



POYA  
2017

Beautiful Popular Wonderful

**CSR  
REPORT**

all in one place



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# 01

## About the Report

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

# 02

## Start on Poya's CSR

- 2.1 A message from the Management
- 2.2 External Awards

# 01 About the Report

In 2014, Poya International Co., Ltd. (hereinafter to be referred as Poya) started to publish its “Corporate Social Responsibility Report”. The Corporate Social Responsibility Report included the information of governance, environment and society will be published by Poya annually to stakeholders for the disclosure of its policies, measures and results of corporate social responsibility, and the demonstration of its determination in realizing the sustainable development through continued effort.

## 1.1 Time Period and Scope Covered by the Report

The purpose of this report is to disclose issues which stakeholders care about, and response the issues through significant analysis.

This report covers the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2017 and covers the scope of Poya’s headquarters and the stores national wide. Rooted in Taiwan, Poya has not yet established any branch or head office in places outside Taiwan.

## 1.2 The Compiler Principal of Report

This report is prepared according to the GRI G4 guideline at “core options”, and the map of GRI index is provided at the end of the report.

## 1.3 The Disclosure of Report

This report is published in Chinese and English version, and has been disclosed 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, and the financial information is provided according to the audited financial reports.

## 1.4 The Production Team of Report

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## 02 Start on Poya's CSR

### 2.1 A message from the Management

In 2017, global economy entered in the upswing stage of business cycle and got rid of stagnant growth. Since the first half of 2017, economic recovery of developed countries inspired energy of global investment, international trading, industrial production, etc, made enterprises and consumers regain confidence and activated financial market. Almost 75% of economy in the world accelerated to grow simultaneously. Economic performance was higher than expectation. As for domestic consumption, the revised Labor Standards Act, one fixed day off and one flexible rest day in early 2017, impacted on price level and job market. Also, pension reform inhibited partial private consumption. In the second half of 2017, the market had already reflected negative news from government policy. In addition, stock market hit record highs repeatedly and government planned to raise the pay for public sectors. The confidence of private consumption started to go stable. However, because low-waged environment has lasted for a long time, income of general people grows slowly and the distribution of income level becomes bipolarity. Overall

domestic consumption market still tends to be pessimistic and conservative. According to Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C., the forecast of growth rates of real consumption in 2017 and 2018 are 2.14% and 2.07% respectively.

Owing to the competitive and changeable economic environment and the impacts from population and climate change, Poya shall keep making differentiation by market positioning and upgrading its services to pursue better operating performance. With the support of all personnel and the management, there are 177 stores national wide by the end of 2017. The operating revenue and profit for the year after tax in 2017 are NT\$13.2 billion and NT\$1.4 billion respectively, both of which reached the record highs.

In addition to growing the business, Poya also puts an effort on incorporate governance. In 2017, Board of Directors implemented comprehensive re-election of directors and independent directors according to relevent internal regulations. All of new independent directors serve as members of audit committee. Board of Directors also elected second-term members of nominating committee and third-term members of remuneration committee to effectively enhance function of the BOD. Poya also devotes to executing e-voting to provide multiple voting channels so that it can raise the attendance rate and establish a robust operation constitution.

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In terms of environmental protection, Poya continues to adopt latest energy saving equipment and implements e-system. Besides, Poya started planning the program of new distribution center in 2015 and started operating it in 2017 to raise the usage efficiency of resource.

With respect to the social participation, in 2017, Poya sponsored the portable digital wireless disaster rescue equipment for Tainan City Government Fire Bureau and expected to be the backing of the first-line rescue team. Poya sponsored “Asian Cultural Council” and expected the ACC Grant Plan continuously to educate more talented Taiwanese artists, scholars and groups to perform on international stages. Poya sponsored “National slow-pitch soft ball championships for hearing impaired labor” to encourage participants. Poya sponsored “Lantern Festival Parade” held by Hemei Town in Changhua city to celebrate the holiday with children. Poya responded to the activity of “Winter Coupons for traveling Penghu in 2017” and sponsored the second-term “A-Line Superstar Competition.” Through social participation, Poya hopes to promote positive social culture and its value.

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

Poya aims at the objective of becoming as “A more preferred Poya by the customers”, and will implement the sustainable spirit on environment, society and corporate governance in the future. By this report, all the efforts made by Poya on economy, environment and society can be fully presented for the friends who express a concern of our sustainability. 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.

## 2.2 External Awards

The 4<sup>th</sup> session of  
Assessment on  
Corporate  
Governance  
**Top 5%**

Poya emphasizes on Corporate governance. Except controlling the external information to make the progress with the society, Poya also established the Remuneration Committee in 2011, Audit Committee in 2014 and Nominating Committee in 2014 to complete the function of Board of Directors and protect the rights of shareholders. In 2014, Poya established Corporate Social Responsibility Committee, and announced CSR report voluntarily to implement corporate social responsibility.

Poya always devotes to corporate governance. In order to protect the rights of shareholders and the benefits of stakeholders, Poya continuously enhances information transparency and spontaneously plan evaluation index subjecting to the requirements of competent authority. As of 2017, Poya has ranked in top 5% of the TPEX-listed companies in “Corporate Governance Evaluation” for four consecutive years.



2017  
The companies in  
services industries  
with large scale  
**Top 112<sup>th</sup>**

Poya holds the company spirits of “Proactive Innovation, Customer Orientation, Integrity and Trust”, Poya keeps providing the best service and comfortable shopping environment. Poya ranks up from 158<sup>th</sup> in 2014 to 112<sup>th</sup> in 2017 in the service industry with large corporate scale according to the survey conducted by CommonWealth Magazine.

**Poya International**  
**Chen Zong-Cheng, General Manager**

# 03

## Identification and Communication of Stakeholders

- 3.1 Identification Process of Material Aspects
- 3.2 Poya's Stakeholders and Communication Channels
- 3.3 Analysis and Ranking of Substantial Issues
- 3.4 Material Aspects and Boundary of the Report



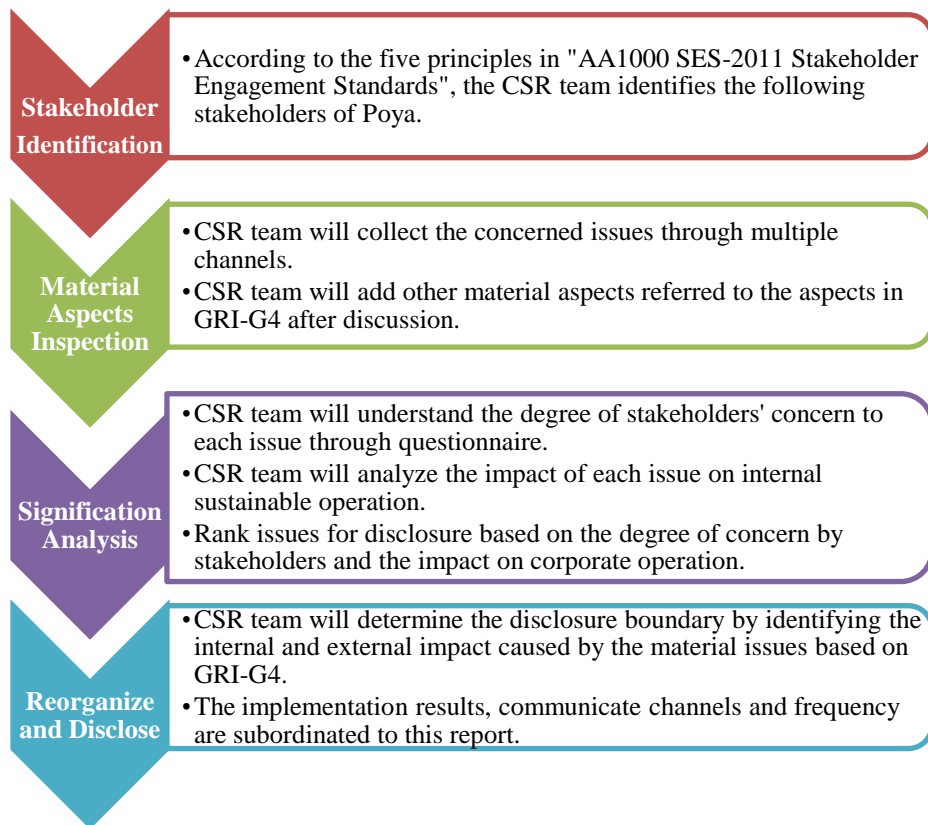
START SOMETHING WONDERFUL.



# 03 Identification and Communication of Stakeholders

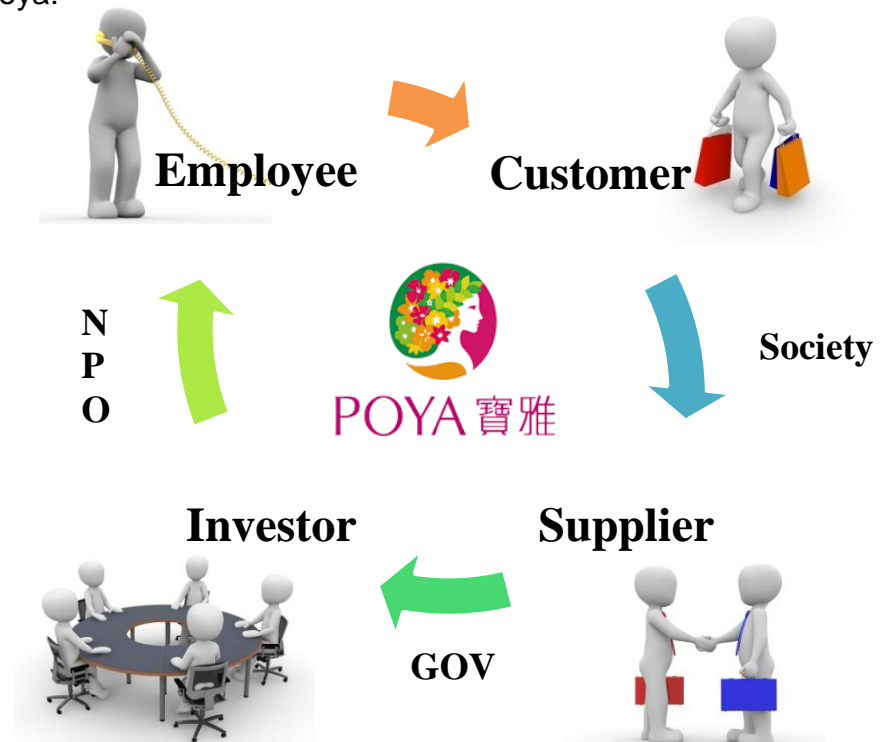
Communication with stakeholders and identification of material aspects are core works in the implementation of corporate social responsibility. In order to receive the messages from all stakeholders and maintain positive communication, Poya provides various channels for communication and makes active disclosures

## 3.1 Identification Process of Material Aspects



## 3.2 Poya's Stakeholders and Communication Channels

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



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

Stakeholder	Concerned Issues	Communication Channel and Frequency
<b>Investor</b>	<ul style="list-style-type: none"> <li>☑ Corp. Operation and financial information</li> <li>☑ Corp. Governance    ☑ Law Compliance</li> <li>☑ Social Charity</li> <li>☑ Shareholders' Equity</li> </ul>	<ul style="list-style-type: none"> <li>▪ MOPS(according to regulations)    ▪ Shareholders' Meeting(annual)</li> <li>▪ Investor Conference(4 times in 2017)    ▪ IR Email(reply in real time)</li> <li>▪ Office website(at least once a month)</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>☑ Remuneration and Welfare</li> <li>☑ Training and Education</li> <li>☑ Human Rights and Equality</li> </ul>	<ul style="list-style-type: none"> <li>▪ ABC Conference(monthly)    ▪ Internal Meeting(monthly)</li> <li>▪ Training Course(at least once a quarter)</li> <li>▪ KPI Assessment(at least once a quarter)    ▪ Email(reply in real time)</li> <li>▪ Communication Software/Notes/Connections(reply in real time)</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>☑ Customer Service    ☑ Law Compliance</li> <li>☑ Supplier Environment Review</li> <li>☑ Supplier CSR Management</li> <li>☑ Human Rights and Equality</li> </ul>	<ul style="list-style-type: none"> <li>▪ Questionnaire(irregular)    ▪ AD/DM(monthly)</li> <li>▪ Official Website(reply in real time)</li> <li>▪ Email(reply in real time)    ▪ 0800 Hotline(reply in real time)</li> <li>▪ Communication Software(reply in real time)</li> </ul>
<b>Supplier</b>	<ul style="list-style-type: none"> <li>☑ Supplier Environment Review</li> <li>☑ Supplier CSR Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ E-Platform(real time)</li> <li>▪ Factory Visit and New Product Presentation(irregular)</li> <li>▪ Review Report and Communication Meeting(irregular)</li> <li>▪ Audit Management(irregular)</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>☑ Corp. Governance</li> <li>☑ Law Compliance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Responsible Agency Conference(irregular)</li> <li>▪ Correspondence for Education of Legal Rules (according to regulations)</li> <li>▪ Communication with Supervisory Body (according to regulations)</li> </ul>
<b>Community and NPO</b>	<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 material issues for first disclosure in the report shall be determined according to the degree of concerns expressed by the stakeholders to specific issues, the inquiry frequency, and the degree of substantial impacts on corporate sustainability caused by specific issues.

To those material and substantial aspects, detailed information will be included in the report to respond to the stakeholders' concerns. Other related but lower-concerned or lower-impacted issues shall also be briefly disclosed in the report. Besides, the stakeholders who are interested in other related issues can also gain the responses 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 effect on internal and external bodies.

