05 Products - Product Management and Customer Service	p.29-36
	103-3 Evaluation of the management approach	05 Products - Product Management and Customer Service	p.29-36
	417-1 Requirements for product and service information and labeling	05 Products - Product Management and Customer Service	p.29-36
	417-2 Incidents of non-compliance concerning product and service information and labeling	05 Products - Product Management and Customer Service	p.29-36
	417-3 Incidents of non-compliance concerning marketing communications	05 Products - Product Management and Customer Service	p.29-36
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	05 Products - Product Management and Customer Service	p.29-36

## Appendix 4 SASB index

Subject	Code	Standard	Index and Content	Response															
Energy Management	CG-MR-130a.1	Total energy consumed (GJ)	2020 :256,991.2	07 Environment p.47-54															
	CG-MR-130a.1	percentage grid electricity	100% of total	07 Environment p.47-54															
	CG-MR-130a.1	percentage renewable	0% of total	07 Environment p.47-54															
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	* The "Personal Information Protection Team" will complete the personal information inventory, establish the personal information collection procedure, and change the file marketing method, etc. * Establish the "Information Security Incident Notification System", and units that have or find personal information problems have the obligation to notify the Risk and Information Security Management Team, which will coordinate the execution and handling of the situation.																
	CG-MR-230a.2	1. Number of data breaches	2018-2020:0																
	CG-MR-230a.2	2. Percentage involving personally identifiable information	2018-2020:0																
	CG-MR-230a.2	3. Number of users affected	2018-2020:0																
Labor Practices	CG-MR-310a.1	Percentage of in-store employees earning minimum wage, by region	2020:0																
	CG-MR-310a.2	Voluntary turnover rate for all employees	<table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Voluntary turnover rate</td> <td>5.64%</td> <td>5.64%</td> <td>5.65%</td> </tr> <tr> <td>Involuntary turnover rate</td> <td>0.01%</td> <td>0.02%</td> <td>0.04%</td> </tr> </tbody> </table>			2018	2019	2020	Voluntary turnover rate	5.64%	5.64%	5.65%	Involuntary turnover rate	0.01%	0.02%	0.04%			
		2018	2019	2020															
Voluntary turnover rate	5.64%	5.64%	5.65%																
Involuntary turnover rate	0.01%	0.02%	0.04%																
CG-MR-310a.2	Involuntary turnover rate for all employees																		
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender for (1) management and (2) all other employees	<table border="1"> <thead> <tr> <th>2020</th> <th>Senior Managers</th> <th>Middle Managers</th> <th>Basic Managers</th> <th>Staff</th> </tr> </thead> <tbody> <tr> <td>male</td> <td>1.4%</td> <td>3.6%</td> <td>4.7%</td> <td>13.6%</td> </tr> <tr> <td>female</td> <td>1.6%</td> <td>2.9%</td> <td>22.5%</td> <td>49.7%</td> </tr> </tbody> </table>	2020	Senior Managers	Middle Managers	Basic Managers	Staff	male	1.4%	3.6%	4.7%	13.6%	female	1.6%	2.9%	22.5%	49.7%	p.37-38
	2020	Senior Managers	Middle Managers	Basic Managers	Staff														
male	1.4%	3.6%	4.7%	13.6%															
female	1.6%	2.9%	22.5%	49.7%															
CG-MR-330a.1	Percentage of racial ethnic group representation for (1) management and (2) all other employees	In order to ensure equal employment opportunities, the Company does not register the race of its employees, so no relevant information is available.		p.37-38															

Subject	Code	Standard	Index and Content	Response
Activity Metric	CG-MR-000.a	Number of retail locations	04 About Poya International-Corporate Profile and Industry Overview	p.10-13
	CG-MR-000.a	Number of distribution centers	07 Environment- Plan of Centralized Logistic Center	p.53-54
	CG-MR-000.b	Total area of retail space	93,914 pin ( ≈ 309,916 sqm) in 2020	
	CG-MR-000.b	Total area of distribution centers	07 Environment- Plan of Centralized Logistic Center	p.53-54