Category	Aspect	Internal		External		
		Head Office	Branches	Customers	Suppliers	Community
Economy Environment	Economic Performance	■	■			
	Market Presence	■	■	■		■
	Procurement Practices	■	■		■	
	Energy	■	■			■
	Water	■	■			■
	Emission/ Climate change	■	■		■	■
	Products and Service	■	■	■		
	Transport	■	■	■		
	Employment	■	■			
	Occupation Health/ Safety	■	■			
Society	Training and Education	■	■			
	Diversity and Equal Opportunity	■	■			
	Investment	■	■			
	Non-discrimination	■	■	■	■	■
	Child Labor	■	■	■		
	Forced and Compulsory Labor	■	■			
	Anti-corruption	■	■			
	Anti-competition	■	■	■		
	Customer Health and Safety	■	■	■		
	Product and Service Labeling	■	■	■	■	
Community Participation	■	■			■	

■ : Substantial aspects which shall be disclosed in the report



# 04

## About Poya International

- 4.1 Corporate Profile and Industry Overview
- 4.2 Operation Strategy
- 4.3 Financial Results
- 4.4 Investor Relations Management

# 04 About Poya International

## 4.1 Corporate Profile and Industry Overview

Poya was started in Tainan. The founder Mr. Chen Jian-Zao was the pioneer of the business model which Poya relied on to act as a cosmetic and grocery store. With the spirit of “customer first”, Poya keeps upgrading the store format to provide more comfortable shopping environment. Besides, Poya also devotes to offer more optional product mix. The average shopping space is around 400 pin, which is 1,300 square meter, and up to 53,000 skus are offered. Through optimizing product display and shopping area allocation, Poya satisfied customers’ expectation of one stop shopping service with the most convenient, most sufficient, and most professional experience.

The target customers of Poya are the females aged between 15-49 years old. To satisfy the purchase demands of the female customers, Poya offers the fair-priced and high CP value products. Besides, Poya will also introduce new products by getting close to the thinking of the females.

Through the store expansion, Poya emerged as the first company in Taiwan listed on GTSM as a retailer of “cosmetic and grocery specialty store” in 2002.

Corporate Profile	
Chairman	Chen Jian-Zao
Date of	March, 1997
Foundation	
Date of Listing	September, 2002 (Code: 5904)
Capital	NTD 0.98 billion in 2017
Industry	Comprehensive Merchandise Retailing Industry
Address of	No.74, Sec. 3, Minzu Rd. West Central Dist.
Headquarter	Tainan City

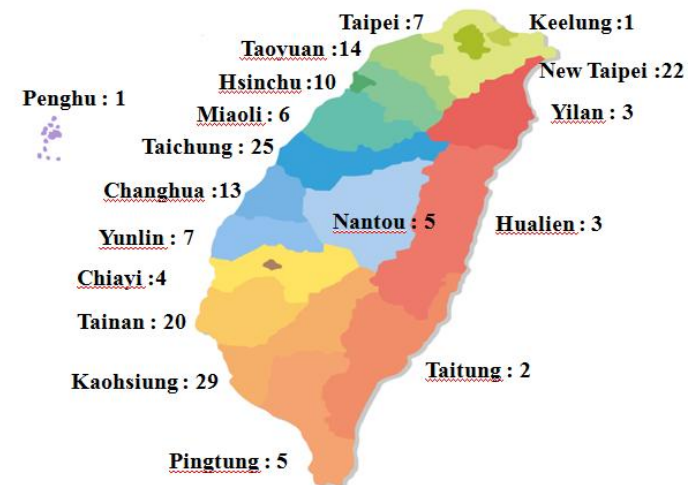


Figure 4.1 177 stores by the end of 2017

## Main products of Poya:

### Trendy Skin care and cosmetic products

Includes domestic brands of cosmetics, counters of skin care, beauty and healthy products, and cosmetics and skin care products on open-shelves.



### Daily merchandises

Includes daily necessities, family groceries, shampoo and showering products.



### Trendy underwear and socks

Includes counters of branded underwear, and personalized and trendy underwear and socks.



### Delicate and personal supplies

Includes food, stationery, leather goods, and fashion ornaments.



Poya is a retailer selling a whole variety of merchandise. According to the report compiled by the Ministry of Economic Affairs, the total sales of Taiwan Retailing Industry are NT\$ 4,100 billion in 2017, which grew by 1.2%. Among different types of retailing industries, the comprehensive merchandise retailing industry grew by 2.1% annually which outperformed the overall Taiwan Retailing Industry. There are five categories in comprehensive merchandise retailing industry, including the department stores, supermarkets, convenience stores, hypermarkets and others (Figure 4.2). It is the niche products of skin care products, cosmetics and personal necessities, and the comfortable, one-stop shopping space that Poya can be differentiated from the department stores, supermarkets, convenience stores, and hypermarkets. Therefore, Poya belongs to the independent category in the retailing industry. For pursuing ethical management and sound development, Poya set up “Ethical Corporate Management Best Practice Principles” in 2014 and competed with other retailers by fair and transparent way in accordance with related competitive rules. During the period of business operation, Poya do not have any event of anti-competition, anti-trust and monopolization in 2017.



Figure 4.2 2017 Sales Percentage in Comprehensive Merchandise Retailing Industry (Source: Ministry of Economic Affairs)

## 4.2 Operation Strategy

The following three business strategies are for the corporate growth and the purpose of satisfying various demands of the customers:

### Development of Large Scale and Chain Store System

Rooted in Taiwan, Poya has focused on store expansion and has opened to 177 stores in 2017. In addition to metropolises, Poya also opened the stores located in rural areas and even on Penghu Island in 2014 since Poya always hoped to bring the spirit of “Beauty, Trendy, and Color” into rural areas. In the future, Poya expects itself to become as “A more preferred Poya by the customers” and expand the stores national wide by setting up the store expansion plan of 400 stores in 2023.

### Product Optimization

Poya holds the focus group meetings at a regular base. Besides, Poya also introduces new products and optimizes the product categories by getting close to the thinking of the female customers. Product Optimization is response to the market trend as below:



Figure 4.3 Poya Product Optimization

### Store Upgrading

Poya launches 5<sup>th</sup> generation stores and emphasizes on the display upgrading in 2017: (1) Set up make up zone for customers to try out cosmetics. (2) set up special areas for derma cosmetics with professional impression. (3) Set up hotspots and topic shelves and select specific products such as trendy, seasonal, high-discussed or promoted goods in there. (4) set up lighting shelves for customer to search products easily.

In addition to offering more options for customers, Poya keeps trying our best to create the most diversified and convenient shopping environment and give more preferable one stop shopping experience to customers.

#### Beauty

##### Make up zone



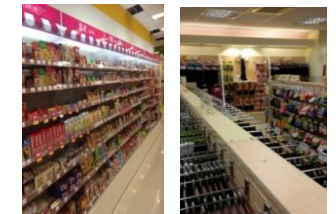
Multiple options & try out service  
Professional impression

##### Derma cosmetics



#### Convenience

##### Lighting shelf



Easy to navigate

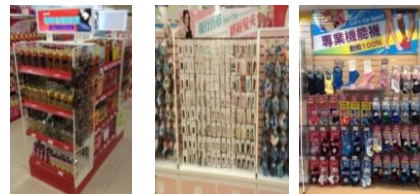
#### Fashion

##### Hotspots



Fashion & Recommendation  
Topic display

##### 4 feet topic shelf



##### Interactive shopping experience



Optimize shopping experience

## 4.3 Financial Results

In 2017, Poya reached...



Net profit in 2017: **NT\$1.43 billion**  
(It grew by 22.20% from 2016 to 2017)



ROE in 2017: **42.19%**  
(It grew by 6.08% from 2016 to 2017)



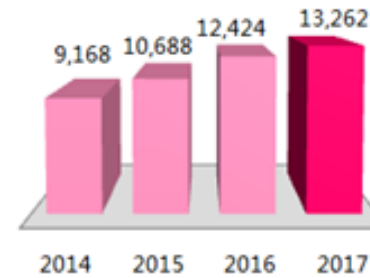
Store number in 2017: **177 stores**  
(20 new stores were opened in 2017)

Poya aims at the objective of becoming as “A more preferred Poya by the customers”, upgrading the brand value of Poya through proactive store expansion, product optimization and store upgrading. With management team and all of the employees’ efforts, the sales and net profit break the record to 13.3billion and 1.43billion respectively.

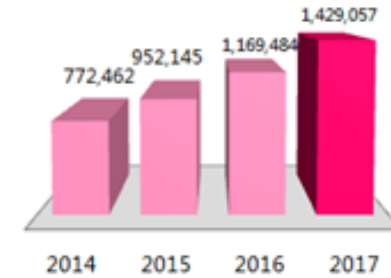
Please refer to and download the detailed operation information, annual shareholder reports and financial reports on Poya’s official website, MOPS and the following website:

[http://www.poya.com.tw/en/financial\\_reports\\_ch.html](http://www.poya.com.tw/en/financial_reports_ch.html)

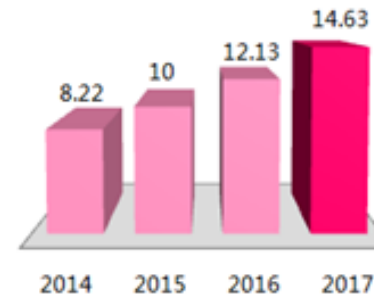
Operating Revenues  
(Millions, NTD)



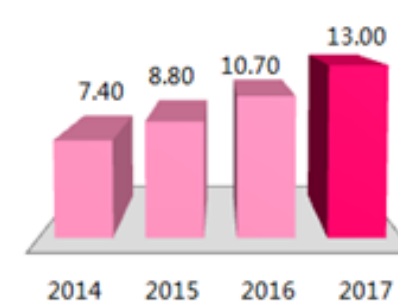
Net Income  
(Thousands, NTD)



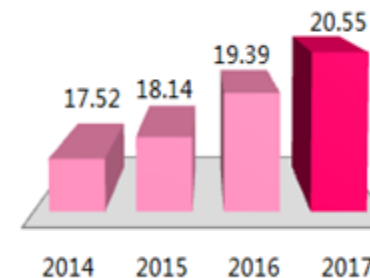
EPS  
(NTD)



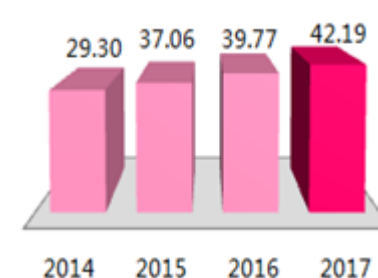
Cash Dividend  
(NTD)



Return on Assets  
(%)



Return on Equity  
(%)





## 4.4 Investor Relations Management

Sustainable operation is based on the management of investor relationship. Recently, Poya conducts a lot of revisions included e-voting system, case by case voting of motions at Board of Director meeting, English official website and the special web page for investors, EN/CN material information announcement etc. based on the spirit of corporate governance. Poya has long been conceived with the principle of “Ethical Corporate Management” to devote to improving investor relations, and pays attention to the opinions from shareholders, investors and stakeholders. Poya always share the operating achievement to shareholders.

The orientations of investor relations management are as below with following detail respectively.

- 1 **Maintain the shareholders' equity and treat every shareholder fairly**
- 2 **Improve the information transparency**
- 3 **Healthy corporate governance**
- 4 **Strengthen the structure and operation of Board of Directors**
- 5 **Implement corporate social responsibility**

### Maintain the shareholders' equity and treat every shareholder fairly.

- a. Special web page was designed for investors and corporate governance.



The special web page was designed for stakeholders on Chinese/English official website to offer the searching service, also provide financial report/annual report, regulations, and resolutions passed by BOD or shareholder meeting.

- b. Create the system of spokesman and IR contact window

Poya appointed a share registration agent to handle related business and also arranged a company spokesman and acting spokesman for responding to the recommendations and disputes of the shareholders. Additionally, Poya also set the IR contact window to response the detail to personal investors.

- c. Introduce e-voting system

In order to maintain the shareholder equity, and have a good communication with shareholders, all the acknowledgements and discussions are voted case by case. Moreover, Poya has carried out the e-voting system since 2015. The e-voter turnout was 68% in 2017, and the total voter turnout was up to 88%.

## Improve the information transparency

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

Therefore, information disclosure is an important part of corporate governance system. The higher transparency of corporate information, the more complete governance system is implemented. The increase of corporate transparency also could add the corporate value and reduce the financial cost.

Poya has raised the level of information transparencies since 2014. Poya makes a plan related to information disclosure and corporate voluntarily in addition to the regular information disclosure as required. The way of information declaration of Poya as follows:

### --Voluntary disclosure--

- ① Disclosing the respective remunerations of the directors in the annual report voluntarily.
- ② Introducing e-voting at the Board meeting voluntarily.
- ③ Preparing the annual CSR voluntarily since 2014.

### --Information in CN/EN--

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

### --Information transparency--

- ① CN/EN official website
- ② Financial calendar offered
- ③ Newest annual report and financial statements
- ④ Registration agent and contact window offered
- ⑤ Updating relative information of Board meeting (ex. annual report, meeting notice, meeting agenda)
- ⑥ Resolutions of Board meeting, major internal regulations and CSR report offered.

### --Investor conference--

Poya participated in 4 conferences held by external institutions in 2017 and announced conference timetable and presentation copy on official website.











## Health corporate governance

Poya always devotes to corporate governance. In order to protect shareholders' rights and stakeholders' rights, Poya keep increasing the information transparency. Poya also makes a plan related to information disclosure and corporate voluntarily to meet the measures as competent authority required.

Poya has set up the corporate governance system proactively since 2014. Poya established the Independent Directors, audit committee and nominating committee, announced the CSR report, carried out the e-voting system voluntarily and put to the vote case by case. Through the multiple voting channels, Poya can increase the attendance rate and participation of shareholder. Poya enacted "Rules and Procedures for Board of Directors Performance Assessments" voluntarily and made a disclosure on official website. Poya would like to protect the shareholders' rights through creating the useful structure of corporate governance, maintaining information transparency and implementing corporate governance based on responsibility for works.

Poya was awarded as top 5% of the assessment of corporate governance in the consecutive 4 years from 2014 to 2017 based on the fabulous performance of corporate governance. Standing on the good basics we made in the past, Poya will keep strengthen itself through self- challenge and creative thinking with modest mindset to show our best.



-  Awarded top 5% of 1<sup>st</sup> assessment of corporate governance.
-  Listed in Top 200 Forbes Asia Best
-  Ranked 158<sup>th</sup> in service industry according to the survey conducted by Common Wealth Magazine in 2014
-  Ranked in Top 50 fastest growth in service industry according to the survey conducted by Common Wealth Magazine in 2014
-  Awarded "Golden Laurel Award- employment promoting" which is given by Taipei Stock Exchange in 2014
-  Awarded top 5% of 2<sup>nd</sup> assessment of corporate governance.
-  Awarded A+ of 12<sup>th</sup> assessment on information disclosure
-  Awarded top 5% of 3<sup>rd</sup> assessment of corporate governance.
-  Awarded top 5% of 4<sup>th</sup> assessment of corporate governance.
-  Ranked 112<sup>th</sup> in service industry according to the survey conducted by Common Wealth Magazine in 2017

In addition to compliance with Company Act, Securities and Exchange Act and other related rules, Poya also establishes effective corporate governance structure based on the “Corporate Governance Best-Practice Principles” to protect the shareholders’ rights, respect the stakeholders, raise the level of information transparencies and enhance the function of Board of Directors. Under the ethical corporate management and effective corporate governance operation, Poya can meet the commitment on corporate sustainability and get better operating performance. Figure 4.6 shows organizational chart of Poya.

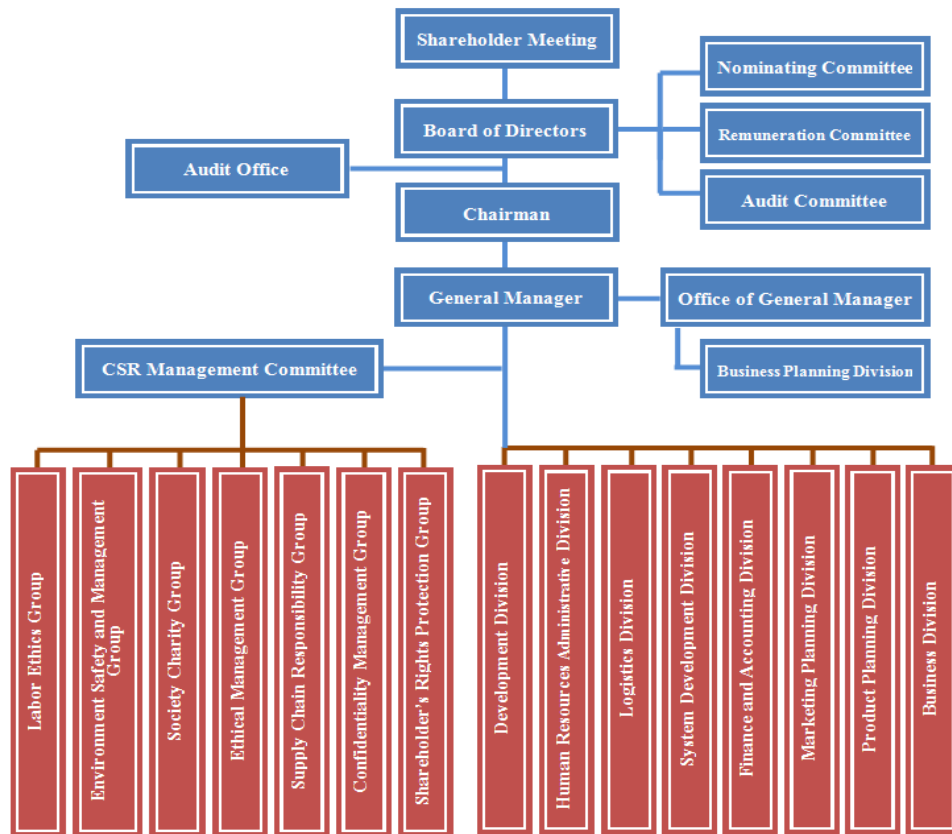


Figure 4.4 Organizational Chart

Poya established Audit Committee, Remuneration Committee and Nominating Committee under the Board of Directors. The minister is served by General Manager. Corporate Social Responsibility Committee was recalled. In order to implement corporate, Poya adopted the following methods:

-  Inspect and protect the rights of shareholders
-  Inspect the functions of Board of Directors
-  Inspect the functions of Audit Committee
-  Inspect the functions of Nominating Committee
-  Inspect the level of information transparencies
-  Inspect internal audit system
-  Inspect operating strategies
-  Undertake the responsibilities of stakeholders and society

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

## **Strengthen the Board of Directors: Structure and operation**

The Directors were elected for a term of three years. Poya reelected Directors at 2017 shareholders' meeting. Simultaneously, in order to make sure the independence of Board of Directors with the view from stakeholders, Poya also elected 3 Independent Directors and established Audit Committee to replace supervisors.

The Board of Directors consists of 7 Directors and one is the female Director. The Directors are from information, finance, accounting, electronic components, construction and cultural industry backgrounds. The ability of finance decision making, industry knowledge, risk management and management ability were required. The variety of members background could increase the quality of decision making on operation and lead Poya to achieve the goal of corporate governance.

The positions taken by the Board members currently in Poya and other companies are as followed. For related information of Directors' background, please refer to the annual report issued on the special webpage for investors: <http://www.poya.com.tw/>

### **Chen, Jian-Zao**

Chairman

Chairman of Dou Chin Investment Co., Ltd.  
Director of Poya Investment Co., Ltd.  
Chairman of Chen Ching Investment Co., Ltd.

### **Chen, Fan Mei Jin**

Vice Chairman

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

### **Chen, Zong Cheng**

Director and General Manager

Director of Chen Ching Investment Co., Ltd.

**Chen, Ming-Shian**  
Director

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

**Liu, Zhi-Hong**  
Independent Director

Director, Chien Hsing CPA Office  
Executive Director, Thinflex Corporation  
Chairman, Song Yang Electronic Materials (Kunshan) Limited Company  
Independent Director, Fitness Factory Co., Ltd.  
Remuneration Committee Member, Fitness Factory Co., LTD.  
Supervisor, Chinese Television System Co., Ltd.  
Chairman, Chien Hsing Information Co., Ltd.  
Chairman, Chien Lian Investment Co., Ltd.  
Director, Shun Lai Business Consultancy Co., Ltd.  
Director, Chang Chun Biomedical Co., Ltd.  
Director, Huang Hui Biotech Co., Ltd.

**Lin, Tsai-Yuan**  
Independent Director

Member of Remuneration Committee of TYC  
Brother Industrial Co., Ltd.

**Zhung Jun-Rong**  
Independent Director

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

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

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

### **The operation of Board meeting**

The Company calls a Board meeting at least once a quarter and at least one independent director would attend Board meetings in person. However, 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 and also intensify the managerial function and the corporate governance.

### **Courses for further studies taken by the Directors**

In order to broaden the Directors' Knowledge, Poya arrange periodic courses for further studies for Directors every year. The content of courses includes 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 2017. The courses for further studies taken by the Directors could be referred to annual report which announced on Poya's official website.

### **Act on Recusal of Board of Directors due to Conflicts of Interest**

If there is any interest conflict between the Board operation and one of the Director, such Director shall avoid the participation in the meeting and shall comply with Article 15 of Rules of Procedure for Board of Directors Meetings. Besides, name of the Director, important explanation of the interested relation, the reason and situation of avoidance from the meeting shall be included in the Board minutes. Please refer to 2017 Complete Board meeting minutes on Poya's official website.

### **The remunerations of Directors**

Profit distribution shall be determined based on the corporate earnings in the previous year which is submitted by the Board to the Shareholders' Meeting for resolution. 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, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be higher than 6% for directors' remuneration. The Directors' remuneration in 2017 could be referred to annual report which announced on Poya's official website.

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

The directors of Poya International shall practice ethical corporate management, thus there isn't any lawsuit or illegal behavior. Poya takes out the insurance for the Directors every year and check the content of insurance regularly to make sure its integrity.

Poya International purchased liability insurances for the directors and supervisors from Fubon Insurance in 2017 with the sum insured to be USD\$5 million. The period of insurances is from October 1, 2017 to October 1, 2018.

### Internal audit

The Audit Office is subordinate to the Board of Directors and is to make an assessment on the completeness, effectiveness and implementation of the internal audit system independently and objectively. The Audit Office shall also duly give advices for improvement to ensure that the internal audit system can be brought into full play.

The Audit Office will make an annual audit and project audit, will make an assessment on internal control system and will provide project consultation services. The internal audit reports and working papers will be offered properly to the Board of Directors and the management for suggestion to ensure the effectiveness of the internal control system.

The Audit Office will make an annual audit plan based on the risk assessment results in the previous year, execute audit process by risk assessment and review model, and assist each division and affiliates of the Company in review of the risk projects, system planning and process design. As such, Poya can lower the operation risks and increase the corporate value.

### Rules and procedures for Board of Directors performance assessments

Poya has formulated the measures of performance assessment of the Board of Directors in 2015 to implement the execution of corporate governance and promote the function of the Board of Director. Employees conduct the self assessment and colleague assessments at the end of the annual. The result of the performance assessment of the Board of Directors in 2017 runs properly.



#### **The Measures of Overall Assessment**

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

#### **The Measures of Performance for the members of BOD**

- ✓ Internal audit
- ✓ Corporate target and mission control
- ✓ Acknowledge of the Directors' duties
- ✓ The degree of participation in corporate operation
- ✓ Internal relationship building and communication
- ✓ The Directors' specialty and further studies



## Functional Committees

Poya established Audit Committee, Remuneration Committee and Nominating Committee under the Board of Directors to assist the Board of Directors with the duty of auditing. The Board of Directors, Audit Committee, Remuneration Committee and Nominating Committee operated by “Sample Template for Poya Co., Ltd. Rules of Procedure for Board of Directors Meetings, “Sample Template for Poya Co., Ltd. Audit Committee Charter”, “Sample Template for Poya Co., Ltd. Remuneration Committee Charter” and “Sample Template for Poya Co., Ltd. Nominating Committee Charter” respectively. Audit Committee and Remuneration Committee were composed by 3 Independent Directors. The articles of each committee were passed by the Board of Directors, and each committee reported events and resolutions to the Board of Directors regularly.

### **Audit Committee**

☑The function is to assist the Board to supervise each operating unit and exercise the function required by Company Act, Securities and Exchange Act and other related rules. The Committee is consisted of 3 Independent Directors among whom 2 are financial experts. The Committee shall be under operation according to Audit Committee Charter. The Company shall call an Audit Committee meeting quarterly and shall call at least once a quarter.

☑6 meetings were called in 2017. It's a good way for Independent Directors, internal auditors, and CPA to communicate.

### **Remuneration Committee**

☑The function is to intensify the corporate governance and risk management, and to make a review on the remuneration of the Directors and managers periodically. It is to ensure that the remuneration system does fulfill the requirement of related rules and regulation, and can also appeal to the talents. The Committee is consisted of 3 Independent Directors and shall be under operation according to Remuneration Committee Charter.

☑3 meetings were called in 2017. The 3 meetings were participated by all the Independent Directors in person.

### **Nominating Committee**

☑The function is to complete the operation of the Board, to intensify the managerial mechanism, to seek, review and nominate director candidates, to develop the organization structure of the Board and each Committee, to make a performance assessment on the Board, the Committees and each Director, and to evaluate the independence of Independent Directors. The Committee consists of 3 Independent Directors and 2 Directors and shall be under operation according to Nominating Committee Charter.

## The practice of corporate social responsibility

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (herein called Responsibility Committee) is the top organization at Poya in charge of corporate social responsibility. The function of Responsibility Committee is to mark out a general course of action and set up a goal for corporate social responsibility and sustainable development of the whole company. The Responsibility Committee is consisted of seven functional teams: Labor/Ethics Regulation Team, Environment Safety/Management Team, Social Charity Team, Integrity Operation Team, Supply Chain Management Team, Business Confidentiality Management Team, and Shareholders' Equity Protection Team. The Chairman of the Responsibility Committee shall review the annual performance of each functional team at any time as needed. Please refer to Figure 4.7 for 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.

Poya has appointed Finance and Accounting Division as the exclusive (or concurrently) being in charge of the implementation of policies and plans of corporate social responsibility, dedicated unit to report to the Board of Directors through Chairman periodically ; Since 2014, Poya makes the annual corporate social report voluntarily to help stakeholders to understand the corporate operation of corporate social responsibility.

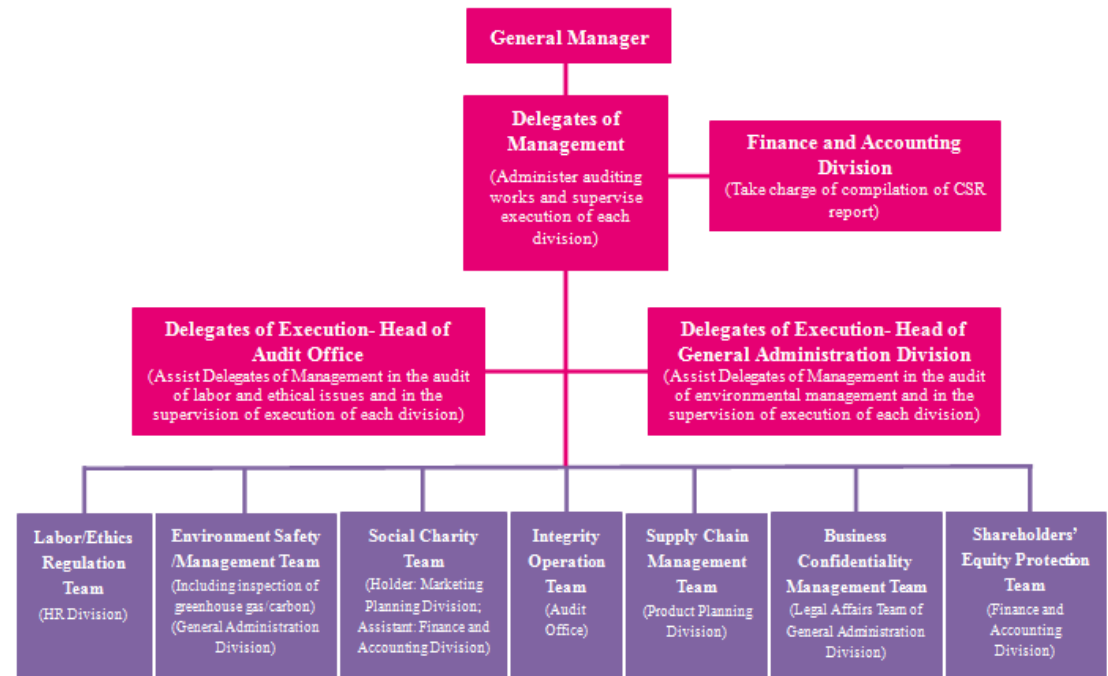


Figure 4.7 Organization Chart of Corporate Social Responsibility Committee

## Risk Management

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

## Anti-corruption

Poya conceives the mission of ethical operation and enacts the corporate social responsibility policies such as “Ethical Corporate Management Best Practice Principles”, “Guidelines for the Adoption of Codes of Ethical Conduct” and “Procedures for Ethical Management and Guidelines for Conduct”. Poya requires the Directors, managers and all the personnel to abide by the policies mentioned above and hopes that all the employees in Poya can have self-disciplined and ethical behaviors. Poya sets its face against any corruption in whatever form. For avoidance of any improper benefits received by any personnel of the Company, Poya makes clear requirement in “Guidelines for the Adoption of Codes of Ethical Conduct” that any provision, promise, request, or acceptance of improper benefits in whatever form or name by any personnel of the Company through a third party shall be prohibited. The Audit Office is authorized to be solely responsible unit and in charge of the supervision. If any personnel of the Company violate ethical conduct, the Company shall give penalty taking into consideration how serious the violation is. The Company shall also disclose the name and title of the violator, the date and details of the violation, and the actions taken in response. In 2017, Poya did not have any violation of ethical conduct.





# 05

## Environment

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

## 05 Environment

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According to IPCC of the United Nations, global warming will lead to serious consequences like melting of glaciers, rise of sea level, extinction of certain species, lack of food and death of trees. Furthermore, the extreme weather caused by global warming also intensifies drought and water scarcity. The Global Risk Report issued by WEF in 2017 indicates that for the next decade, three significant influences toward global development include economic inequality, social polarization, and increasingly environment risks. Among environment risks, extreme climate, natural disasters, man-induced environmental disasters, water crisis and climate changes which are unable to be adjusted and relieved are issues we should highly think of . As being a member of the earth, Poya shall spare effort to protect the environment from global warming, climate change and water scarcity.

### 5.1 Greenhouse Gas Inspection

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

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

#### **Period of the Report**

- ✓ 1<sup>st</sup> Jan 2015~31<sup>st</sup> Dec 2017
- ✓ Inspect the Emission of Greenhouse Gas during such Period and Disclose the Result of Greenhouse Gas Inspection

#### **Boundary of Organization**

- ✓ Execute the Greenhouse Gas Inspection based on ISO14064-1
- ✓ Boundary of Organization for the Inspection:
  - (1) Headquarters in Taipei and Tainan
  - (2) 177 Stores (By the End of 2017)

#### **Scope of Gas Inspection**

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

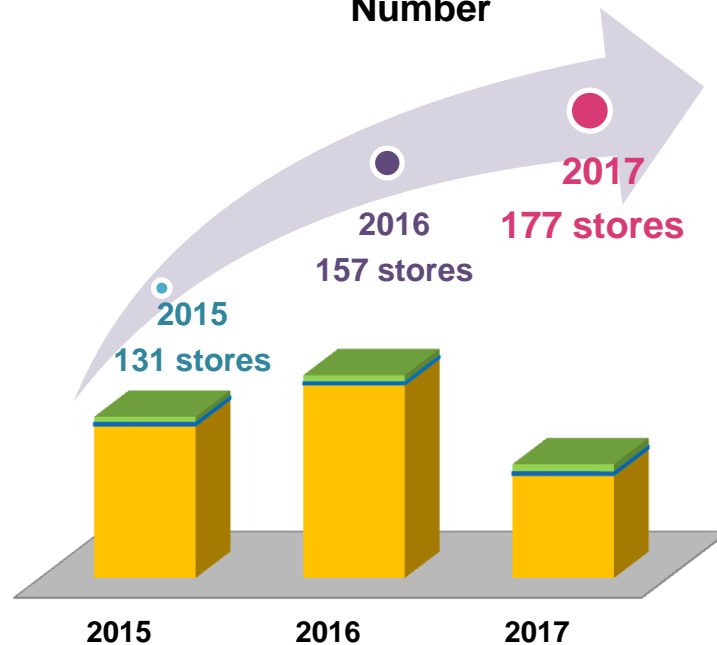
## Greenhouse Gas Inspection Methods :

Method 1: The Emission Coefficient Method is used for tracking the vaporization of coolants in accordance with the Greenhouse Gas Emission Coefficient Management Table of Version 6.0.1. Residential and commercial use air-conditioners are used as the emission factors for the calculation of coolant vaporization.

Method 2: The fuel consumption is calculated by the gasoline usage of the motor vehicles based on CO2 emission factor of both fixed source and mobile source (fuel).

Method 3: Carbon emission is calculated by the electricity usage based on the emission coefficient of the electricity from external supply in the year.

## Carbon Emission and Annual Store Number



Type	Carbon Emission(ton)&(%)			Remark
	2015	2016	2017	
■ Source of Vaporized Greenhouse Gas Emission	449 1.06%	526 1.17%	599 1.55%	Scope 1
■ Source of Fuel Consumption of Motor Vehicles	202 0.48%	168 0.37%	211 0.55%	Scope 1
■ External Electricity	41,415 97.71%	44,484 98.46%	37,706 97.90%	Scope 2
<b>Average Carbon Emission of Each Store</b>	<b>316</b>	<b>283</b>	<b>213</b>	

The store number of Poya increased to 177 stores in 2017, and therefore carbon emission generated from the usage of air-conditioners increased. As for external electricity, energy efficiency and carbon reduction perform well since we replaced lighting system from traditional lights to LED in 2017.

On the other hand, owing to the store expansion need, the store renovation activity and the periodical store inspection plan, the number and utilization rate of motor vehicles for business increased, leading to more carbon emission generated from "Source of Fuel Consumption of Motor Vehicles." However, carbon emission generated from such category accounts only for 0.55%. Therefore, it is not the main source of carbon emission under Poya's operation.

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

## 5.2 Programs of Water Conservation, Energy Saving, and Carbon Reduction

Poya always puts emphasis on environmental protection. In addition to promoting proper concepts of water and electricity usage, Poya also draws up suitable programs of water conservation, energy saving and carbon reduction by process improvement, equipment update and electronic platform introduction.

### Program of Water Conservation

The main source of water was Taiwan Water Corporation and only the two stores located in Hualien and Kaohsiung used groundwater. Poya is a retailer, and therefore the purpose of water usage is to satisfy the normal and daily needs of our employees and part of our customers in both headquarters and the stores. Poya does not cause significant and serious effect on the source of water. Sewage is discharged into the river and ocean through sewers.

**In 2017, the avg. water usage of Poya ↓ 16.2% !**

Water usage in 2016 and 2017  
(Unit: cubic meter) :

Year	Total	Average
2017	169,188	1,235
2016	182,783	1,474

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

\* The average water consumption is total amount to the number of total stores in each year. There were 177 stores in 2017 and 157 stores in 2016 respectively.



It is one of the important responsibilities of Poya to treasure and conserve the water resource. The implementation of water management includes:

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

Poya started to introduce the modern inverter air-conditioners (see Figure 5.1) in 2013 and overall adopted the inverter air-conditioners in the new stores opened in 2014. Now, there are 177 stores, 57% of which use inverter air-conditioners to replace the outdated water tower air-conditioners, the percentage is raised by 9% compare to the year before. Poya will make a gradual replacement in order to lower the usage of water tower air-conditioners.



Figure 5.1

### Water Saving Equipment Adopting, Checkups and Repairs

Parts of Poya's stores do offer the restrooms for our customers. In order to promote water-saving activities, Poya puts up posters in the rest rooms (see Figure 5.2) of parts of Poya's stores and the headquarters. Besides, Poya purchases the toilet equipments with water-saving marks and sets up the water-saving devices, such as water-saving faucets.

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



Figure 5.2

## Program of Energy Saving and Carbon Reduction

Poya continues to push forward the energy management, and executes the examination program of greenhouse gas emission to comply with the advocacy of energy saving and carbon reduction promoted by government. The energy saving goals: (1). 2% Carbon Reduction each year from 2016; (2). 10% Carbon Reduction in 2021 compared to 2016. In 2017, the average electricity usage of each Poya store was about 384,523 kilowatt hour, which was 28.07% lower than the electricity usage in 2016. Taking advantage of aggressive energy-saving programs, the average electricity usage of each Poya store decreased year by year since 2012. Through the implementation of LED in 2017, the carbon emission could be reduced by 11,565 tons, which represents the carbon emission of Daan Forest Park. Besides, 14 branches of Poya in Tainan applied for awards as the energy-saving models successfully. The implementations of energy saving included:

### 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 adopting at the second floor (See Figure 5.3)

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

### Signboards with light-sensitive controller

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

### LED adopting

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

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

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

### Maintenance of Air-conditioners and Related Equipments

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



Figure 5.3

Figure 5.4



Figure 5.5



### Program of Paper Conservation

In order to reduce the emissions of greenhouse-gas, Poya not only enacts the measures of energy efficiency and carbon reduction, but also introduces the paper-saving strategy.

#### Internal E-Management

- E-filing of tax · E-voucher
- E-salary slip
- E-gift certificate for employees

#### E-Store Operation

- Flexible policy for printing direct mail
- Reducing physical price tag.
- E-signature for the purchase by credit card.



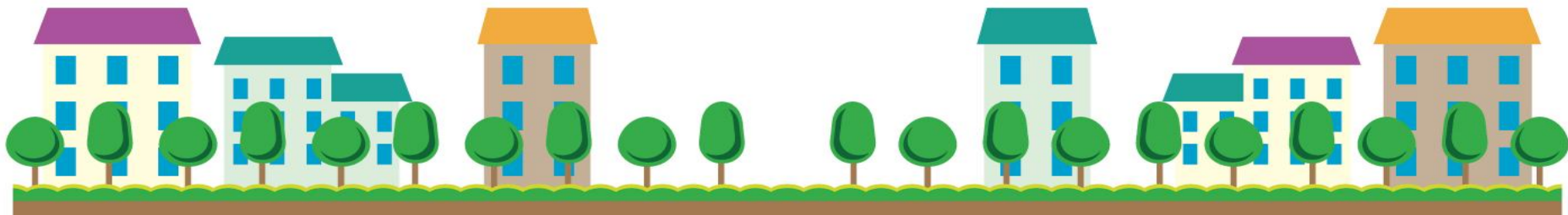
The number of trees Poya could save in 2017:

...1,884 trees

[Explanation]

How many trees you save= How many paper you save/ 5,000\*0.6

Source: Environmental Quality Protection Foundation



### 5.3 Plan of Centralized Logistic Center

New logistic center in Kaohsiung started to operate in July, 2017. The one in Taoyuan is operated by the third-party contractor. Since Poya is getting bigger and bigger, the contractor can't grow as fast as Poya due to limited resource. We terminated the contract in August and run it by ourselves to increase efficiency. Before the formal operation of logistic center in Kaohsiung, Poya was doing a soft trial in the end of 2016 in the temporary small one for almost half year. As a result, when the formal operation started, the benefit meets our expectation. The centralized distribution rate was 64% in 2016. In 2017, both of two distribution centers operated simultaneously and the centralized distribution rate was up to 75% in the end of 2017.

In terms of processing management, Poya enacted purchase regulations with suppliers in 2015, including delivery schedule, the notice of entering the goods, the specification of purchase and the purchase packing rules etc.

Because Poya collected and dispatched products through logistic center, the total delivery frequency decreased. Therefore, the carbon emission, exhaust gas emission and energy consumption were declined. Under stable operation of logistic center, Poya could adopt the pattern of "deliver at night, display on the following day".

The purchase goods from suppliers were received and checked in logistic center, and Poya could order in small quantity to reduce the inventory in store, then staffs could save their time and focus on the store business such as display, service, and shopping atmosphere creating to satisfy customers.(fig. 5.6)



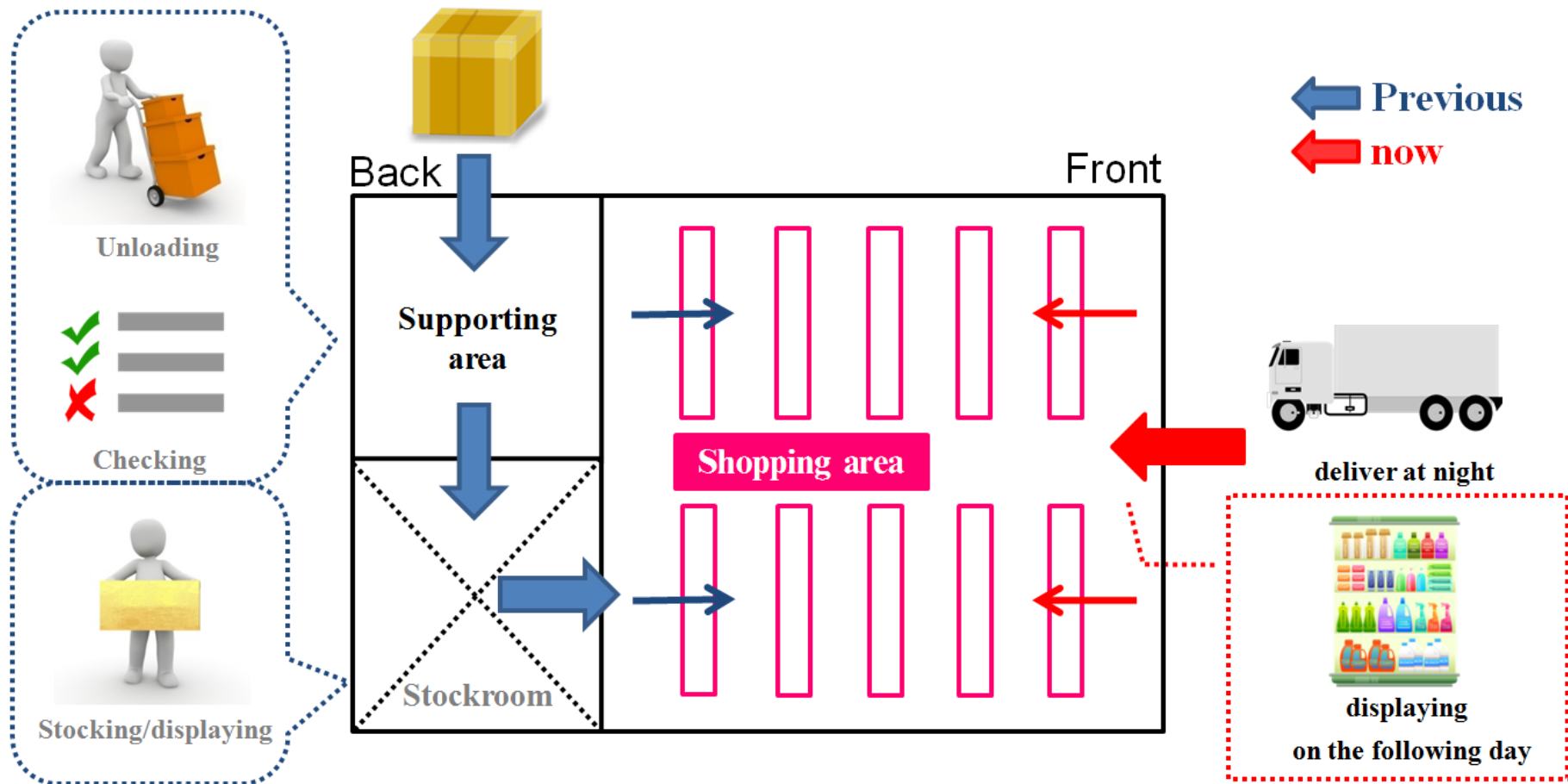


Figure 5.6  
 Poya could adopt the pattern of “deliver at night, display on the following day”  
 based on the stable operation of distribution centers.



# 06

## Society

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

## 06 Society

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

As a retailer selling a whole variety of merchandises and being located at the middle course between the suppliers and the customers, the main purpose of Poya is to “understand and satisfy the customers” needs.” By effective and instant supplier management system, Poya can control the products’ quality and can request the suppliers to abide the Product Labeling Law. In the long term development, Poya hopes to cooperate with the suppliers to create higher value for the customers!

With respect to the social participation, in 2017, Poya sponsored the portable digital wireless disaster rescue equipment for Tainan City Government Fire Bureau and expected to be the backing of the first-line rescue team. Poya sponsored “Asian Cultural Council” and expected the ACC Grant Plan continuously to educate more talented Taiwanese artists, scholars and groups to perform on international stages. Poya sponsored “National slow-pitch soft ball championships for hearing impaired labor” to encourage participants. Poya sponsored “Lantern Festival Parade” held by Hemei Town in Changhua city to celebrate the holiday with children. Poya responded to the activity of “Winter Coupons for traveling Penghu in 2017” and sponsored the second-term “A-Line Superstar Competition.” Through social participation, Poya hopes to promote positive social culture and its value.

As a member of Taiwan society, Poya shall not only provide customers high-quality products and considerable services but also dedicate itself to the society and to the whole Taiwan. Poya shall thank the customers’ support and love by action.

## 6.1 Employee Care

Poya is a female-orientated store mainly selling trendy cosmetics, personal products and daily groceries to the customers. It is Poya’s brand image of “Beauty, Trendy and Color” that everyone in Poya connects the daily lives and the work. As such, the monotonous works become colorful and Poya’s employees can be more sensitive to the fashion trend through working.

Poya regards all the employees at an equal base and avoids any discrimination owing to race, social class, language, thought, religion, political party, birthplace, gender, sexual orientation, marriage, appearance, age, disability and the status of member of labour union. Poya also hired the female employees who were married or who would like to back to the career market. By the end of 2017, there were 4,462 employees in Poya. The average age is 28 years old. 1.3% of employees were the disabled. Besides, there were 58 aboriginal employees. Poya provided a kind working space with multi culture.

### Employee Structure(As of Dec. 31, 2017)

There are 4,462 employees in Taiwan.



#### ①By Area :



North	345	1,137
Central	225	937
South	183	686
Kao-Ping	173	776
<b>Total</b>	<b>926</b>	<b>3,536</b>

#### ②By Age :



<20 Yr.	125	514
21-30 Yr.	426	1,908
31-40 Yr.	279	852
41-50 Yr.	81	225
>50 Yr.	15	37

#### ③By Education :



Junior	11	30
Senior	161	945
College	62	226
University	677	2,312
Graduate School	15	23

#### ④By Position :



Senior Managers	28	16
Middle Managers	140	59
Basic Managers	254	977
Staff	504	2,484

⑤ By New Employees / Ex-serving Employees :



New	North	Central	South	Kao-Ping
<20 Yr.	56	25	19	21
21-30 Yr.	212	121	86	102
31-40 Yr.	61	15	12	24
41-50 Yr.	13	1	4	12
>50 Yr.	0	2	0	0

Ex-serving	North	Central	South	Kao-Ping
<20 Yr.	69	31	21	26
21-30 Yr.	228	120	106	108
31-40 Yr.	64	21	13	19
41-50 Yr.	7	0	3	9
>50 Yr.	0	2	0	0



New	North	Central	South	Kao-Ping
<20 Yr.	239	113	114	89
21-30 Yr.	638	472	290	315
31-40 Yr.	141	70	43	82
41-50 Yr.	41	10	7	14
>50 Yr.	7	0	4	2

Ex-serving	North	Central	South	Kao-Ping
<20 Yr.	283	128	115	88
21-30 Yr.	549	432	311	296
31-40 Yr.	118	63	51	62
41-50 Yr.	42	4	11	14
>50 Yr.	4	1	5	2

By the end of 2017, Poya operated up to 177 stores. As there are more and more new stores opened, Poya has an increasing demand on labor. In terms of recruitment, Poya puts the most efforts to ensure that the recruiting process is fair, open and transparent, choosing appropriate person based on its professional capability and experience. Besides, In order to increase the customers' value and offer the better services, Poya expects all of the employees can have enthusiastic attitudes toward works and can grow with Poya.

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

■ Compensation and Welfare of Employees

**Compensation system**

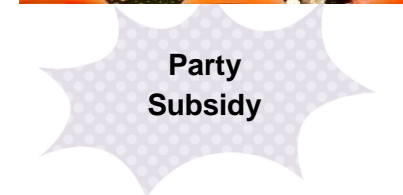
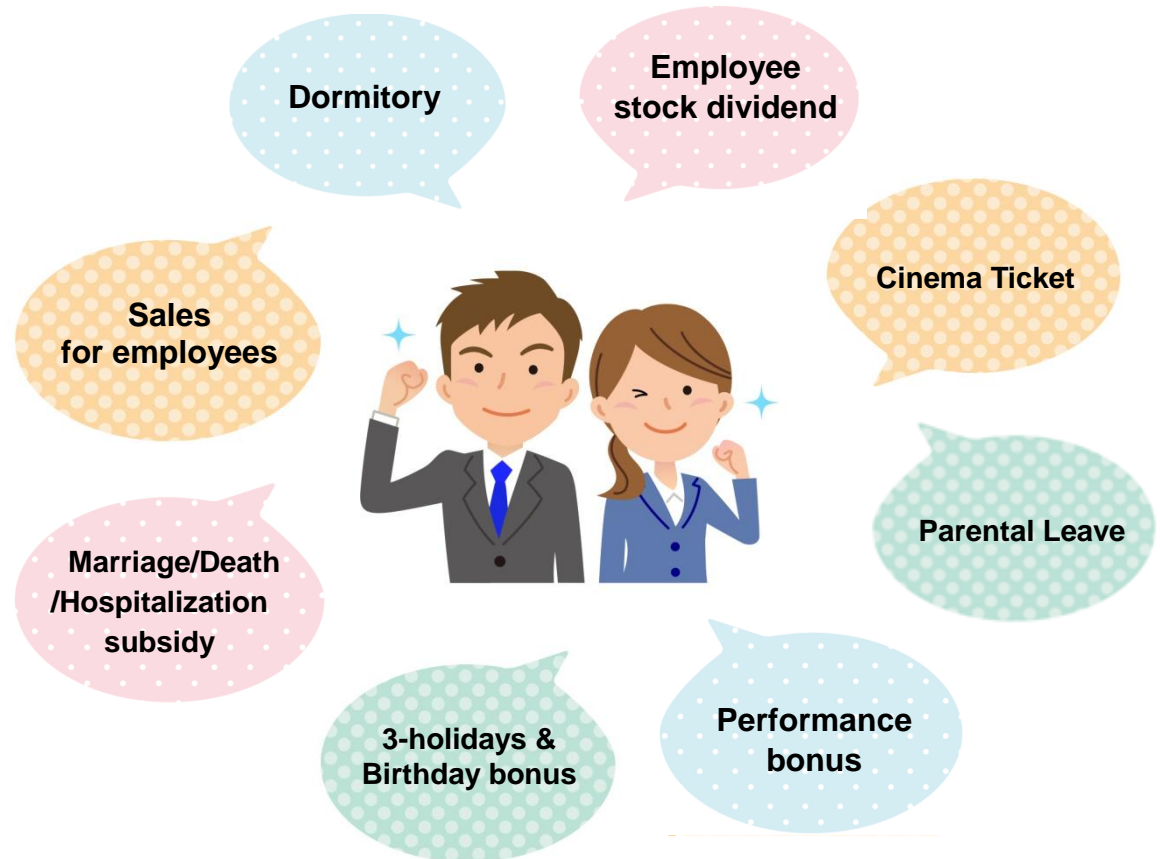
Poya puts emphasis on the fairness of the compensation system and avoids any difference in compensation because of the age, race, or gender. All employees are paid equally for the same job. Yet, the salary adjustments will be given based on the regular overall performance evaluation since Poya advocates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

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

**Employee Welfare Committee**

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

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





The female employees accounted for 79.2% of total employees. In order to protect their rights and let them keep balance within work, healthy and family, Poya offered menstrual leaves, family care leave, maternity leaves, paternity leaves, breast-feeding time and the procedures of leave without pay. The breast-feeding rooms with convenience, privacy and safety were offered in headquarter and part of stores.

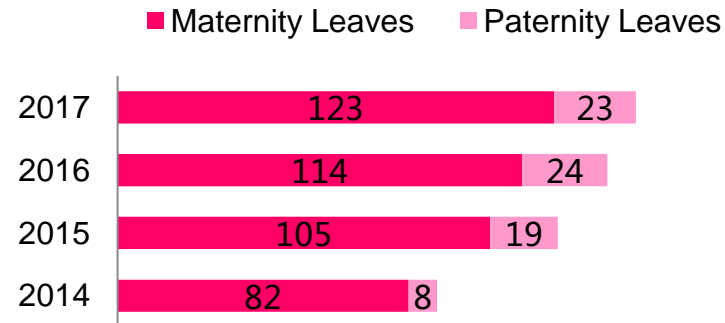
### Menstrual Leave

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

### Family Care Leave

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

### People in maternity leaves and paternity leaves from 2014 to 2017



### The reinstatement rate and the ratio of employees in parental leave to total employees in 2017

To cope with government, 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 2017 was 54%. By the end of 2017, the reinstatement rate of the employees was up to 61%. Some employees were still on parental leave, and some employees resigned from their positions due to family factor or personal career planning.

## Complete work environment

In order to provide comfortable and spacious working space, Poya renovated the office, pantry room and meeting rooms in 2015. Poya put the microwave into each branch in 2016 to offer a convenient rest space for employees. Poya also created a breastfeeding room which with privacy and safety voluntarily before government required, and a freezer and sofa were provided to increase the functionality and convenience.

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

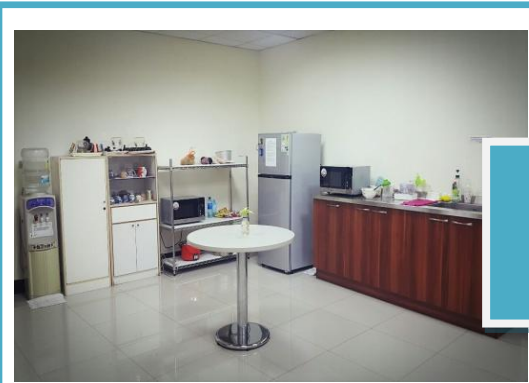
For the promotion of job safety, Poya regularly offers the training courses of labor safety to related personnel of general administrative division every year. Poya hopes that the courses can help employees emphasize on their safety and also lower the probability of the accidents. In 2017, there were 28 employees taking the course of labor safety with 228 hours in total.

Poya will insure the related responsibility of any store construction or renovation for at least NTD 20 million and will also appoint a manager at the construction site to supervise the labors and do the safety management. If there is any accident, the injured employee will be sent to the hospital accompanied by the manager and will gain the indemnification. During the construction period (about two months), all the construction sites will be surrounded by the metal fence to avoid the 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 the policies of employee safety and protection, Poya had no internal or external employees died or injured in 2017 because of corporate facilities, policies or construction.



Regularly Safety Inspection

Microwave in pantry room



Spacious and comfortable pantry room



Breastfeeding room



## Training system and development

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



Figure 6.1 E-learning platform

Performance of employee career training in 2017 :

Course Name	Hours of study	Lessons	Participants	Total hours
OJT Evaluation	7	25	597	4,179
Section Manager Assessment	7	26	666	4,662
Assistant Store Manager Assessment	7	24	327	2,289
Total		75	1,590	11,130

Course Name	Course Frequency	Total Participants	Total hours	Total Expense (NTD)
Basic-level Training	25	597	4,179	1,301,300
Manager Evaluation	50	993	6,951	

**75 lessons were provided in 2017**

**1,590 employees were participated**

**Total were 11,130 hours**

**Complete regular job training and promotion system**

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

**Management Trainee** → **Section Manager** → **Assistant Manager** → **Store Manager**

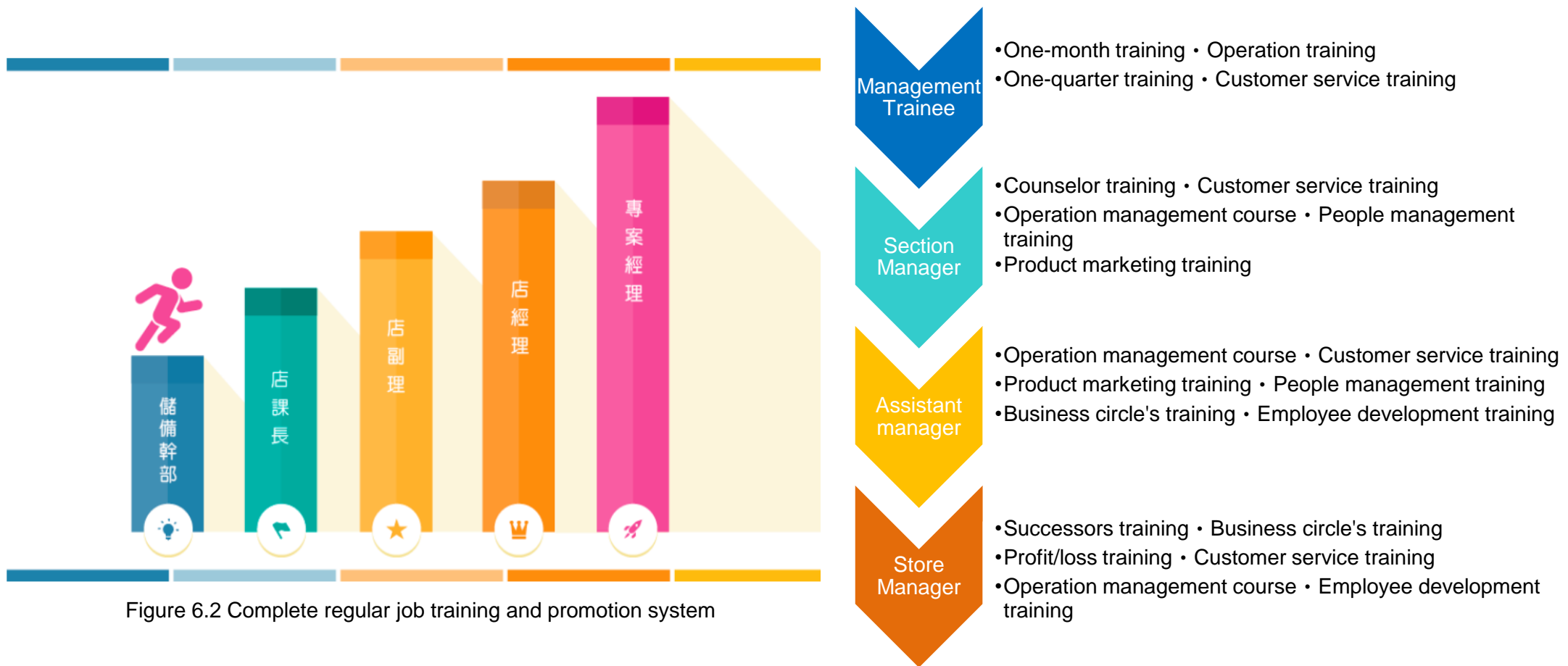
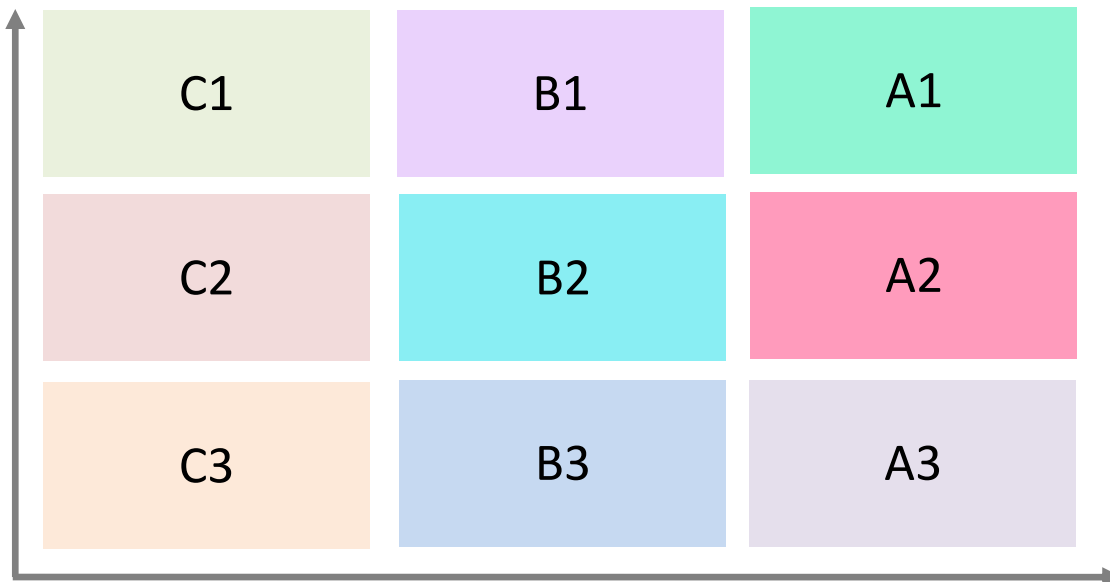


Figure 6.2 Complete regular job training and promotion system

## Performance management system

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

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



## Retirement system

By allocating sufficient amount of pension fund, Poya has established a complete pension fund system to the employees.

Poya International 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.

### Figure 6.3 Nine levels of KPI The evaluation contents

(Taking Finance and Accounting Division as an example)

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

## Complaint Mechanism

- Employee relations management

### Communication

Poya International devotes to upgrading 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, Connections to make an effective, two-way communication with employees. The opinions from employees could be heard sufficiently.

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

### Fair Work Rights

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 avoid discrimination owing to gender, age, race, colour, religion, political parties and disability. It is inalienable that all the employees in Poya deserve equal protection and treatment. During the report period in 2017, there is no discrimination occurred in Poya. Poya shall abide by the relative rules and regulations to do any operating activity or to make any investment commitment, and therefore Poya do not additionally include any clause of human rights in the contracts. However, Poya puts much emphasis on human protection and requests all the employees to handle the human right issues according to the laws and regulations. Poya do not recruit child labors and there is no recruitment of child labors during the report period in 2017.

Poya do not have any forced or compulsory labor since Poya always ensures that all the employees for offering services and the entire conditions of employment are all on a voluntary basis. 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.



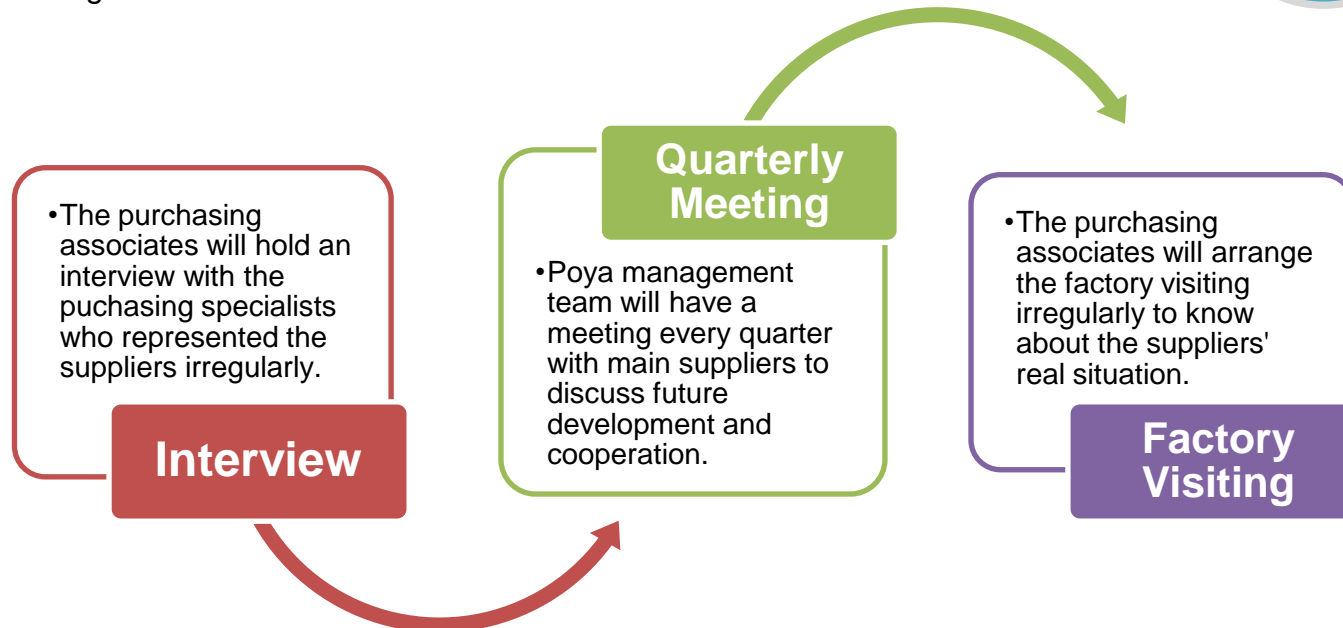
## 6.2 Supply Chain Management

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

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



### ■ Supplier Management



■ Food Safety and Product Safety

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

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

In 2016, there was an accident that Poya was selling expired products. Because too many products in store, it is really challenge to execute the expiry date checking. Before it happened, Poya did the monthly checking or irregular checking before displaying. However, the execution still couldn't be made perfectly. After that, Poya reinforce our checking process and recheck by business planning division and audit office. Once the abnormal products are picked, Poya will soon send the notice to all the branches to ask employees to check the quality. Now, Poya puts more emphasis on the product quality and expiry date. These two matters are listed in the key items of store inspection.

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

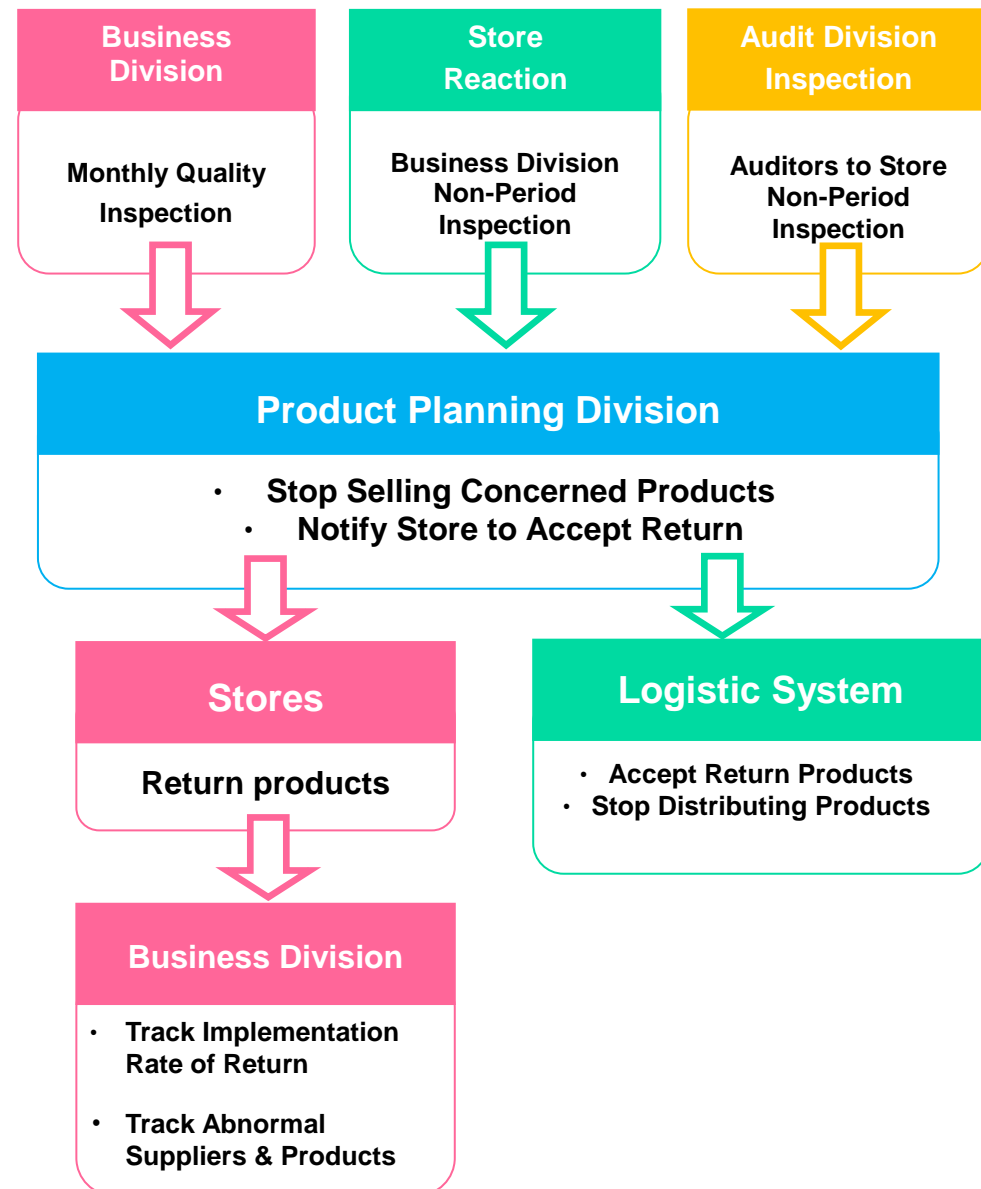


Figure 6.4 Poya monthly quality inspection flow chart



■ Suppliers Cooperation

Based on the sales number and focus group interviews, Poya catches the trend and develop the possible product. If the potential demand of new product is confirmed, Poya will work with suppliers to develop and produce this new merchandise.

For increasing the suppliers' interests in developing new products, Poya will contract with suppliers to purchase specific quantity. Besides, Poya will feedback customers' opinions to our suppliers in order to assist product development as well.

Under the cooperation, customers get the products they want. Suppliers reward higher product sales. And Poya increases sales and level of customer satisfaction. Therefore, the cooperation creates triple win for Poya, consumers, and suppliers. (Figure 6.5)



Figure 6.5 Suppliers Cooperation Model

■ Precise Order

Poya improves the ability of order precision. For suppliers, the improvement decreases operation risk and the negative influence of return bulk orders. In Poya, first, the automatic order system, based on sales volumes, suggests the best order of specific products.

Secondly, store staff reviews the suggestion to check the appropriation. Finally, store managers check the reviewed order again to achieve order precision.



■ Plan of Centralized Logistic Center

Before logistic system built, the suppliers should process orders from all Poya's stores. And they delivered products by deliver fleet or by product owners to all Poya's stores. However, as the stores number increased, up to 177 stores in 2017, many of middle and small cap suppliers had problem in delivering.

In 2011, Poya started the plan of centralized logistic system. The problem solved. In the future, suppliers only deliver one time to logistic center, instead of 177 times to all stores. The plan decreases the labor and the delivery cost for suppliers, and leads our suppliers to grow up with Poya.

## 6.3 Customer Service

So far, Poya kept heading to the goal, "A more preferred Poya by the customers." We focused on quality, safety of products and customer demand, devoting to providing the most comfortable, safe and convenient shopping environment and high quality products. Facing the trend of integration in real and virtual stores, Poya started to develop e-commerce plan to fulfill diversified demands from customers.

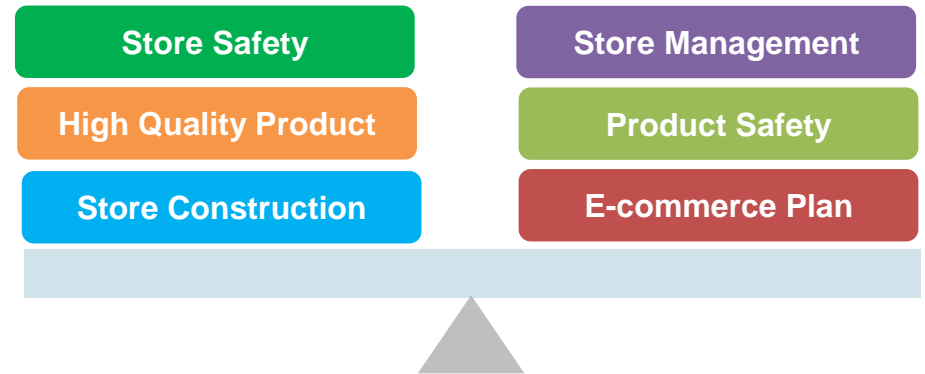
### ■ Quality and Safety of Products

For understanding customers' demands and raising satisfaction, Poya held focus group interview and accompanied shopping (see Figure 6.6) with those representative customers. Every year, Poya replaced almost 20% to 30% merchandises. And our merchandises policy emphasized on introducing products with safety, high quality, and closer customers' demands.

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



Figure 6.6 Focus group meeting and accompany shopping in Poya

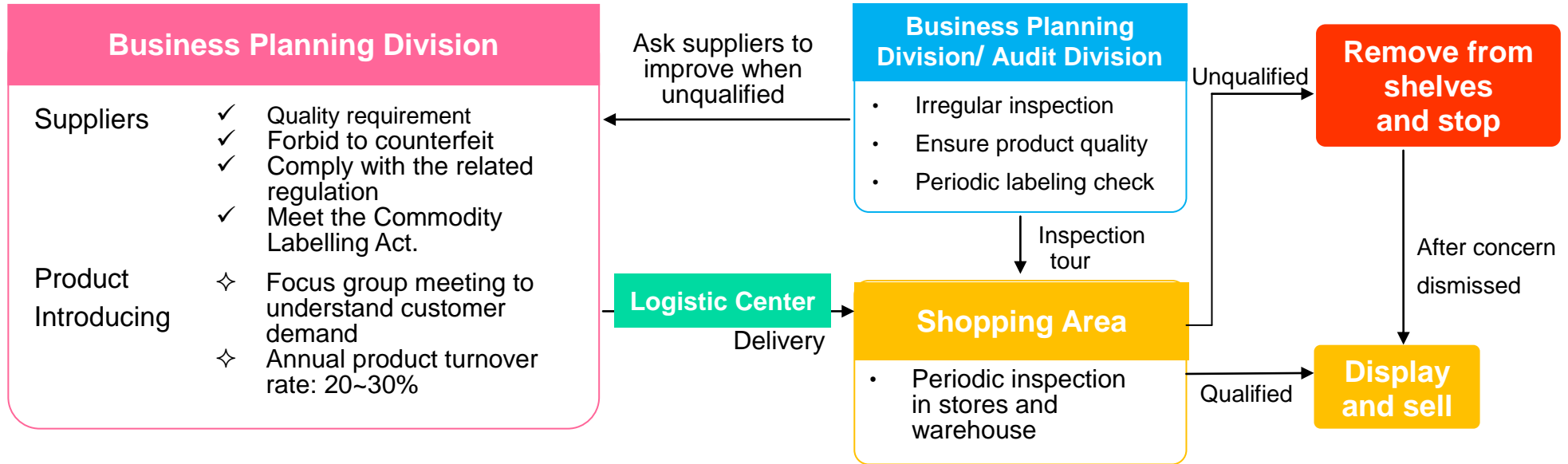


### ■ Labels of Products

Poya strictly requests our suppliers that all labels of products should abide by the Product Labeling Law, which helps consumers to get sufficient information and correct usage of products. For imported products, Poya requests the labels and instructions should attach the Chinese version, and the context should be consistent with those in foreign language. Any warning on the original label of imported products or services should be attached on the Chinese label. Poya checks the product labels periodically. If any concerns exist, Poya will inform our suppliers and request them to solve the problems. Also, employees in Business Division will track the performances of concerned suppliers, and eliminate those without improvement.

In stores, all products come with price tags. Due to promotion products which changed every month, those tags are updated monthly by store staff. Through this action, customers get the price information clearly, and the right of customers is protected.

## Management Procedure of Product Quality and Safety



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



**Dried Fruits**  
Fresh made and  
non-artificial snack



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



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

## ■ Store Construction and Safety

Poya always takes this idea, “Best Services and Customer Orientation”, deeply in mind. For better customer services, in 2017, Poya upgraded stores to the fifth generation format which provides more lightful and comfortable shopping place. In addition, Poya cares about the safety of shopping area. In order to provide a safer shopping environment, the employees of Store Engineering Department will check up, review and maintain the store equipments regularly to ensure the store safety. So far, Poya continues to make upgrade and improvement to let customer have much better shopping experience in our stores.

### 5th generation store format:



#### ■ Main route design

Main route design which helps consumers to search products easily and faster.

#### ■ One stop shopping service

Increase sku by 20% to almost 53,000 sku to fulfill one stop shopping demand



#### ■ Interactive shopping experience

There are displayed dummies to demonstrate products. And those products are open to touch, try, wear, and smell. By trying out, customers can get the features of products, and ensure to match the demands. In addition, Poya offers audio and visual equipment to introduce products and improve interaction with consumers.



#### ■ Functional shopping area

Poya provides shopping carts and elevators in stores. Some of stores also set restrooms and free parking. The facility let consumers enjoy shopping in Poya.

### Store safety precaution :

- ☑ For shopping area safety, Poya always makes fully preparation to prevent customers from any potential risk. In addition to educate store staffs the concept of public and firefighting safety, Poya also insures public liabilities insurance for customers. If any accident occurs in one of the Poya store, the injured customer will be sent to the hospital accompanied by the store staff and will gain the indemnification.
- ☑ Store Engineering Department would check up, review and maintain store equipments regularly. If any breakdown or damage is detected, the Store Engineering Dep. will be informed to repair the equipment immediately.



Design furrow in shelves to protect wires from being damaged.



Strengthen structure can fasten the wall shelves in case of falling by the earthquake.



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

## ■ Store Operation Checking System

Until the end of 2017, there are 177 stores of Poya. To sufficiently control service quality, Poya completes the Store Operation Checking System and uses this system in all stores. For those stores need to be improved, Poya will focus on store staff training and operation process modification to increase service quality and professional image.

### Step 1

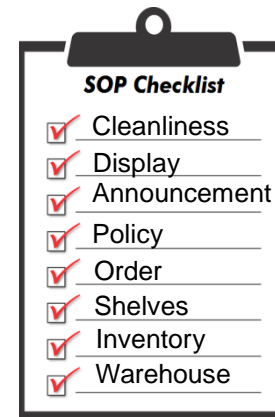
#### Service Quality Audit

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

### Step 2

#### Standard Operation Process(SOP) Check

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



### Step 3

#### Store KPI Conference

The conference, held by general manager and participated by staff of Business Division and Finance and Accounting Division, reviews the performances of all stores. By the cost and benefit analysis and store operating report, the conference will detect the potential problems of the store and point out solutions.

### Step 4

#### Store Operation Assistance

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



Through operation assistance, store managers improve skills in placing order, specific shopping district operating, analyzing ability of cost and profit of stores. The operation experiences will retain in Poya knowledge base and be shared with other managers.



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

### Linsen Branch in Taipei

8/4 Email: Compliment from Miss Hu

Last week, my mom went to Poya and felt store staffs are enthusiastic. They would take the initiative to help. When they found that my Mom cannot speak fluent Mandarin, they friendly chatted with her in Taiwanese and directed her in the store without any impatient. I'd like to say thank you to store manager for good employee training and to the clerk for giving my Mom a pleasant shopping experience.

### SanXia WenHua

10/27 The Phone call: Compliment from Miss Chen

I'd like to give praise to the store manager, Mr. Lin. Yesterday, I went to buy socks and the inventory was not enough. She ordered from other branches for me and suggested that it is sooner to pick up by a scooter. Since I said I didn't ride a scooter, she rode a scooter to pick up 3 pairs in Yingge and 2 pairs in a evening market for me! She really deserves praises. I planned to say "thank you" in person this morning but she was not on her shift so I called customer service first.

### WenXin ShanXi

10/31 Email: Compliment from Miss Zheng.

When I checked out, the cashier, Miss Zheng found I purchased Biore's makeup- remove cottons and facial cleansers. She suggested me to add a little more dollars to get Nivea's cotton. She said it is easier to use and can be stored. She also bought it for herself. I feel very thoughtful. I'd never received this kind of service so I took three packs without thinking. Thanks Poya for training front-line clerks so well. They understand how to give customers good deals. Please give great encouragement to the clerk!

### Dingshan in Kaohsiung

9/8 Email: Compliment from Miss Ke.

On 9/5, I went to many Poya stores to buy H olike eyeliners but they are out of stock. Finally, I went to Dingshan store in Kaohsiung. Although there were no inventory as well, the clerk, Miss Lu contacted at least 3 branches to back orderd for me and informed me to pick up my orders on the next day. Miss Li was trying so hard to solve customers' problems. I'm so touched. Thanks Poya for having such good employees. Bless Poya to flourish in business.

■ E-Commerce Plan

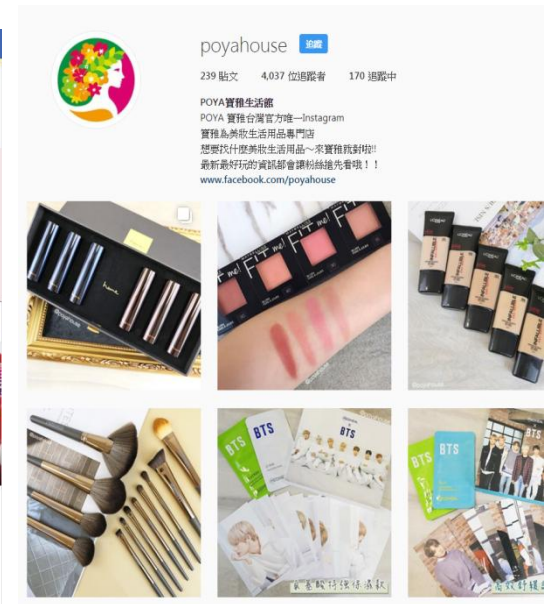
E-commerce is flourishing since smart phones and mobile devices are general. What e-commerce attracts everyone is about exploring items, comparing prices, and shopping without time and space restriction when mobile devices on hand. Because of busy life, consumers switch their shopping style from buying in brick-and-mortar stores to buying in e-commerce. For them, e-commerce becomes a time saves and convenient choice. Thus, to provide diversified shopping channels, Poya started to plan the virtual store in YAHOO (Figure 6.7), Facebook Fan Page, Instagram (Figure 6.8), and Poya App (Figure 6.9). Approximately 0.95 million downloads for Poya App cumulatively by the end of 2017.



Figure 6.7 Poya Virtual Store in Yahoo



Figure 6.8 Poya Facebook and Instagram Fan Page



☑Poya posts the demonstrations of featured products, used by popular bloggers or models on Facebook and Instagram page. Those are lively discussed by Poya's fan group.

☑Fan Page provides not only the news included promotions, featured products, fashion, but also the more friendly services to fans.

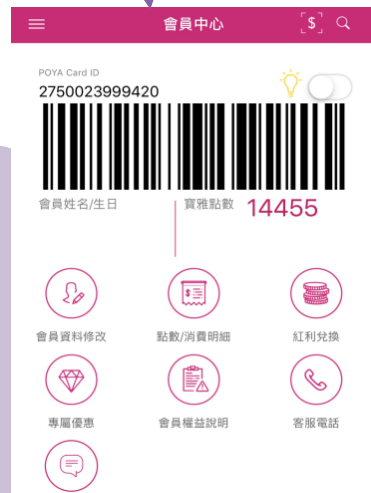


**Figure 6.9 Poya App**

Customers can anytime explore Poya App about hot sale products, online flyers, and marketing activities, etc. From App, customers can directly shop items by connecting Poya online Yahoo store. Besides, the App can also provide more product information by login to Facebook fan group.



**Special offer for app-members only**  
Update different app discounts toward different members periodically. Get discount price by showing App page when checking out.



**Check Me**  
Solve missions and get redeem points. Missions include scanning the barcode of assigned products, buying assigned goods, scanning the invoices, etc. Members collect points to redeem small gifts, like treasure hunt games, increasing shopping fun.

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



## 6.4 Map of GRI Index

### ■ General Standard Disclosures

Index	Content	Chapter	Page
<b>Strategy and Analysis</b>			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization's strategy for addressing sustainability.	02 Start on Poya's CSR- A Message from the Management	P5-6
<b>Organizational Profile</b>			
G4-3	Report the name of the organization.	04 About Poya International-Corporate Profile and Industry Overview	P13-14
G4-4	Report the primary brands, products, and services.		P13-14
G4-5	Report the location of the organization's headquarters.		P13-14
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in their report.	04 About Poya International- Operation Strategy	P15
G4-7	Report the nature of ownership and legal form.	04 About Poya International-Corporate Profile and Industry Overview	P13-14
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	04 About Poya International-Corporate Profile and Industry Overview 04 About Poya International –Operation Strategy	P13-14 P15

Index	Content	Chapter	Page
G4-9	Report the scale of the organization, including: total capitalization, total number of operations and employees, net sales).	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	P13-14 P15 P16 P40-48
G4-10	Report the total number of employees (with the disclosure of “d” by region and gender)	06 Society-Employee Care	P40-48
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	*In Taiwan, normal employees of Poya can express themselves by employee welfare committee and complaint mechanism. Currently, there is no labor union or consultation mechanism.	
G4-12	Describe the organization’s supply chain.	06 Society-Supply Chain Management	P47-49
G4-13	Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain.	*Poya do not have any significant change of the size of organization, structure, ownership, or its supply chain.	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization (such as measures of risk management under business operation, methods of developing and promoting new products or services).	04 About Poya International-Operation Strategy 04 About Poya International -Investor Relations Management 06 Society-Supply Chain Management 06 Society-Customer Service	P15 P17-27 P47-49 P50-56
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	02 Start on Poya’s CSR-External Awards 05 Environment –Greenhouse Gas Inspection 06 Society-Employee Care	P7 P29-30 P38-46

G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body /participates in projects or committees/provides substantive funding beyond routine membership dues/views membership as strategic.	*Poya is the member of TCFA and Tainan Yizai Association.	
Index	Content	Chapter	Page
Identified Material Aspects and Boundaries			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Shareholders Report *All entities included in the organization's consolidated financial statements or equivalent documents have been covered by the report.	P105-145 -
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	03 Identification and Communication of Stakeholders	P9-11
G4-19	List all the material Aspects identified in the process for defining report content.		
G4-20	For each material Aspect, report the Aspect Boundary within the organization.		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	*None	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	*None	
G4-24	Provide a list of stakeholder groups engaged by the organization.	03 Identification and Communication of Stakeholders	P9-11
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.		

G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.		
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.		
<b>Index</b>	<b>Content</b>	<b>Chapter</b>	<b>Page</b>
<b>Report Profile</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	01 About the Report	P4
G4-29	Date of most recent previous report (if any)		
G4-30	Reporting cycle (such as annual, biennial)		
G4-31	Provide the contact point for questions regarding the report or its contents.		
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured.	01 About the Report 06 Map of GRI Index	P4 P57-67
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	*None	

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<b>Governance</b>			
G4-34	Report the governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	04 About Poya International –Inverstor Relations Management	P17-27
G4-38	Report the composition of the highest governance body and its committees by independence, gender, and number of each individual’s other significant positions.	04 About Poya International –Inverstor Relations Management	P17-27
<b>Ethics and Integrity</b>			
G4-56	Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	04 About Poya International –Corporate Profile and Industry Overview 04 About Poya International –Inverstor Relations Management 06 Society-Employee Care 06 Society-Supply Chain Management 05 Society-Customer Service	P13-14 P17-27 P38-46 P47-49 P50-56
G4-58	Report the intenal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational intergrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	06 Society-Employee Care	P38-46

■ **Specific Standard Disclosures(Three Categories – Economic, Environment and Social)**

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<b><u>Economic Category</u></b>			
<b>Economic Performance</b>			
G4-DMA	Disclose the management approach	Shareholders Report	P60-74
G4-EC1	Report the direct economic value generated and distributed	04 About Poya International-Financial Results Shareholders Report	P16 P105-145
G4-EC3	Report the coverage of the organization’s defined benefit plan obligations.	06 Society-Employee Care	P38-46
<b>Market Presence</b>			
G4-DMA	Disclose the management approach.	06 Society-Employee Care	P38-46
G4-EC6	Report the proportion of senior management hired from the local community at significant locations of operation.	06 Society-Employee Care	P38-46
<b>Procurement Practices</b>			
G4-DMA	Disclose the management approach.	06 Society-Supply Chain Management	P47-49
G4-EC9	Report the proportion of spending on local suppliers at significant locations of operation.	06 Society-Supply Chain Management	P47-49
<b><u>Environmental Category</u></b>			
<b>Energy</b>			
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G4-EN6	Report the reduction of energy consumption	05 Environment -Greenhouse Gas Inspection	P29-30
G4-EN7	Report the reductions in energy requirements of products and services.	05 Environment -Programs of Water Conservation, Energy Saving and Carbon	P31-33 P34-35

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<b>Water</b>			
G4-DMA	Disclose the management approach.	05 Environment	P29-35
G4-EN8	Report total water withdrawal by source.	05 Environment -Programs of Water Conservation, Energy Saving and Carbon Reduction	P31-33
G4-EN9	Report water sources significantly affected by withdrawal of water.		P31-33
G4-EN10	Report the percentage and total volume of water recycled and reused.		P31-33
<b>Emissions</b>			
G4-DMA	Disclose the management approach.	05 Environment	P29-35
G4-EN15	Report direct greenhouse gas (GHG) emissions (Scope 1).	05 Environment – Greenhouse Gas Inspection	P29-30
G4-EN16	Report energy indirect greenhouse gas (GHG) emissions (Scope 2).	05 Environment – Greenhouse Gas Inspection	P29-30
G4-EN19	Report the reduction of greenhouse gas (GHG) emissions	05 Environment -Greenhouse Gas Inspection 05 Environment -Programs of Water Conservation, Energy Saving and Carbon Reduction 05 Environment -Plan of Centralized Logistic Center	P29-30 P31-33 P34-35
<b>Products and Services</b>			
G4-DMA	Disclose the management approach.	05 Environment	P29-35
G4-EN27	Report the extent of impact mitigation of environmental impacts of products and services	05 Environment -Programs of Water Conservation, Energy Saving and Carbon Reduction	P31-33 P34-35

		05 Environment -Plan of Centralized Logistic Center	
<b>Transport</b>			
G4-DMA	Disclose the management approach.	05 Environment	P29-35
G4-EN30	Report the significant environmental impacts of transporting products, other goods and materials for the operation, and transporting employees.	05 Environment -Plan of Centralized Logistic Center	P34-35
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<b><u>Social Category: Labor Practices and Decent Work</u></b>			
<b>Employment</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-LA1	Report total number and rates of new employee hires and employee turnover by age group, gender and region.	06 Society-Employee Care	P38-46
G4-LA2	Report the benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	06 Society-Employee Care	P38-46
G4-LA3	Report return rate of return after paternity leave, by gender.	06 Society-Employee Care	P38-46
<b>Occupational Health and Safety</b>			
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G4-LA6	Report the type of injury and frequency of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	06 Society-Employee Care	P38-46
<b>Training and Education</b>			
G4-DMA	Disclose the management approach.	06 Society	P38-46



G4-LA9	Report the average hours of training per year per employee by gender and by employee category.	06 Society-Employee Care	P38-46
<b>Diversity and Equal Opportunity</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-LA12	Report the composition of governance bodies and category of employees according to gender, age group, minority group membership, and other indicators of diversity.	04 About Poya International-Inverstor Relations Management 06 Society - Employee Care	P17-27 P38-46
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<b>Non-discrimination</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-HR3	Report the total number of incidents of discrimination and corrective actions taken.	06 Society - Employee Care	P38-46
<b>Child Labor</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-HR5	Report the operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	06 Society - Employee Care	P38-46
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G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-HR6	Report the operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	06 Society-Employee Care	P38-46
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<b><u>Social Category: Society</u></b>			
<b>Anti-corruption</b>			
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G4-SO4	Report the communication and training on anti-corruption policies and procedures.		P17-27
G4-SO5	Report the confirmed incidents of corruption and actions taken.		P17-27
<b>Anti-competitive Behavior</b>			
G4-DMA	Disclose the management approach.	04 About Poya International-Corporate Profile and Industry Overview	P13-14
G4-SO7	Report total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		P13-14
<b><u>Social Category: Product Responsibility</u></b>			
<b>Customer Health and Safety</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56
G4-PR1	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	06 Society - Customer Service	P50-56
<b>Product and Service Labeling</b>			
G4-DMA	Disclose the management approach.	06 Society	P37-56

G4-PR3	Report the type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	06 Society –Customer Service	P50-56
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